



WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY
Provisional agenda items 12.1 and 16.6

A56/51
17 May 2003

Proposed programme budget for 2004-2005

Assessments for 2004-2005

Report by the Secretariat

1. Following consideration by the Executive Board at its 111th session (January 2003), open-ended informal discussions were initiated with Member States' representatives in Geneva to seek to facilitate discussion at the Fifty-sixth World Health Assembly on both the overall level of funding of the regular budget and the scale of assessments for 2004-2005. In the light of the questions and debate during these informal discussions, the following paragraphs provide clarification of, and some amendments to, the Director-General's original proposals. The aim is to explore the possibilities for consensus among Member States in these two critical areas.

2. WHO's programme budget is financed primarily by three sources of income. The regular budget is financed by assessments on Member States and by Miscellaneous Income. The remainder is financed by income from voluntary contributions to WHO. This document concerns only the regular budget and its financing.

3. In 2002-2003 a unique circumstance arose concerning the financing of the budget. Following discussion on the application in WHO of the latest available United Nations scale of assessments, the Health Assembly decided that instead of using Miscellaneous Income entirely to finance the budget, part of it should be devoted to ensuring that a measure of relief would be granted to those Member States whose contributions would otherwise increase under the latest United Nations scale. The amount of the relief in 2002-2003 was such that those Member States experienced no increase in their contribution in 2002. However, in 2003, the increase in these countries' contributions represented one quarter of the new United Nations scale.

4. The Director-General's original proposals for 2004-2005 as submitted to the Health Assembly¹ are:

- first, to propose zero real growth in the substantive part of the programme budget by allowing for a 2.9% nominal increase to cover a mandatory salary increase within the United Nations system amounting to 0.9% and an overall rate of inflation of 2%;

¹ Documents PB/2004-2005 and A56/35.

- secondly, to increase the miscellaneous expenditure part of the regular budget from US\$ 13 million to US\$ 34 million in order to cover additional needs for real estate, staff security, exchange rate hedging and information technology;
- thirdly, to use all Miscellaneous Income to finance the budget directly, rather than return part of it in relief to those Member States whose contributions would be increased under the new United Nations scale;
- fourthly, to use the latest available United Nations scale, in accordance with established practice, as the basis for the WHO scale of assessments.

5. In overall figures, this means the following:

	US\$ thousand		Increase %
	2002-2003	2004-2005	
Programme budget			
Substantive areas	842 654	867 475	2.9
Miscellaneous expenditure	13 000	34 000	161.5
Total	855 654	901 475	5.4
Financed by			
Net assessment on Members	806 500	867 475	7.6
Miscellaneous Income used for relief	36 154	-	-
Subtotal	842 654	867 475	2.9
Miscellaneous Income	13 000	34 000	161.5
Total	855 654	901 475	5.4

6. Since submitting the above proposals, the outbreak of severe acute respiratory syndrome (SARS) has occurred. Experience to date with the outbreak has highlighted global and country needs which call for a substantial scaling up of alert and response networks. Proposals are being developed for this strengthening. In the interim, an immediate need has been identified for an additional US\$ 10 million for the regular budget in order to ensure the rapid and successful conclusion in 2004-2005 of the revision of the International Health Regulations and to strengthen quickly the number of technical staff dealing with outbreaks.

7. During discussions at the informal consultations, some delegations indicated concern at the overall level of the budget and the consequent increase in contributions. In addition, because of the special measures relating to the financing of the budget in 2002-2003, it was noted that the overall increase in contributions of 7.6% indicated in paragraph 5 above was in fact the average increase, and was not indicative of the increase for any individual Member State. The contributions of those Member States which had not received any relief in 2002-2003 would increase by approximately 2.9%. The contributions of many of those which had benefited from relief would rise by a substantially higher percentage, although some would decrease. The actual changes would reflect

primarily the difference between a Member State's position on the new United Nations scale of assessments and that on the previous United Nations scale.

