NINTH MEETING

Friday, 21 January 2005, at 14:10

Chairman: Mr D.Á. GUNNARSSON (Iceland)

PROGRAMME AND BUDGET MATTERS: Item 5 of the Agenda (continued)

Proposed programme budget 2006-2007: Item 5.2 of the Agenda (Documents PPB/2006-2007, PPB/2006-2007 Add.1, EB115/45, EB115/INF.DOC./3, EB115/INF.DOC./4 and EB115/INF.DOC./5) (continued)

Dr ANTEZANA ARANÍBAR (Bolivia) said that the introduction to the budget document had provided a useful overview of the new vision for results-based budgeting. The priorities listed were in line with those identified by Member States at the previous Health Assembly and at the recent meeting of the Programme, Budget and Administration Committee, and had been accorded the largest allocations of resources. One of the six specific areas of work, Planning, resource coordination and oversight, heralded a move towards a robust and supportive managerial environment. Management was vital at all three levels of the Organization. Country programmes would not be implemented effectively if Member States lacked managerial capacity.

The Board commented mainly on one third of the overall budget of the Organization, the regular budget, and very little, if at all, on voluntary contributions. To redress the balance, he suggested that a proportion of extrabudgetary resources should be allocated to such agreed expenditures as administration, management and coordination, and to a fund to be used by the Director-General to finance neglected programmes or support countries in particular need, as required, on a case-by-case basis.

The allocations shown in the Proposed programme budget required clarification. For example, in respect of Communicable disease research, 91% of the allocation was for headquarters and only 3% for countries, while for Health information, evidence and research policy the respective figures were 22% and 47%. Research was apparently a centralized concept, but it was unclear whether research capability was considered to be at the headquarters level, or whether it was at that level that the decisions on where and how research was done were to be taken. There was a similar problem with the proposals for Essential medicines. The descriptive text was well presented but the allocation showed 41% for countries, 41% for headquarters and 18% for regional offices. Some explanation was required of the application and consistency of criteria used to determine the various allocations. WHO's normative functions, which could only be fulfilled by the Organization, for example activities on the International Classification of Diseases, biological standardization and International Nonproprietary Names, should be financed from the regular budget. The resulting standards would remain a dead letter, however, unless they were used by Member States. Extrabudgetary funds should therefore perhaps also be earmarked to support the implementation of such standards. Some adjustments were needed, therefore, to rectify the imbalances he had mentioned and provide a budget more consonant with the wishes of Member States.

Dr BRUNET (alternate to Professor Dab, France) expressed appreciation of the rapid response by the Secretariat to the questions raised at the recent meeting of the Programme, Budget and Administration Committee. France supported the Proposed programme budget 2006-2007 on account of its global structure and because the priorities for which an increase in allocations was provided matched its own priorities. It also supported the proposed increase because it endorsed the objectives and was concerned at recent trends in the proportions of the overall budget represented by regular and

extrabudgetary resources. However, the budget as presented did not rectify that situation since it showed a greater increase in extrabudgetary resources. He recognized the efforts made by WHO to improve its management methods and to distinguish between programmes that should be funded from the regular budget and those to be paid for out of extrabudgetary resources. Further progress was to be hoped for in applying the principles of strategic resource allocation. He had some doubts about the application of those principles to the allocation between the three different levels of the Organization. The exercise was not yet complete but the development of a more effective tool for the allocation of regular and extrabudgetary resources was a step in the right direction. Since it was still unclear whether Member States would agree with France's view that a budget increase was required, he endorsed the comments made at the previous meeting by the member for Luxembourg, which accorded with the views of many European countries. For many years Member States, including France, had asked WHO, through the resolutions adopted, to take on more tasks. They must realize the financial implications of those demands, including those presented at the Board's current session. First, it was important to quantify as far as possible the additional funds that the new tasks would require; then it was for Member States to provide the necessary resources. If Member States were not prepared to agree to a budget increase, they would have to determine which activities were to be reduced. That was a difficult exercise; the savings presented so far covered only a few areas of work and some, such as eHealth, did not amount to significant sums. Further savings could clearly be made through improved management, but programme cuts would also be needed. France could not accept any cuts in allocations to the priority programmes.

Mrs LE THI THU HA (Viet Nam) said that the programme budget documents showed an integrated, strategic approach to planning and budgeting and established clear Organization-wide priorities and objectives for the biennium. She noted with satisfaction the incorporation of some proposals made by Member States at the 2004 meeting of the Regional Committee of the Western Pacific. Despite the critical health challenges it was facing, Viet Nam supported the proposed increase in the overall budget of 12.8%. At the Regional Committee meeting, Member States had expressed concern that the proposed allocation to the Region showed an increase of only 0.3% compared with the previous biennium, the smallest increase among the regional allocations. The Region was the most populous and bore the dual burden of communicable and noncommunicable diseases: it had four countries out of the 22 with a high burden of tuberculosis, and HIV/AIDS was spreading rapidly. It had also been hard hit by the severe acute respiratory syndrome (SARS) and avian influenza in 2003 and 2004, and was prone to similar outbreaks that might well spread globally and do substantial economic and social harm to Member States in other regions. The countries of the Western Pacific therefore considered that the Region deserved a larger allocation.

Ms HALTON (Australia) reiterated her country's commitment to budgetary restraint and efficiency in all United Nations organizations, including WHO. It was sometimes difficult to justify regular and extrabudgetary contributions to the Australian public; improved performance information would facilitate that task. The pressures faced by the countries of the Western Pacific Region mentioned by the previous speaker were of significant concern and should be taken into account. She could support a modest increase in the Proposed programme budget, but not one of the size proposed by the Director-General. It was appropriate to give priority to the six areas targeted for intensified activity but more detailed justification was needed for the specific budgets being sought. It remained unclear what the increased funding would actually achieve. Although economizing in a range of areas, including travel and information technology, was commendable, there was scope for further savings. She concurred with the member for the United States of America that consideration should be given to terminating some programmes, although clearly such a task would not be easy. Priority should go to new measures that would facilitate the diversion of existing resources to the six priority areas.

Mr PÉREZ LÁZARO (alternate to Dr Lamata Cotanda, Spain) observed that, as more was being demanded of the Organization and adjustments had been made in respect of programmes that were no longer of high priority, the next logical step was to ask Member States to increase their contributions,

as indicated in the Proposed programme budget 2006-2007, in order to rationalize multilateral support. The proportion of the overall budget accounted for by extrabudgetary resources had risen to around 70%, which, inter alia, endangered the financial independence and normative role of the Organization. There were undoubtedly further programmes and areas of work whose priorities needed adjustment; that should permit some cuts in allocations in the short and medium term, any savings being redirected to areas pertinent to achievement of the Millennium Development Goals.

