

First report of Committee A

Committee A held its second and third meetings on 21 May 2013. These meetings were held under the chairmanship of Dr Walter T. Gwenigale (Liberia).

It was decided to recommend to the Sixty-sixth World Health Assembly the adoption of the attached resolutions and decisions relating to the following agenda items:

12 Programme and budget matters

12.2 Draft twelfth general programme of work

One resolution, entitled:

- Twelfth General Programme of Work, 2014–2019

11 WHO reform

One decision, entitled:

- Financing of WHO

12 Programme and budget matters

12.3 Proposed programme budget 2014–2015

One resolution, as amended, entitled:

- Programme budget 2014–2015

One decision, entitled:

- Programme budget 2014–2015

21 Financial matters

21.6 Amendments to the Financial Regulations and Financial Rules

One resolution

Agenda item 12.2

Twelfth General Programme of Work, 2014–2019

The Sixty-sixth World Health Assembly,

Having considered the draft twelfth general programme of work, 2014–2019,¹

1. APPROVES the Twelfth General Programme of Work, 2014–2019;
2. REQUESTS the Director-General:
 - (1) to use the Twelfth General Programme of Work as the basis for strategic planning, monitoring and evaluation of WHO's work during the period 2014–2019;
 - (2) to take into consideration the changing state of global health in implementing the general programme of work, in consultation with Member States;
 - (3) to report, through the Executive Board, to the Seventy-third World Health Assembly on progress made during the period of the Twelfth General Programme of Work, 2014–2019.

¹ Document A66/6.

Agenda item 11

Financing of WHO

The Sixty-sixth World Health Assembly decided to establish a financing dialogue, convened by the Director-General and facilitated by the Chairman of the Programme, Budget and Administration Committee of the Executive Board, on the financing of the programme budget, with the first financing dialogue on the proposed programme budget 2014–2015 to take place in 2013, in accordance with the modalities described in document A66/48.

Agenda item 12.3

Programme budget 2014–2015

The Sixty-sixth World Health Assembly,

1. APPROVES the programme of work, as outlined in WHO's programme budget 2014–2015;¹
2. APPROVES the budget for the financial period 2014–2015, [under all sources of funds, namely, assessed and voluntary contributions] of US\$ 3977 million;
3. ALLOCATES the budget for the financial period 2014–2015 among the following six categories:
 - (1) Communicable diseases US\$ 841 million
 - (2) Noncommunicable diseases US\$ 318 million
 - (3) Promoting health through the life course US\$ 388 million
 - (4) Health systems US\$ 531 million
 - (5) Preparedness, surveillance and response US\$ 287 million
 - (6) Enabling functions/corporate services US\$ 684 million as well as the emergencies component of the budget US\$ 928 million;
4. RESOLVES that the budget will be financed as follows:
 - (1) by net assessments on Member States adjusted for estimated Member State non-assessed income for a total of US\$ 929 million;
 - (2) from voluntary contributions for a total of US\$ 3048 million;
5. FURTHER RESOLVES that the gross amount of the assessed contribution for each Member State shall be reduced by the sum standing to their credit in the Tax Equalization Fund; that reduction shall be adjusted in the case of those Members that require staff members to pay income taxes on their WHO emoluments, taxes which the Organization reimburses to said staff members; the amount of such tax reimbursements is estimated at US\$ 29.6 million, resulting in a total assessment on Members of US\$ 958.6 million;
6. DECIDES that the Working Capital Fund shall be maintained at its existing level of US\$ 31 million;

¹ Document A66/7.

7. AUTHORIZES the Director-General to use the assessed contributions together with the voluntary contributions, subject to the availability of resources, to finance the budget as allocated in paragraph 3, up to the amounts approved;
8. FURTHER AUTHORIZES the Director-General, where necessary, to make budget transfers between the six categories provided in paragraph 3 above, up to an amount not exceeding 5% of the amount allocated to the category from which the transfer is made; the expenditure resulting from any such transfers being reported in the financial report for the financial period 2014–2015;
9. FURTHER AUTHORIZES the Director-General, where necessary, to incur expenditures in the emergencies component of the budget beyond the amount allocated for this component, subject to availability of resources, and requests the Director-General to report to the governing bodies on availability of resources and expenditures in this segment;
10. REQUESTS the Director-General to submit regular reports on the financing and implementation of the budget as presented in document A66/7 and on the outcome of the financing dialogue, the strategic allocation of flexible funding and the results of the coordinated resource mobilization strategy, through the Executive Board and its Programme, Budget and Administration Committee, to the World Health Assembly.

Agenda item 12.3

Proposed programme budget 2014–2015

The Sixty-sixth World Health Assembly decided to request the Director-General to propose, for consideration by the Sixty-seventh World Health Assembly, in consultation with Member States, a new strategic resource allocation methodology in WHO, starting with the Programme budget 2016–2017, utilizing a robust bottom-up planning process and realistic costing of outputs, based on clear roles and responsibilities across the three levels of WHO.

Agenda item 21.6

Amendments to the Financial Regulations and Financial Rules

The Sixty-sixth World Health Assembly,

Having considered the report on amendments to the Financial Regulations and Financial Rules,

1. ADOPTS the changes to the Financial Regulations shown in the Annex, to be effective as from 1 January 2014;
2. NOTES that the changes to the Financial Rules are to be confirmed by the Executive Board at its 133rd session, to be effective at the same time as the amendments to the Financial Regulations adopted in paragraph 1;
3. AUTHORIZES the Director-General to number the revised Financial Regulations and Financial Rules appropriately.