8. Some views were expressed on the application in WHO of the latest available United Nations scale. In summary, several delegations noted that ILO, FAO and UNESCO had adopted that scale for 2002-2003 and felt that all of the large specialized agencies, including WHO, should follow the United Nations scale, as had been done prior to 2002-2003. Others noted that the General Assembly of the United Nations had specified that the scale need not necessarily be applied in the specialized agencies. That consideration led to alternative thinking, including the possibility of some continuation of relief measures.

9. One difficulty in maintaining relief measures is that the amount of Miscellaneous Income available to finance them is also a source for general financing of the budget for the benefit of all Member States. The more the Miscellaneous Income is used to finance relief, to which only part of the membership is entitled, the more there is an increase in the contributions of the other Member States.

10. In an attempt to find a solution that might enable the Health Assembly to reach a consensus, the Director-General, after due consideration, would suggest the two alternatives set out below.

11. **Alternative A.** The relief provided in 2002-2003 would not be extended to 2004-2005. Member States' assessments would conform to the latest available United Nations scale. The total cost increases proposed for the regular budget would be reduced from 2.9% to 0.7%. The US\$ 10 million required for concluding revision of the International Health Regulations would be added to this lower figure. The Director-General would determine in which programme areas the detailed reductions would be made nearer to budget implementation in the light of priorities at that time.

Alternative A	US\$ thousand		Increase/ (decrease) %
	2002-2003	2004-2005	
Programme budget			
Substantive areas	842 654	858 475	1.9
Miscellaneous expenditure	13 000	34 000	161.5
Total	855 654	892 475	4.3
Financed by			
Net assessment on Members	806 500	858 475	6.4
Miscellaneous Income	13 000	34 000	161.5
Total	855 654	892 475	4.3

12. **Alternative B.** The relief provided in 2002-2003 would be extended for one year at 50%. In 2005, relief would cease and all Member States' assessments would conform to the latest available United Nations scale. The remainder of the proposal would be the same as Alternative A.

Alternative B	US\$ thousand		Increase/ (decrease) %
	2002-2003	2004-2005	
Programme budget			
Substantive areas	842 654	858 475	1.9
Miscellaneous expenditure	13 000	34 000	161.5
Total	855 654	892 475	4.3
Financed by			
Net assessment on Members	806 500	858 475	6.4
Miscellaneous Income used for relief	36 154	11 385	(68.5)
Subtotal	842 654	869 860	3.2
Miscellaneous Income	13 000	22 615	74.0
Total	855 654	892 475	4.3

13. The Annex shows assessed contributions of each Member State to the regular budget resulting from application of the two alternatives described above.