Mr KHAN (Pakistan), speaking on behalf of the countries of the Eastern Mediterranean Region, commended the efforts made in formulating the Proposed programme budget 2006-2007 and the consultations with the Regions. He welcomed the progress made in developing guiding principles for strategic resource allocation across the Organization as requested by the Health Assembly; all programmes should be results-based and health indicators improved. Good governance, a primary concern for developing countries, was also essential.

Greater weight should be given to population size and disease burden in determining resource allocations, with bigger allocations to country offices. In the Region, disease patterns were changing, with many countries experiencing the dual burden of communicable and noncommunicable diseases; countries had also been experiencing increased turmoil due to conflict in the past decade that had destroyed health infrastructures, prevented the collection of health information and led to the reduction or disappearance of human resources for health. Some 100 million people lacked access to essential medicines. Pakistan was under pressure from some 2.5 million refugees from Afghanistan, although the numbers had halved from an earlier peak. That situation, together with migratory labour, had hampered poliomyelitis eradication efforts. Countries in Asia were, in addition, dealing with the tsunami crisis. WHO had remained strong and its regional and country activities, for example in Afghanistan, Somalia and Sudan, were filling health service gaps. However, countries were struggling to cope and needed more resources. Health was directly linked to poverty, and improved health status could boost economic growth. It was a major focus of Pakistan's poverty reduction programme.

The budget process, albeit commendable, could be further improved. In addition to its continuing programmes, WHO was being asked to take on new tasks and needed the concerted support of Member States. He fully supported the proposed budget increase. Health could not be divorced from politics, and clear leadership and sound policies were needed in the current difficult times. WHO and the United Nations must take serious action to alleviate suffering around the world, especially among women and children.

Dr ACHARYA (Nepal) said that the budget document showed strong commitment to effective and efficient programme implementation. He welcomed the proposed 9% increase in assessed contributions and the six priority areas of work. It was uncertain whether the Regional Office for South-East Asia would receive the proposed increase in voluntary contributions. Of the total budgeted amount from headquarters of US$ 191.5 million over the biennium 2004-2005, only about US$ 113 million had so far been secured, and receipts were unlikely to exceed 80% of the budgeted figure by the end of the biennium. It was also unlikely that the budgeted figure of US$ 229 million in voluntary contributions for 2006-2007 would be received. Moreover, the amount received by each area of work also depended on resource mobilization in new areas of work such as Epidemic alert and response, Surveillance, prevention and management of chronic, noncommunicable diseases, Making pregnancy safer and Child and adolescent health. As those areas had not traditionally received large sums in voluntary contributions, the budgeted increase in funding might not be realized. His Region was continuing to question the distribution of funds to the Region and any additional funds. He would have liked to see a breakdown of the budget by country.

Dr QI Qingdong (alternate to Dr Yin Li, China) praised the clarity and conciseness of the budget document and the results-based approach adopted, and expressed full support for the efficiency measures proposed. He had no objection to the six priority areas but said that he hoped that their choice would not result in reduced funding for other areas of concern to the international community, especially HIV/AIDS, Tuberculosis, Malaria, and Immunization and vaccine development. He

understood the rationale for the budget increase – to enable WHO to meet current health challenges and achieve the Millennium Development Goals – but the amount of the increase should be decided on the basis of wide-ranging consultations with Member States. He supported the proposed transfer of funds to regional and country offices, and would like to see a target for the transfer set at an early date. He shared the concern that the increase in the budget for the Western Pacific Region was only 0.3%. The capacity of country offices to improve public health should be strengthened, with less emphasis on administration and personnel. In due course, an assessment should be made of the performance of country offices, in order to identify scope for improvement.

Mr SHUGART (Canada) also welcomed the efforts to prepare an integrated results-based programme budget, and the issue of the first-ever performance assessment report. The programme budget was essentially a work in progress, which could be further refined before the Fifty-eighth World Health Assembly. Canada remained committed to a policy of budgetary discipline. It was important to monitor the process of setting priorities, and the link between those priorities and the resources available. He was well aware of the demands placed on WHO to take on increasingly complex areas of work. Even so, some opposition had been voiced to the proposed budget increase, and the Programme, Budget and Administration Committee had identified areas in which goals and targets should be rethought, clarified or reformulated, and had suggested possible changes to the budget. Canada was also concerned about the amount of crucial work being funded from voluntary contributions, since those resources were vulnerable. He had no immediate solution to offer, other than emphasizing the importance of setting realistic and reasonable targets. He asked the Director-General, in consultation with Member States, to identify clearly, before the next Health Assembly, those core functions that would be compromised if the regular budget funds were not forthcoming. In that light, Member States could decide how likely it was that those needs could be met from voluntary contributions, whether the demands placed on the Organization should be reduced, or what further efficiencies could be proposed. Consultations should thus continue actively on the programme budget before the Health Assembly. Member States and Board members had a responsibility to cooperate with the Director-General in the consultations, and his country would play its part in that process.

Dr BUSS (Brazil) concurred with the identified priorities. He attached special importance to the role of the regional and country offices. He supported the proposed 9% increase in assessed contributions, but stressed that his country's support was conditional on the regional offices receiving the bulk of the increase, as part of the process of decentralization and an acknowledgement of the importance of WHO's presence in the regions.

The CHAIRMAN, speaking as the member for Iceland, said that his country supported the proposed increase in the programme budget, as did the other Nordic countries, Denmark, Finland, Norway and Sweden. A substantial increase was essential in order to meet global health needs and demands placed on WHO. The Organization had a key role to play in worldwide efforts to meet the Millennium Development Goals, and its financial resources must be increased accordingly. He welcomed the move towards implementing the Director-General's commitment to increasing the regional and country share of the budget; the least developed countries and countries with the highest disease burden should be given priority. Decentralization had been slower than planned, but progress was being made. The global mandate of WHO indeed required a significant regular budget, and the move away from the zero nominal growth policy was overdue. The impact of the falling United States dollar on the programme budget was a matter of some concern, as was the growing imbalance between regular and voluntary contributions, which reduced the influence of the governing bodies on the direction of the Organization's work and its priorities. It should also be borne in mind that the transaction costs of voluntary contributions were high in comparison with regular contributions. The Secretariat should continue to strive for improved efficiency in its management procedures, in order to facilitate an increase in financial contributions. Member States could also help through greater harmonization. WHO's funding partners must avoid earmarking contributions. If a broad consensus

were reached on priorities for the work of WHO, it might be possible to direct contributions to programme activities approved by the governing bodies.

