



Amendments to the Financial Regulations

Third report of the Administration, Budget and Finance Committee of the Executive Board to the Fifty-third World Health Assembly

1. The Administration, Budget and Finance Committee (ABFC) met on 12 May 2000 under the chairmanship of Professor T. Zeltner to consider, *inter alia*, the subject of the proposed revised Financial Regulations.
2. The Chairman recalled that since the Committee last met extensive discussions had taken place in the Executive Board at its 105th session and in an open-ended working group (Geneva, 9 and 10 March 2000) in which representatives of 26 Member States had taken part. They had considered principles and key issues and had reviewed the proposed revised Financial Regulations paragraph by paragraph, as summarized in the report of the working group.¹ The revised Financial Regulations reflected those discussions.²
3. The Chairman noted that the working group had considered that the principle of carry forward should not be included in the package of measures to be proposed to the Health Assembly. Some Member States, however, felt it was a useful mechanism and therefore there should be further consideration in the context of the evolution of the budget process, including developments in best practices elsewhere. In particular, due consideration had been given to concerns expressed by the representative of Comoros, who expressed his satisfaction that country needs had been adequately recognized.
4. The working group had noted that there was no clear evidence to substantiate maintaining the existing financial incentive scheme which was costly to run. However, the principles of the proposed new arrangements to provide for discount should be retained in the text and the Financial Rules should establish an applicable period for the discount.
5. The working group had seen no advantage to changing the present Regulations on transfers between appropriation sections which, it was felt, provided adequate flexibility to the Director-General in implementing the regular budget. It did, however, appreciate the need to assess the extent to which developments in the budget process would make it possible for appropriations to be linked to outcomes, and to maintain flexibility in implementing the budget.
6. Consensus had also been reached by the working group on the other proposals, including acceptance of the principle to accept payment of assessed contributions in local currencies, the

¹ Document EB/FinRegs/1/3.

² Document A53/22.

proposed provisions relating to the Working Capital Fund and internal borrowing, revolving funds, and programme support costs.

7. It was also agreed that the Financial Rules should include suitable guidelines and limits for implementation of the Financial Regulations.

8. The Committee noted that in order to ensure that the mandate of ABFC concerning financial matters was reinforced, reference to the role of this Committee in reviewing budget documentation would be timely. It was agreed that such a reference would be appropriate in the Financial Rules.

9. The Committee thanked the Chairman for the efforts made by the working group to reach a satisfactory outcome to such an important matter. It noted that consensus had been reached and that the conclusions on each issue had been included in the revised proposals.

10. It further agreed to recommend to the Health Assembly adoption of the revised Financial Regulations.

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