MEMBER STATES' ASSESSMENTS
CHANGE BETWEEN ACTUAL 2002-2003 AND PROPOSED 2004-2005, OPTIONS A AND B

1	2	3	4	5	6	7
<u>Member States</u>	<u>Actual amount</u> 2002-2003	<u>WHO proposed scale</u> 2004-2005 (Option 1) (a) %	<u>WHO proposed scale</u> 2004-2005 Option A \$	<u>Change (A)</u> 2004-2005 to 2002-2003	<u>WHO proposed scale</u> 2004-2005 Option B \$	<u>Change (B)</u> 2004-2005 to 2002-2003
Afghanistan (see also below)	25'280	0.00100	8'580	-16'700	8'740	-16'540
Albania	25'280	0.00300	25'750	470	26'230	950
Algeria	589'858	0.06900	592'350	2'492	603'440	13'582
Andorra	33'706	0.00390	33'480	-226	34'110	404
Angola	16'853	0.00200	17'170	317	17'490	637
Antigua and Barbuda	16'853	0.00200	17'170	317	17'490	637
Argentina (see also below)	9'200'728	0.95570	8'204'450	-996'278	8'358'030	-842'698
Armenia	16'853	0.00200	17'170	317	17'490	637
Australia	12'457'586	1.60470	13'775'950	1'318'364	13'462'750	1'005'164
Austria	7'824'042	0.93400	8'018'160	194'118	8'003'110	179'068
Azerbaijan	33'706	0.00390	33'480	-226	34'110	404
Bahamas	101'118	0.01180	101'300	182	103'200	2'082
Bahrain	144'304	0.01770	151'950	7'646	150'440	6'136
Bangladesh	84'265	0.00990	84'990	725	86'580	2'315
Barbados	68'466	0.00890	76'400	7'934	74'460	5'994
Belarus	160'104	0.01870	160'530	426	163'530	3'426
Belgium	9'187'035	1.11350	9'559'120	372'085	9'500'010	312'975
Belize	8'427	0.00100	8'580	153	8'740	313
Benin	16'853	0.00200	17'170	317	17'490	637
Bhutan	8'427	0.00100	8'580	153	8'740	313
Bolivia	60'039	0.00790	67'820	7'781	65'880	5'841
Bosnia and Herzegovina	33'706	0.00390	33'480	-226	34'110	404
Botswana	84'265	0.00990	84'990	725	86'580	2'315
Brazil	12'837'834	2.35720	20'235'970	7'398'136	18'279'410	5'441'576
Brunei Darussalam	181'171	0.03250	279'000	97'829	252'130	70'959
Bulgaria	94'799	0.01280	109'880	15'081	106'010	11'211
Burkina Faso	16'853	0.00200	17'170	317	17'490	637
Burundi	8'427	0.00100	8'580	153	8'740	313
Cambodia	8'427	0.00200	17'170	8'743	15'020	6'593
Cameroon	75'839	0.00890	76'400	561	77'830	1'991
Canada	21'378'132	2.52290	21'658'470	280'338	22'063'890	685'758
Cape Verde	8'427	0.00100	8'580	153	8'740	313
Central African Republic	8'427	0.00100	8'580	153	8'740	313
Chad	8'427	0.00100	8'580	153	8'740	313
Chile	1'181'822	0.20910	1'795'070	613'248	1'633'640	451'818
China	8'819'427	1.51100	12'971'560	4'152'133	11'827'980	3'008'553
Colombia	965'892	0.19820	1'701'500	735'608	1'505'460	539'568
Comoros	8'427	0.00100	8'580	153	8'740	313
Congo	8'427	0.00100	8'580	153	8'740	313
Cook Islands	8'427	0.00100	8'580	153	8'740	313
Costa Rica	139'038	0.01970	169'120	30'082	161'160	22'122
Côte d'Ivoire	75'839	0.00890	76'400	561	77'830	1'991
Croatia	253'850	0.03850	330'510	76'660	310'090	56'240
Cuba	207'504	0.02960	254'110	46'606	242'070	34'566
Cyprus	282'289	0.03750	321'930	39'641	312'260	29'971
Czech Republic	952'199	0.20020	1'718'670	766'471	1'514'030	561'831
Democratic People's Republic of Korea	75'839	0.00890	76'400	561	77'830	1'991
Democratic Republic of the Congo	33'706	0.00390	33'480	-226	34'110	404
Denmark	5'803'779	0.73870	6'341'550	537'771	6'217'520	413'741
Djibouti	8'427	0.00100	8'580	153	8'740	313
Dominica	8'427	0.00100	8'580	153	8'740	313
Dominican Republic	134'825	0.02270	194'870	60'045	178'320	43'495
Ecuador	173'797	0.02470	212'040	38'243	201'940	28'143
Egypt	556'152	0.07990	685'920	129'768	651'740	95'588
El Salvador	107'438	0.01770	151'950	44'512	139'700	32'262
Equatorial Guinea	8'427	0.00100	8'580	153	8'740	313

(a) Document A56/35.