Mr RECINOS TREJO (El Salvador),[1] speaking on behalf of the countries of the Region of the Americas, welcomed the participatory process for preparing the budget and the decision to draw up guiding principles on regular budget allocations to regions.[2] Moving from the model contained in resolution WHA51.31 had resulted in an increase in the regular budget for the Region of the Americas, bringing it up to a level similar to that for the biennium 1998-1999. He was also glad to see a better balance in the Proposed programme budget between regular and extrabudgetary resources for the Region compared with the three previous bienniums, in which the Region had lost income from the regular budget and had had less access than other regions to income from voluntary contributions. In spite of that, the Region still received the lowest percentage of the Organization's budget, at 6.6% of the total. The countries of the Region were confident that the policy of allotting increasing proportions of the budget to the regions every biennium would bring about an equitable distribution of funds, to the benefit of all regions. The work done by WHO in the Region of the Americas, was much appreciated, but the special needs of that Region, where poverty was rife in many countries, warranted a better balance in the distribution of budget resources.

Ms SOLTANI (Algeria)[1] welcomed the fact that the proposed increase in the regular budget would be allocated to essential activities in regions and countries, as part of the efforts to decentralize the work of the Organization, and, in particular, that the share of the budget allocated to headquarters would not in future exceed 20% of the total, in line with the recommendation of African health ministers at the previous session of the Regional Committee for Africa. The extra funds for country offices thus made available would enable them to strengthen their skills and capacities, enhance their national health systems and achieve their national goals for health and development. The WHO country office in Algeria had certain achievements to its credit, but the demands placed on it by the health authorities were beyond its resources. It was to be hoped that the constraints on its work would be lessened by the new budget commitments.

Ms MAFUBELU (South Africa)[1] expressed full support for the remarks by the member for Lesotho. She also supported the Proposed programme budget, and especially the proposed increase of 9% in the regular budget and 12% in total spending. She shared the concerns about the declining proportion of the regular budget. A secure, sustainable and predictable budget was crucial to ensuring implementation of the Organization's decisions and its strategic objectives. South Africa appreciated the generosity of donor countries in making voluntary contributions to the work of WHO, but urged them to limit the earmarking of donations, so as to give the Director-General more flexibility in making budgetary allocations in line with the priorities of the Organization and the wishes of Member States. Any consultations on the Proposed programme budget before the forthcoming Health Assembly should be inclusive.

Dr NORDSTRÖM (Assistant Director-General), replying to the member for Tonga, said that there was indeed more to be done to take full advantage of the strengths of the Organization; the results-based management framework would be reconsidered in order to define better the strategic direction and functions of the Organization, and where those functions could best be performed. It had been pointed out that expected results could not always be achieved in a single biennium; a longer time frame was needed. The Programme, Budget and Administration Committee had stressed the need to streamline the budget, and action would be taken in accordance with expected results, indicators and baselines.

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[1] Participating by virtue of Rule 3 of the Rules of Procedure of the Executive Board.

[2] Decision WHA57(10).

The question of financial discipline was taken seriously, and new work was not contemplated unless resources were available or funds could be reprogrammed; for example, no funds would be available for further work on alcohol unless it was decided to allocate resources for that purpose, or to do less work in another area. On the issue of cost categories raised by the member for the Russian Federation, staff costs and the cost of travel and equipment had indeed been analysed retrospectively and lessons drawn from the exercise; but there was no intention of setting predetermined spending limits for any particular item. Results-based efficiency meant looking for the best way to achieve particular results: in the case of staff, that would sometimes mean recruiting staff, and sometimes entering into a contract with another institution. However, as a knowledge-based organization providing expertise and new knowledge to others, WHO could be expected to incur high staff costs.

Inflation was a difficult issue; the historical rate worldwide was about 2.5%, but the cost to the Organization of the depreciation of the United States dollar had been high. As for the country perspective, an issue raised by the member for Bolivia, WHO had a country cooperation strategy for 90% of countries, and the country strategy in turn informed the overall direction of its work.

As to whether the work of WHO was less needed in the context of a global society, on the contrary, it was more necessary than ever, because expectations in terms of immunization and combating HIV/AIDS and tuberculosis had increased, and investment in those areas itself increased the need for the technical support that WHO was able to provide. With regard to the need to avoid earmarked contributions, the dialogue recently undertaken with donor countries on that point had been most encouraging and it seemed likely that in future voluntary contributions could be aligned more closely with the priorities set by the governing bodies.

The DIRECTOR-GENERAL said that WHO's programme budgeting used a "bottom-up" approach, with contributions from Member States and Regions. He remarked on the size of the budget; it was not huge in absolute terms – merely sufficient to run a medium-sized hospital in Switzerland. No matter what its size, however, the budget could not actually reduce poverty or eliminate countries' health problems. Developments in recent years, such as the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Global Alliance for Vaccines and Immunization, together with bilateral programmes implemented by Member States, also increased the demands made on WHO. It had to be recognized that the funds WHO allocated to small poverty-stricken countries were a mere drop in the ocean. WHO's strength was in working with international or national agencies or governments. In addition to WHO's traditional donors, which strongly supported the Organization, some countries played dual roles as both donors and recipients of funding. That was a positive development.

Questions had been raised about the allocation of funding between regions and countries. He agreed that measures should be taken to channel more funding directly to countries and regions, but that should not be to the detriment of headquarters. Having worked at all levels of WHO, he believed that it was important to have a strong headquarters. If headquarters could do its work with only 10% of overall resources, all well and good; but the main point was to achieve a healthy and effective distribution of resources throughout the Organization. It would be a mistake to stick arbitrarily to a given percentage allocation. On the basis of the general direction desired for WHO, good judgement must be exercised and adjustments made. The Proposed programme budget 2006-2007 envisaged a 25% allocation of the overall budget to headquarters, but as time went on that allocation could be reassessed. It was gratifying to note that, over the years, Board members had come to view WHO as an entity, rather than merely in terms of narrower national, regional or sectoral interests.

Ms BLACKWOOD (alternate to Dr Steiger, United States of America), referring to the increasing demands on the Organization, said that in the intervals between budget deliberations, little information was provided about the budgetary implications of actions by the Health Assembly. It would be useful if more information on financial implications could be provided to the Board and the Health Assembly in the intersessional periods. She noted that the expected results and indicators for HIV/AIDS, malaria and other diseases did not take account of WHO's work in support of institutions such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. That omission should be corrected.

The DIRECTOR-GENERAL conceded that such activities could be more clearly reflected in the budget. He cited the specific example of Spain, which had been raising the possibility that US$ 5 million of its contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria should be used to cover the technical requirements of WHO's work in relation to that Fund, a procedure that was not permitted under the Fund's financial regulations and rules.