Member States	Actual	WHO proposed scale	WHO proposed scale	Change (A)	WHO proposed scale	Change (B)
	amount	2004-2005	2004-2005	2004-2005	2004-2005	2004-2005
	2002-2003	(Option 1) (a)	Option A	to 2002-2003	Option B	to 2002-2003
		%	\$		\$	
Eritrea	8'427	0.00100	8'580	153	8'740	313
Estonia	84'265	0.00990	84'990	725	86'580	2'315
Ethiopia	33'706	0.00390	33'480	-226	34'110	404
Fiji	33'706	0.00390	33'480	-226	34'110	404
Finland	4'356'521	0.51480	4'419'430	62'909	4'502'160	145'639
France	54'022'548	6.37720	54'746'670	724'122	55'771'450	1'748'902
Gabon	117'972	0.01380	118'470	498	120'690	2'718
Gambia	8'427	0.00100	8'580	153	8'740	313
Georgia	42'133	0.00490	42'070	-63	42'860	727
Germany	81'627'893	9.63490	82'713'210	1'085'317	84'261'490	2'633'597
Ghana	42'133	0.00490	42'070	-63	42'860	727
Greece	3'106'233	0.53160	4'563'650	1'457'417	4'162'540	1'056'307
Grenada	8'427	0.00100	8'580	153	8'740	313
Guatemala	160'104	0.02660	228'350	68'246	209'860	49'756
Guinea	25'280	0.00300	25'750	470	26'230	950
Guinea-Bissau	8'427	0.00100	8'580	153	8'740	313
Guyana	8'427	0.00100	8'580	153	8'740	313
Haiti	16'853	0.00200	17'170	317	17'490	637
Honduras	26'333	0.00490	42'070	15'737	37'990	11'657
Hungary	995'385	0.11830	1'015'580	20'195	1'014'940	19'555
Iceland	262'276	0.03250	279'000	16'724	275'770	13'494
India	2'523'749	0.33630	2'887'050	363'301	2'796'120	272'371
Indonesia	1'572'603	0.19730	1'693'770	121'167	1'667'330	94'727
Iran (Islamic Republic of)	1'409'339	0.26830	2'303'290	893'951	2'066'190	656'851
Iraq	333'902	0.13410	1'151'210	817'308	929'590	595'688
Ireland	1'929'678	0.29000	2'489'580	559'902	2'339'110	409'432
Israel	2'969'302	0.40930	3'513'740	544'438	3'373'370	404'068
Italy	42'318'084	4.99520	42'882'540	564'456	43'685'240	1'367'156
Jamaica	33'706	0.00390	33'480	-226	34'110	404
Japan	163'078'829	19.24780	165'237'550	2'158'721	168'330'570	5'251'741
Jordan	52'666	0.00790	67'820	15'154	63'730	11'064
Kazakhstan	235'943	0.02760	236'940	997	241'380	5'437
Kenya	60'039	0.00790	67'820	7'781	65'880	5'841
Kiribati	8'427	0.00100	8'580	153	8'740	313
Kuwait	1'082'810	0.14500	1'244'790	161'980	1'203'950	121'140
Kyrgyzstan	8'427	0.00100	8'580	153	8'740	313
Lao People's Democratic Republic	8'427	0.00100	8'580	153	8'740	313
Latvia	84'265	0.00990	84'990	725	86'580	2'315
Lebanon	101'118	0.01180	101'300	182	103'200	2'082
Lesotho	8'427	0.00100	8'580	153	8'740	313
Liberia	8'427	0.00100	8'580	153	8'740	313
Libyan Arab Jamahiriya	556'152	0.06610	567'450	11'298	578'070	21'918
Lithuania	128'505	0.01680	144'220	15'715	140'350	11'845
Luxembourg	577'218	0.07890	677'340	100'122	651'760	74'542
Madagascar	25'280	0.00300	25'750	470	26'230	950
Malawi	16'853	0.00200	17'170	317	17'490	637
Malaysia	1'572'603	0.23180	1'989'950	417'347	1'878'600	305'997
Maldives	8'427	0.00100	8'580	153	8'740	313
Mali	16'853	0.00200	17'170	317	17'490	637
Malta	119'025	0.01480	127'050	8'025	125'330	6'305
Marshall Islands	8'427	0.00100	8'580	153	8'740	313
Mauritania	8'427	0.00100	8'580	153	8'740	313
Mauritius	77'945	0.01080	92'720	14'775	88'850	10'905
Mexico	8'352'808	1.07110	9'195'130	842'322	8'997'150	644'342
Micronesia (Federated States of)	8'427	0.00100	8'580	153	8'740	313
Monaco	33'706	0.00390	33'480	-226	34'110	404
Mongolia	8'427	0.00100	8'580	153	8'740	313
Morocco	341'275	0.04340	372'580	31'305	365'270	23'995
Mozambique	8'427	0.00100	8'580	153	8'740	313
Myanmar	67'412	0.00990	84'990	17'578	80'910	13'498
Namibia	58'986	0.00690	59'230	244	60'340	1'354
Nauru	8'427	0.00100	8'580	153	8'740	313
Nepal	33'706	0.00390	33'480	-226	34'110	404
Netherlands	13'656'261	1.71410	14'715'120	1'058'859	14'482'750	826'489
New Zealand	1'851'732	0.23770	2'040'600	188'868	1'996'100	144'368