Orientations 2006-2007 by area of work

Communicable disease prevention and control; Communicable disease research; Epidemic alert and response; Malaria; Tuberculosis; HIV/AIDS

Mr KOCHETKOV (adviser to Mr Skotnikov, Russian Federation), referring to Epidemic alert and response, said that, as result of the tsunami in south Asia, voluntary funding was likely to be significantly more generous than the amount foreseen when the budget had been prepared. Would the budgetary figures be revised accordingly? If so, at the same time, some indicators on HIV/AIDS might usefully be improved.

Dr VIROJ TANGCHAROENSATHIEN (adviser to Dr Suwit Wibulpolprasert, Thailand) observed that the largest budgetary allocation was to the areas of work under consideration. Programme effectiveness, or the capacity to translate funds into health gains, was the key concern and a major challenge. Even the large amount of resources committed could never hope to meet the huge challenges of diseases such as HIV/AIDS, tuberculosis and malaria. WHO needed to work closely at country level with other development partners to attract additional funds to the Global Fund to Fight AIDS, Tuberculosis and Malaria and from other bilateral donors. In channelling huge resources into any country, a major concern was how to translate them into better health outcomes for the population. It was also necessary to ensure long-term programmatic and financial sustainability, especially in areas of work that relied heavily on extrabudgetary resources. WHO must provide for an uninterrupted flow of extrabudgetary resources beyond the 2006-2007 biennium; donor commitment over the long term was essential.

Dr BUSS (Brazil) said that, although malaria was certainly a major problem in Africa, the final version of the budget document should also take account of the extent of the disease in the Americas. The indicators currently referred only to the African countries.

Dr ANTEZANA ARANÍBAR (Bolivia) said that the goals, objectives and indicators for the Communicable disease research area of work were aimed at the developing countries, yet only 3% of the budget was allocated to countries, as compared to the 91% allocated to headquarters. It seemed contradictory to have indicators for public health benefits in developing countries when the bulk of the budget was going to headquarters; particularly as more than 90% of voluntary contributions were allocated to headquarters. He requested clarification of that matter.

Dr SAM (Gambia) said that some 90% of the expected resources for malaria control were budgeted to come from voluntary contributions. Governing bodies had full control only over the regular budget component. If programmes were funded heavily by resources over which such bodies did not have full control, they might not be implemented, since the funds, which were not officially committed, might not be forthcoming. He asked whether the contents of the draft resolution on malaria currently being elaborated could be reflected in the final budget document to be submitted to the Health Assembly.

Dr CAMPBELL FORRESTER (alternate to Mr Junor, Jamaica) said that the Epidemic alert and response area of work accorded insufficient attention to disaster preparedness. The expected results and targets needed to be better enunciated.

Dr NORDSTRÖM (Assistant Director-General) said that the HIV/AIDS area of work clearly needed to be improved to express better WHO's role and function and delineate more clearly the expected results. Similarly, the Epidemic alert and response area of work needed to be better presented, as did Emergency preparedness and response, in the light of WHO's role and experiences during the recent events, and the request from the United Nations High-Level Panel on Threats, Challenges and Change that it should be active in those areas. WHO's role within the wider United Nations system also needed to be more sharply defined. Although WHO was not a funding agency, an absorptive capacity issue arose when it provided technical support in certain countries. Dependence on voluntary contributions and the long-term sustainability of funding efforts were indeed matters for concern. The current momentum of increased investment in official development assistance for health had to be preserved and resources distributed fairly and equitably across the various efforts to address health needs.

Dr ASAMOA-BAAH (Assistant Director-General) said that the discussion showed that the Board strongly supported the spirit of the budget proposal but wished to see further work on Emergency preparedness and response and on refining of indicators. The Director-General was proposing a major budgetary increase for the communicable diseases sector following the tsunami in south Asia. WHO's work to support national authorities in promoting disaster preparedness provided further justification for the increase.

The Communicable disease research area of work might appear to be very centralized, but it also covered the work of the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases. More than 80% of that Programme's resources were grants, most of which went to developing countries. However, it was not easy to predict, two years before the event, precisely how those grants would in due course be allocated.

Dr CHOW (Assistant Director-General), welcoming the comments and constructive criticism, said that some indicators for the three areas of HIV/AIDS, Tuberculosis and Malaria would be refined. The member for Thailand had advocated translating money into health gains: to that end, assiduous efforts were being made to promote concerted action by financial institutions, expert bodies and implementing authorities at the country and community levels. WHO was working in partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank, other United Nations specialized agencies and bilateral donors in order to promote such action.

Regarding malaria in the Americas, the next version of the budget document would make appropriate reference to regions other than Africa where malaria was endemic. As to the comment by the member for Gambia regarding extrabudgetary resources, the capacity of the Roll Back Malaria partnership to mobilize more resources was being strengthened. An important partnership under way with the Global Fund would show that WHO's input yielded heightened output in terms of prevention and treatment of malaria.

Mr AITKEN (Director, Office of the Director-General) said that an effort would be made to reflect the contents of the draft resolution on malaria in the new budget text, bearing in mind that the resolution would still need to be submitted to the Health Assembly for consideration.

Surveillance, prevention and management of chronic, noncommunicable diseases; Health promotion; Mental health and substance abuse; Tobacco; Nutrition; Health and environment; Food safety; Violence, injuries and disabilities

Dr VIROJ TANGCHAROENSATHIEN (adviser to Dr Suwit Wibulpolprasert, Thailand), noting the focus of those areas of work on normative action, stressed the need for a clear link between normative functions and programme activities at country level, funded from Member States' own resources or by bilateral and multilateral donors; that required more advocacy.

Dr TANGI (Tonga), said that, as those areas of work represented 57% of the disease burden in the world, the corresponding budget allocation was insufficient. He asked whether, in general, the budget figures in document PPB/2006-2007 could be changed before the Proposed programme budget was submitted to the Health Assembly.

The CHAIRMAN, speaking as the member for Iceland, said that the high priority that Member States had given to violence and injuries prevention over the past years should be properly reflected in the Proposed programme budget.

Dr BUSS (Brazil) expressed concern that the relations between WHO and UNEP, both of which dealt with health and environment matters, were not reflected in the Proposed programme budget, despite references to other organizations such as UNICEF and FAO.