Member States	Actual	WHO proposed scale	WHO proposed scale	Change (A)	WHO proposed scale	Change (B)
	amount	2004-2005	2004-2005	2004-2005	2004-2005	2004-2005
	2002-2003	(Option 1) (a)	Option A	to 2002-2003	Option B	to 2002-2003
		%	\$		\$	
Nicaragua	8'427	0.00100	8'580	153	8'740	313
Niger	8'427	0.00100	8'580	153	8'740	313
Nigeria	286'502	0.06710	576'040	289'538	498'440	211'938
Niue	8'427	0.00100	8'580	153	8'740	313
Norway	5'099'110	0.63710	5'469'340	370'230	5'389'590	290'480
Oman	432'913	0.06020	516'800	83'887	494'870	61'957
Pakistan	490'846	0.06020	516'800	25'954	512'070	21'224
Palau	8'427	0.00100	8'580	153	8'740	313
Panama	114'812	0.01770	151'950	37'138	141'850	27'038
Papua New Guinea	50'559	0.00590	50'650	91	51'600	1'041
Paraguay	120'078	0.01580	135'640	15'562	131'770	11'692
Peru	838'441	0.11640	999'260	160'819	957'560	119'119
Philippines	694'136	0.09860	846'460	152'324	806'480	112'344
Poland	1'753'774	0.37280	3'200'390	1'446'616	2'813'890	1'060'116
Portugal	3'608'666	0.45570	3'912'070	303'404	3'843'930	235'264
Puerto Rico	8'427	0.00100	8'580	153	8'740	313
Qatar	270'703	0.03350	287'590	16'887	284'370	13'667
Republic of Korea	9'233'381	1.82560	15'672'320	6'438'939	13'876'120	4'642'739
Republic of Moldova	16'853	0.00200	17'170	317	17'490	637
Romania	466'620	0.05720	491'050	24'430	486'320	19'700
Russian Federation	9'059'584	1.18350	10'160'050	1'100'466	9'894'570	834'986
Rwanda	8'427	0.00100	8'580	153	8'740	313
Saint Kitts and Nevis	8'427	0.00100	8'580	153	8'740	313
Saint Lucia	9'480	0.00200	17'170	7'690	15'020	5'540
Saint Vincent and the Grenadines	8'427	0.00100	8'580	153	8'740	313
Samoa	8'427	0.00100	8'580	153	8'740	313
San Marino	16'853	0.00200	17'170	317	17'490	637
Sao Tome and Principe	8'427	0.00100	8'580	153	8'740	313
Saudi Arabia	4'634'597	0.54640	4'690'710	56'113	4'778'510	143'913
Senegal	42'133	0.00490	42'070	-63	42'860	727
Serbia and Montenegro	168'531	0.01970	169'120	589	172'290	3'759
Seychelles	16'853	0.00200	17'170	317	17'490	637
Sierra Leone	8'427	0.00100	8'580	153	8'740	313
Singapore	1'708'481	0.38760	3'327'450	1'618'969	2'872'600	1'164'119
Slovakia	294'929	0.04240	363'990	69'061	345'930	51'001
Slovenia	526'659	0.07990	685'920	159'261	643'140	116'481
Solomon Islands	8'427	0.00100	8'580	153	8'740	313
Somalia	8'427	0.00100	8'580	153	8'740	313
South Africa	3'079'900	0.40240	3'454'500	374'600	3'363'360	283'460
Spain	21'049'497	2.48420	21'326'240	276'743	21'725'440	675'943
Sri Lanka	105'332	0.01580	135'640	30'308	127'470	22'138
Sudan	50'559	0.00590	50'650	91	51'600	1'041
Suriname	16'853	0.00200	17'170	317	17'490	637
Swaziland	16'853	0.00200	17'170	317	17'490	637
Sweden	8'578'218	1.01270	8'693'780	115'562	8'856'520	278'302
Switzerland	10'138'181	1.25650	10'786'740	648'559	10'656'690	518'509
Syrian Arab Republic	548'778	0.07890	677'340	128'562	643'160	94'382
Tajikistan	8'427	0.00100	8'580	153	8'740	313
Thailand	1'494'658	0.29000	2'489'580	994'922	2'225'180	730'522
Timor Leste	-	0.00100	8'580	8'580	4'490	4'490
The former Yugoslav Republic of Macedonia	35'813	0.00590	50'650	14'837	48'500	12'687
Togo	8'427	0.00100	8'580	153	8'740	313
Tokelau	8'427	0.00100	8'580	153	8'740	313
Tonga	8'427	0.00100	8'580	153	8'740	313
Trinidad and Tobago	134'825	0.01580	135'640	815	138'180	3'355
Tunisia	230'677	0.02960	254'110	23'433	248'520	17'843
Turkey	3'652'905	0.43400	3'725'780	72'875	3'723'630	70'725
Turkmenistan	25'280	0.00300	25'750	470	26'230	950
Tuvalu	8'427	0.00100	8'580	153	8'740	313
Uganda	33'706	0.00490	42'070	8'364	40'130	6'424
Ukraine	438'180	0.05230	448'980	10'800	457'380	19'200
United Arab Emirates	1'502'031	0.19920	1'710'080	208'049	1'658'060	156'029
United Kingdom of Great Britain and Northern Ireland	42'728'878	5.46000	46'872'740	4'143'862	45'907'570	3'178'692