Ms BLACKWOOD (alternate to Dr Steiger, United States of America) noted that the performance assessment report for 2002-2003 had indicated a lack of political will regarding funding for Tobacco: the Proposed programme budget 2006-2007 pointed to a 45% increase. She advocated a more realistic approach that balanced funding and political considerations. The indicators for Nutrition were too vague and WHO should concentrate more on identifying malnutrition and promoting healthy nutrition and diet, and less on the complex matter of setting standards on nutrition.

Ms MAFUBELU (South Africa)[1] asked whether the proposed budget allocation for Tobacco of about US$ 29 million took into account the proposed models due to be considered at the second session of the Intergovernmental Working Group on the WHO Framework Convention on Tobacco Control.

Dr NORDSTRÖM (Assistant Director-General), replying to the member for Tonga, confirmed that the Proposed programme budget document could indeed be changed in respect of both the quality of the contents and the allocations. The Secretariat was seeking a balance between the regular budget allocations and the voluntary contributions for different areas of work, as some areas focused more on implementation within countries, calling for a larger share of voluntary contributions. Guidance from Member States on whether to increase the regular budget or make reductions in other areas would be appreciated.

Dr TANGI (Tonga) requested an increase in the budget allocation for noncommunicable diseases in view of the growing magnitude of the problem, especially in developing countries.

Dr LE GALÈS-CAMUS (Assistant Director-General) said that WHO was aware of the importance of transforming normative activities into programme actions. In collaboration with the regional advisers and country representatives, indicators had been established and expected results outlined. Any necessary modifications would be made. It would be desirable to see a significant increase in the budget allocated to the Tobacco area of work. The question of models raised by the representative of South Africa was an open issue, leaving some degree of uncertainty, but the Proposed programme budget reflected the Secretariat's concern to clarify WHO's role in that area and to keep up the pace of the Organization's activities in tobacco control. Much remained to be done with regard to nutrition indicators, and discussions were in progress with the regional offices to propose a revised version, taking into account the views and comments expressed.

Dr LEITNER (Assistant Director-General) said that turning normative activities into specific programme actions was also relevant to the area of Health and environment, and considerable efforts

[1] Participating by virtue of Rule 3 of the Rules of Procedure of the Executive Board.

to do so were being made with the regional and country offices. She agreed that the problem of noncommunicable diseases should be addressed urgently rather than waiting for it to grow out of proportion, and that physical environmental factors often contributed to ill health. A serious difficulty lay in adopting a sufficiently selective approach. References to UNEP and UNICEF would be included in the programme budget document. Although the Secretariat worked closely with both organizations, it should seek to be more systematic in its collaboration with partners in the United Nations system.

Reproductive health; Making pregnancy safer; Gender, women and health; Child and adolescent health; Immunization and vaccine development

Dr ANTEZANA ARANÍBAR (Bolivia) remarked on the discrepancy between the title of the programme "Reproductive health" and the phrase "reproductive and sexual health" in the first sentence of the Issues and challenges. With regard to indicators for reproductive health, the names of the countries might be included if not an indication of the relevant institutions.

Ms HALTON (Australia) expressed concern at the proposed 12% reduction for Immunization and vaccine development. In the absence of any comparison of the effects of changes in the Proposed programme budget, it was hard to comment on relative priorities. Given that the gains made in that area had been fragile, particularly in the Western Pacific Region, she was keen to see continued support for WHO's efforts, with appropriate funding, in order to sustain those gains and strengthen health systems and practices. Despite impressive achievements in immunization, the Region remained vulnerable to vaccine-preventable diseases.

Dr HUERTA MONTALVO (Ecuador), referring back to the communicable disease areas of work, pointed out the lack of reference in the Proposed programme budget to avian influenza, which might represent a considerable health threat, and asked whether any budget allocation would be made in that area.

Dr VIROJ TANGCHAROENSATHIEN (adviser to Dr Suwit Wibulpolprasert, Thailand) requested the Director-General to examine the Immunization and vaccine development programme more closely because, in the Programme budget for 2002-2003, the emphasis had been on vaccine trials. Industry partners had done too little to lower the price of vaccines, which some developing countries simply could not afford. Concerned international entities, including UNICEF, should be asked to try to make vaccines more affordable for low-income countries.

Dr HANSEN-KOENIG (Luxembourg) shared the concerns expressed by the members for Australia and Thailand concerning Immunization and vaccine development and welcomed the proposal to organize a vaccine programme with UNICEF and other organizations. That strategy might be organized within the proposed budget provisions.

Mr KOCHETKOV (adviser to Mr Skotnikov, Russian Federation) said that Immunization and vaccine development was one of WHO's fundamental programme areas. A comparison with the Programme budget for 2002-2003 showed that the financing of that area of work had increased considerably, yet not all the indicators under that heading had been met. He sought clarification of the fact that in the Proposed programme budget 2006-2007 only seven out of the original 10 indicators were still listed, despite the higher budget allocation. Poliomyelitis still existed in six countries, whereas the target for the end of the campaign had been to eradicate the disease completely. He asked whether that meant an increase in voluntary contributions for poliomyelitis and whether the indicators would have to be reviewed.

Dr CAMPBELL FORRESTER (alternate to Mr Junor, Jamaica), agreeing that the Immunization and vaccine development programme should be reviewed because immunization coverage was

declining, observed that the programme area was important for attainment of the Millennium Development Goals.

Dr BUSS (Brazil) shared the concern about avian influenza and asked what measures were to be taken concerning a SARS vaccine. As to the price of vaccines, the problem was how to put pressure on industries. That objective should be included in the Proposed programme budget 2006-2007 along with costing indications.

Dr SAM (Gambia) said that, although it was not WHO's role to set vaccine prices, the Organization was working hard to make them affordable. Much money was invested in research and development, after which the vaccine was manufactured and went through trials before being pronounced safe for use. The trials were conducted in developing countries on "study subjects", people without whom the vaccines could never be used. On ethical grounds, therefore, those developing countries should have a say in the cost of the vaccine. Overall, vaccine prices should come down.

The CHAIRMAN, speaking as the member for Iceland, said that his country was strongly committed to attaining the Millennium Development Goals, to which WHO should continue to give top priority. He expressed concern that there was little increase in the budget allocation for Reproductive health, an area also important for attainment of the Goals.

Mr HILMERSON (Sweden)[1] expressed support for the Proposed programme budget 2006-2007 in general but was concerned at the low budget allocation for Reproductive health. Many of the Millennium Development Goals would not be achieved unless reproductive health problems eased. He requested that that be reflected in the budget document.

Ms MIDDELHOFF (Netherlands)[1] supported the views expressed by the previous two speakers.

Dr TANGI (Tonga) agreed with the comments of the members for Australia and Thailand on immunization. Referring to the Making pregnancy safer area of work, he questioned the allocation of 17% of the total budget to headquarters when the need was for professionals taking charge of pregnant mothers at country level, in order to reduce maternal mortality.