Member States	<u>Actual amount</u>	<u>WHO proposed scale</u>	<u>WHO proposed scale</u>	<u>Change (A)</u>	<u>WHO proposed scale</u>	<u>Change (B)</u>
	<u>2002-2003</u>	<u>2004-2005</u>	<u>2004-2005</u>	<u>2004-2005</u>	<u>2004-2005</u>	<u>2004-2005</u>
		<u>(Option 1) (a)</u>	<u>Option A</u>	<u>to 2002-2003</u>	<u>Option B</u>	<u>to 2002-2003</u>
		%	\$		\$	
United Republic of Tanzania	25'280	0.00390	33'480	8'200	31'550	6'270
United States of America	185'383'880	22.0000	188'864'730	3'480'850	192'400'010	7'016'130
Uruguay	430'807	0.07890	677'340	246'533	608'770	177'963
Uzbekistan	92'692	0.01080	92'720	28	94'460	1'768
Vanuatu	8'427	0.00100	8'580	153	8'740	313
Venezuela	1'375'633	0.20510	1'760'730	385'097	1'657'330	281'697
Viet Nam	65'306	0.01580	135'640	70'334	116'720	51'414
Yemen	58'986	0.00590	50'650	-8'336	51'600	-7'386
Zambia	16'853	0.00200	17'170	317	17'490	637
Zimbabwe	67'412	0.00790	67'820	408	69'090	1'678
	806'500'984	100.0000	858'475'000	51'974'016	858'475'000	51'974'016

Argentina and Afghanistan without ad hoc adjustments (document A56/35, option 2)

	<u>WHO proposed scale</u>	<u>WHO proposed scale</u>	<u>Change</u>
	<u>2004-2005 (based on</u>	<u>2004-2005</u>	<u>2004-2005</u>
	<u>United Nations</u>		<u>to 2002-2003</u>
	<u>scale 2003)</u>		
Afghanistan	0.0089	76'404	51'124
Argentina	1.1305	9'705'060	504'332
Total to be reallocated to all other Members in proportion to their scales			555'456