Dr ASAMOA-BAAH (Assistant Director-General), responding to the members for Ecuador and Brazil, said that work on avian influenza would come under general work on influenza.

Mrs PHUMAPHI (Assistant Director-General), referring to questions on reproductive health, said that the phrase "reproductive and sexual health" corresponded to the definition established by the United Nations International Conference on Population Development (Cairo, 1994). An effort was being made to use proxy indicators that reflected the global targets to measure country use of reproductive and sexual health services; they did not necessarily reflect the work of WHO. It was not always easy for those targets to be met or for every country to commit itself to them. For that reason, naming countries in the programme budget was difficult, but WHO negotiated with as many countries as possible in order to be able to use country targets matching the global targets. Regarding the concern expressed about under-resourcing of that area of work, she said that not all the expected voluntary contributions had been forthcoming in the past and the prioritization of WHO's programmes by countries made it difficult to obtain more funding.

Regarding the evaluation of the outcomes of the Immunization and vaccine development programme and the justification for WHO's heavy investment in that area, the bulk of the resources

[1] Participating by virtue of Rule 3 of the Rules of Procedure of the Executive Board.

went to the countries themselves. The high target for global immunization had made the process even more costly, as children in remote or inaccessible areas had to be reached. Increasing coverage therefore also increased costs. She appreciated the views on the cost of vaccines for developing countries and the need for all partners involved, including WHO, to negotiate price reductions. WHO was actively engaged in that process.

The draft global immunization strategy was not included in the Proposed programme budget because it had not yet been approved by the Health Assembly. Regarding some of the indicators shown in the 2002-2003 budget but not appearing in the Proposed programme budget 2006-2007, protracted negotiations with the countries and regions during preparation of the proposed budget had resulted in some of the indicators used earlier being dropped. Even so, the relevant work had not necessarily stopped as certain functions in support of countries in vaccine development and immunization programmes would continue. Much remained to be done in revising the indicators, on which the Secretariat would be working with countries and regions. Reference had been made by the member for Brazil to the cost of advocacy and she agreed on its importance, especially with the proposed immunization strategy that would be submitted to the forthcoming Health Assembly.

There were problems in falling coverage, as the member for Jamaica had said, and attention must, on ethical grounds, go to making vaccines available to countries that had participated in vaccine trials. The Secretariat would continue to address those areas with partners. Collaboration was continuing in respect of an influenza vaccine and surveillance was being strengthened. China in particular was collaborating in the development of a SARS vaccine. In response to the question by the member for Ecuador on avian influenza, she said that, although no budget was yet available, the Secretariat was working energetically in that area.

Ms LINKINS (Polio Eradication Initiative), replying to the question by the member for the Russian Federation on poliomyelitis eradication, said that when the Proposed programme budget was originally prepared poliomyelitis was endemic in six countries. Unfortunately, during 2004, because one country endemic for the disease in Africa had stopped immunization campaigns for more than 12 months, poliovirus was imported into 11 countries, jeopardizing targets. The overall objective, nevertheless, was the complete eradication of the disease and intensified efforts in that direction would continue in 2006-2007.

The DIRECTOR-GENERAL said that, apart from the allocation of US$ 180 million for poliomyelitis eradication, the rest of the immunization budget was US$ 50 million higher than in the previous biennium. As the target of zero transmission of poliovirus by the end of 2005 had been set, it had not been logical to increase the poliomyelitis element in the 2006-2007 budget. The problem in Nigeria had been dealt with and the major campaigns in Africa were showing results. Clearly, there was very strong international support for poliomyelitis eradication. Over 16 years US$ 3000 million had been spent and the end was in sight. In order to confirm that poliomyelitis had been eradicated, once viral transmission had been stopped, three years of surveillance were required. Substantial resources were therefore needed. On the question of vaccine prices, he explained that manufacturers had to recoup their research and development costs. That made new vaccines very expensive. The Global Alliance for Vaccines and Immunization could support vaccine purchases for some three to five years until the price fell; that principle had been applied to the *Haemophilus influenzae* type b and, currently, the new rotavirus vaccines. The international finance facility, supported by the Governments of the United Kingdom of Great Britain and Northern Ireland and France and to be launched shortly, was intended to raise funds on the international capital markets, and could provide a major financing mechanism for work towards attaining the Millennium Development Goals.

Mr SHUGART (Canada), referring to the question on clinical trials raised by the member for Gambia, wondered where responsibility for those issues lay in the Secretariat.

Mr CAPRON (Director, Ethics, trade, human rights and health law) replied that the coordinating responsibility for the issues lay with the department of Ethics, trade, human rights and health law,

which worked closely with the Special Programme for Research and Training in Tropical Diseases, the Special Programme of Research, Development and Research Training in Human Reproduction and the vaccine initiatives.

Essential medicines; Essential health technologies; Policy-making for health in development; Health system policies and service delivery; Human resources for health; Health financing and social protection; Health information, evidence and research policy

Dr VIROJ TANGCHAROENSATHIEN (adviser to Dr Suwit Wibulpolprasert, Thailand) said that the Health system policies and service delivery area of work did not appear to include technical support for universal coverage or social health insurance, on which a resolution was being considered by the Board, and there needed to be some reprogramming. Considerable opportunities existed to facilitate collaboration between developing countries in health system development, owing to the similar nature, culture and historical background of their health systems. His country had already requested programme activity and a budget for World Health Day 2006, the theme of which was to be Human resources for health, as decided by resolution WHA57.19.

Mr KOCHETKOV (adviser to Mr Skotnikov, Russian Federation) said that, in the section on Human resources for health, about half the allocations were financed from voluntary contributions. The absence of many of the indicators would make it difficult to judge how far targets had been reached. With regard to strengthened leadership, he requested clarification regarding the number of staff shown in the baselines and target columns.

Ms MAFUBELU (South Africa)[1] said that the breakdown by source of financing for the area of work Human resources for health in the 2004-2005 biennium had shown a proportion of 70% from the regular budget and 30% from voluntary contributions, whereas in the Proposed programme budget 2006-2007 there was a significant shift to 53% and 47%, respectively. In addition, it was proposed to reduce the regular budget amount for the 2006-2007 biennium by around 22%. In view of the ambitious goals for that area of work adopted in resolution WHA57.19, and given the unpredictability of voluntary contributions, was the Secretariat confident that the 47% voluntary contribution would be received and would the proposed budget of US$ 78 million, an increase of about 3%, suffice to produce the expected results, in particular to implement the resolution? Did the budget take into account the activities of World Health Day and *The world health report*, both of which would focus on human resources for health?

Dr AHMED (Ghana), stressing the importance of essential medicines for all countries, recommended that more resources should be made available at country level. He requested clarification of the statement that WHO would emphasize access to all essential medicines, with a focus on expanding access to antiretroviral agents to meet the “3 by 5” target, which he understood to be a 2005 programme.

Dr EVANS (Assistant Director-General) said that he had noted the point made by the member for Thailand on collaboration between developing countries. The social health insurance work should progress if the draft resolution were adopted. On Human resources for health, the targets identified by the member for the Russian Federation with regard to leadership related to the health leadership service, which was a priority programme of the Director-General. Funding had been received for the first group of leaders who were expected to begin their two-year service with WHO in the coming months. Ultimately, 65 fellows would be involved in the programme during the biennium. Regarding significant shifts between regular and voluntary contributions, he said that in 2004-2005 work on

[1] Participating by virtue of Rule 3 of the Rules of Procedure of the Executive Board.

health systems had been covered by three areas of work; in 2006-2007 it would come under five. Pointing to the decrease of US$ 20 million in the regular budget for those areas of work in 2006-2007 compared with 2004-2005 and the expected increase of US$ 75 million in voluntary contributions in 2006-2007, he added that considerable work would be needed to meet the challenge. The decisions relating to World Health Day and *The world health report* had come after the initial plans for the 2006-2007 biennium. Those events would therefore be reflected in the budget estimates submitted to the Health Assembly.

Dr LEPAKHIN (Assistant Director-General), replying to the member for Ghana, stressed the need to be realistic in terms of prioritizing activities and make the best use of available resources when preparing the budget. More could be done and would be done if the necessary budget resources were made available. Although more of the budget had been shifted to countries and regions, it had not yet been possible to reach the target of a 25:75 split between headquarters and the regions, because there was a higher percentage of global normative work in the area of health technology and pharmaceuticals than in other areas. Most global normative work would be very difficult to conduct at the regional level and impossible to do at the country level. The Secretariat would nevertheless continue to involve experts from all regions in that work while paying closer attention to work in countries; the Department of Technical cooperation for essential drugs and traditional medicine had been created for that purpose.

Emergency preparedness and response; WHO's core presence in countries

Dr VIROJ TANGCHAROENSATHIEN (adviser to Dr Suwit Wibulpolprasert, Thailand) said that WHO's core presence in countries should focus on staffing levels and budget allocations for country offices in crisis countries.

Mr KOCHETKOV (adviser to Mr Skotnikov, Russian Federation) said that there seemed to be agreement that further work was required on the indicators relating to WHO country presence. The budget in that area was being increased by 25% and it was clear from the targets that there was a 25% rise in satisfaction level among WHO Representatives. He requested some more tangible information. Since, in Russian at least, "satisfactory" meant "less than good" or "passable", he suggested using a more appropriate adjective for targets.

Ms BLACKWOOD (alternate to Dr Steiger, United States of America) commented on the large increase of US$ 45 million for WHO's core presence in countries. Needs and demands on the Organization differed widely between countries. Her country wished to see sharing among regions and countries to ensure that best practices were used and advantage taken of economies of scale and shared costs.

Dr LEITNER (Assistant Director-General), responding to the member for Thailand, said that the situation in crisis countries demanded much of WHO's attention and that the relevant country offices should probably have been singled out as needing attention from the regional offices and headquarters jointly. A common approach was needed to organizing WHO's presence at country level, which was not easy if prescriptiveness were to be avoided. An effort would be made to respond to the concern. The Director-General had stated his belief that there was room for greater United Nations system collaboration at the country level. The situation at that level might well be better than it looked from headquarters. She agreed with the member for the United States of America that collaboration should seek economies of scale, on a case-by-case basis. In reply to the member for the Russian Federation, she explained that there was a satisfaction level of around 25% among clients, namely national health ministries, with the revamped country offices; the aim was to raise that proportion to at least 75%.

Dr NABARRO (Representative of the Director-General for Health Action in Crises), responding to the member from Thailand, said that WHO was fully involved in the analyses of the

specific needs of "fragile" States being conducted by ministers and officials of the countries themselves, development banks, bilateral donors and the United Nations system. The particular importance of those needs was increasingly being recognized and an effort made to ensure that they received proper attention in any analytical work and any proposals for modified development approaches.

Dr BUSS (Brazil), referring to WHO's presence in countries, suggested that more attention should be devoted to horizontal cooperation between WHO regions. For example, the eight lusophone countries in four regions of the world could form an important network. Relations between WHO regions should be reflected in the budget, although it was not immediately clear how that concern could be expressed in terms of indicators.

Knowledge management and information technology; Planning, resource coordination and oversight; Human resources management in WHO; Budget and financial management; Infrastructure and logistics; Governing bodies; External relations; Direction; Miscellaneous

Professor FIŠER (Czech Republic), observing that funds for the new headquarters building would presumably be drawn from the Real Estate Fund, asked whether it was planned to increase headquarters staff numbers once construction of the new headquarters building was completed.

Mr DELVALLÉE (alternate to Professor Dab, France) commended the remarkable progress made in the presentation of the budget. Further progress could be made in terms of the indicators and the amount of detail provided, not only to justify WHO's requirements, but above all to help Members to negotiate the terms of the budget with their respective finance ministries. Two examples were Miscellaneous income and exchange-rate hedging mechanisms, both of which were important indicators of an organization's cash-flow management. It would be interesting to have figures on them in the next version of the Proposed programme budget.

France had already referred to the need to decide which costs must be covered by the regular budget. For instance, two-thirds of the budget for staff security came from voluntary contributions, an enormous proportion for an area that had been discussed at great length by the United Nations General Assembly before being made a budget priority for each United Nations body, including WHO. It was essential that staff security should come under the regular budget.

Dr CAMPBELL FORRESTER (alternate to Mr Junor, Jamaica) noted that there would be a decrease in Miscellaneous income in the 2006-2007 biennium. WHO should explore other creative financing mechanisms, such as endowment funding, to augment the regular budget.

Dr ANTEZANA ARANÍBAR (Bolivia), referring to the area of work Human resources management in WHO, said that those resources were the knowledge, skills and intelligence of the Organization's personnel. How they were managed could therefore spell the difference between the success or failure of a task. The indicator under WHO objectives for Human resources management in WHO was "operational excellence in the timely delivery of high-quality human resources services at headquarters and in regional and country offices", yet only 1% of the budget was assigned to the country level. Did that mean that all WHO staff in the country knew all they had to know and needed no further training, or that funds for that purpose were transferred from headquarters to the country? Also, there was no regular budget allocation at the country level, and all funds would come exclusively from voluntary contributions.

Dr NORDSTRÖM (Assistant Director-General), responding to the question about the new headquarters building, said that a loan from the Swiss Government would be repaid at the rate of 1 million Swiss francs per year for the next 50 years. There would be no increase in headquarters staff; quite the contrary: in view of the budget situation, the number of staff was more likely to fall. Staff

working offsite would return to the main building and some of the temporary buildings would be removed.

The request from the member for France for more detailed figures would be followed up separately.

Security was a major concern for WHO, which had actively supported the Secretary-General's suggestion for improved security measures for all staff of United Nations bodies and for a move away from the current cost-sharing mechanism. Because that suggestion had not been approved by the General Assembly, security costs for WHO had increased by US$ 3.5 million for the current biennium and would increase substantially in the next biennium as well. The voluntary contributions were in fact drawn from the programme support costs and therefore only partly took the form of direct voluntary contributions. WHO was exploring new mechanisms and possibilities for resource mobilization and new funding modalities. With regard to the question by the member for Bolivia, the indicators listed in the budget reflected WHO's strong commitment to human resources management, and the figure of 1% reflected the costs of that management; the administration costs of managing human resources in countries were covered under the "WHO's core presence in countries" area of work.

The CHAIRMAN recalled that, under Article 55 of the Constitution, the Director-General prepared and submitted to the Board the budget estimates of the Organization, and the Board considered and submitted to the Health Assembly those estimates with any recommendations that it might deem advisable. He suggested that the Board should request the Director-General to take its comments and views in to account in any revision of the budget that he intended to submit to the Health Assembly. The only contentious issue appeared to be the amount of the increase: 11 members appeared to be in favour of the 9% increase, others were in favour of a smaller increase and one was opposed to any increase. He asked whether the Board could agree to the use of words such as "appropriate" or "reasonable" in respect of the budget.

Ms BLACKWOOD (alternate to Dr Steiger, United States of America) asked for clarification of the Chairman's understanding of the procedure that the Board was being invited to follow.

Ms HALTON (Australia) pointed out that the Board was not adopting a budget for submission to the Health Assembly. The essence of the debate was that members could not agree whether there should be an increase. It was up to the Director-General to undertake the difficult task of incorporating members' comments into the Proposed programme budget for submission to the Health Assembly. It was not for the Board to seek consensus on an acceptable form of words.

Dr VIROJ TANGCHAROENSATHIEN (adviser to Dr Suwit Wibulpolprasert, Thailand) said that it was his impression that most members were in favour of abandoning the status quo but had been unable to agree on a figure. There was still time for further consultation before the close of the session.

Dr CAMARA (Guinea) observed that many members had stressed that few resources were allocated to areas such as Immunization and vaccine development and Essential medicines, and to work towards the Millennium Development Goals. That amounted to a tacit plea for more resources, particularly in the absence of any proposal to the contrary. Perhaps the Board could recommend that the programme budget should be increased but that the amount of the increase should be left to the discretion of the Health Assembly.

Mr SHUGART (Canada) said that, given the variety of comments on the budget, including those contained in the report of the Programme, Budget and Administration Committee, the Director-General needed more time to refine the proposal. It would be impossible for the Board to come up with an appropriate figure in the time available. Furthermore, it was traditional for the Director-General to submit the budget to the Health Assembly. The Board should stand ready to assist the Director-General in that task.

Dr TANGI (Tonga), while endorsing Australia's view, also recalled the provisions of Article 55 of the Constitution; the Director-General would have to prepare another proposal for consideration by the Board.

Mr TOPPING (Legal Counsel) said that Article 55 of the Constitution was to be construed to mean that the Board did not revise the budget, but transmitted the Director-General's budget to the Health Assembly, together with any recommendations it deemed advisable. In recent bienniums, the Board had submitted not a single recommendation but rather a consolidation of the various views expressed. The Health Assembly had not considered that Article 55 prevented the Director-General from preparing a revised budget on the basis of those recommendations, a procedure set forth in Financial Regulation 3.8.

Dr ABDULLA (Sudan) said that there was no need to agree on an exact figure at the current stage of the budget approval process. Most members had been in favour of an increase. The Director-General should be given the opportunity to consult Board members on the amount of the increase, in order to be able to submit an exact figure to the Health Assembly.

Dr BRUNET (alternate to Professor Dab, France) said that no member had objected to the way in which the budget had been calculated in the light of the priorities set by the Secretariat. The disagreements expressed concerned the amount of any increase. The Director-General should therefore submit to the Health Assembly a budget revised in the light of the Board's deliberations. The Board would fulfil its mandate by informing the Health Assembly that it agreed with the calculations made for the budget but that priorities might have to be redefined if the Health Assembly decided to reduce the budget.

The CHAIRMAN pointed out that Article 55 of the Constitution did not oblige the Board to make a recommendation to the Health Assembly. If there was no consensus, it should make no recommendation.

Dr TANGI (Tonga) said that the best course was for the Secretariat to collate members' comments into a recommendation from the Board to the Health Assembly.

Dr BUSS (Brazil) said that, although account could be taken of objections to the 9% increase, it was difficult to agree on overall resource allocations in the absence of precise ideas on how much should go to particular programmes. The Board should first decide whether a budget increase was needed and, secondly, make more specific suggestions regarding allocations.

The CHAIRMAN suggested that the Board should either leave the item open and seek a consensual form of words or let the Director-General submit the budget to the Health Assembly without any comments.

Dr HUERTA MONTALVO (Ecuador) said that it was not for the Board to quantify any increase, but rather to decide whether the budget met the requirements for guaranteeing adequate health for all. On the question of the amount of allocations to headquarters, the Director-General had ably defended his position with a reminder that he was the Director-General not only of headquarters but of the entire Organization, and that much of the headquarters allocation was ultimately used to provide support for countries and regions. Since some important areas, like avian influenza, lacked any budget provision, there would be grounds for discussing further increases.

The DIRECTOR-GENERAL, noting the importance of incorporating the outcome of the day's discussion of the budget level, said that he would engage in dialogue with Board members and Member States and hoped to arrive at an understanding of what represented an acceptable level, which was a political decision. At the Health Assembly, Member States would express their views and,

failing agreement, the figures would have to be adjusted. One solution was to rely on expected extrabudgetary income, but it would be preferable to shift the burden from just a few to all countries through contributions to the regular budget.

The CHAIRMAN proposed closing the debate on the understanding that the Director-General would proceed as just indicated.

It was so agreed.

The meeting rose at 19:10.