ANNEX
FINANCIAL REGULATIONS

EXISTING TEXT AS OF 1 JANUARY 2013	PROPOSED REVISED TEXT	COMMENTS
<i>Regulation IV – Regular Budget Appropriations</i>	<i>Regulation IV – Regular Budget Appropriations <u>Budget Approval</u></i>	
4.1 The appropriations approved by the Health Assembly shall constitute an authorization to the Director-General to incur contractual obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved.	4.1 The appropriations budget approved by the Health Assembly shall constitute an authorization to the Director-General to incur contractual obligations and make payments for the purposes for which the appropriations were budget was approved and up to the amounts so approved, <u>subject to available funding.</u>	The authority to incur expenditure comes from the budget approval itself. Amended to revise “appropriations” to “budget”. Adding “subject to available funding”.
4.2 Appropriations shall be available for making commitments in the financial period to which they relate for delivery in that financial period or the subsequent calendar year.	4.2 Appropriations shall be available for making <u>Once the budget has been approved,</u> commitments <u>can be made</u> by the Director-General in the financial period to which they relate for delivery in that financial period or the subsequent calendar year, <u>subject to available funding.</u>	Authority is derived from the approved budget. Adding “subject to available funding”.
4.3 The Director-General is authorized, with the prior concurrence of the Executive Board or of any committee to which it may delegate appropriate authority, to transfer credits between sections. When the Executive Board or any committee to which it may have delegated appropriate authority is not in session, the Director-General is authorized, with the prior written concurrence of the majority of the members of the Board or such committee, to transfer credits between sections. The Director-General shall report such transfers to the Executive Board at its next session.	No change	
4.4 At the same time as budget proposals are approved an exchange rate facility shall be established by the Health Assembly, which shall set the maximum level that may be available to protect against losses on foreign exchange. The purpose of the facility shall be to make it possible to maintain the level of the budget so that the activities that are represented by the budget approved by the Health Assembly may be carried out irrespective of the effect of any fluctuation of currencies against the United States dollar at the official United Nations exchange rate.	No change	

EXISTING TEXT AS OF 1 JANUARY 2013	PROPOSED REVISED TEXT	COMMENTS
<p><i>Regulation V – Provision of Regular Budget Funds</i></p> <p>5.1 Appropriations shall be financed by assessed contributions from Members, according to the scale of assessments determined by the Health Assembly, and by projected interest earned on regular budget, prior period collection of arrears and any other income attributable to the regular budget.</p>	<p><i>Regulation V – Provision of Regular Budget Funds</i></p> <p>5.1 Appropriations <u>The budget</u> shall be financed by assessed contributions from Members, according to the scale of assessments determined by the Health Assembly, and by <u>voluntary contributions</u>, by projected interest earned on regular budget, prior period collection of arrears and any other income attributable to the regular budget. <u>Members' financial obligations under Article 56 of the WHO Constitution are limited to the assessed contributions.</u></p>	<p>Revisions to wording and inclusion of voluntary contributions.</p>
<p>5.2 The amount to be financed by contributions from Members shall be calculated after adjusting the total amount appropriated by the Health Assembly to reflect that proportion of the regular budget to be financed by the other sources noted in 5.1 above.</p>	<p><u>5.2 The Health Assembly shall approve the amount to be financed by assessed contributions from Member States, and shall approve the amount to be raised by the Director-General from voluntary sources.</u></p>	<p>A new Regulation to reflect the discussion of the Programme, Budget and Administration Committee at its extraordinary session in December 2012.</p>
	<p>5.2.1 The amount to be financed by assessed contributions from Members shall be calculated after adjusting the total amount appropriated <u>approved</u> by the Health Assembly to reflect that proportion of the regular budget to be financed by the other sources noted in 5.1 above.</p>	<p>Amended to reflect the fact that it is now an integrated budget (assessed and voluntary contributions).</p>
<p>5.3 In the event that the total financing for appropriations is less than the amount approved by the Health Assembly under the regular budget proposals, the Director-General shall review implementation plans for the regular budget in order to make any adjustments that may be necessary.</p>	<p>5.3 In the event that the total financing for appropriations <u>the budget</u> is less than the amount approved by the Health Assembly under the regular budget proposals, the Director-General shall review implementation plans for the regular budget in order to make any adjustments that may be necessary.</p>	<p>Amended to reflect the fact that it is now an integrated budget (assessed and voluntary contributions).</p>

EXISTING TEXT AS OF 1 JANUARY 2013	PROPOSED REVISED TEXT	COMMENTS
	<u>5.4 Assessed contributions are made available for implementation on 1 January of each year of the financial period. Voluntary contributions are made available for implementation upon recording of agreements with the resource contributors.</u>	A new Regulation to clarify availability of assessed and voluntary contributions. Voluntary contributions can only be made available to incur commitments to the extent that agreements have been recorded. Therefore the part of the budget funded by voluntary contributions will always require funds to have been carried forward for the start of the biennium.
	<u>5.5 The Director-General shall submit to the Health Assembly annual reports on the collection of contributions (both voluntary and assessed), and other sources of cash.</u>	A new Regulation to clarify that reporting is made on all contributions and collections (includes previous 6.10 below on assessed contributions).
<i>Regulation VI – Assessed Contributions</i> 6.1 The assessed contributions of Members based on the scale of assessments shall be divided into two equal annual instalments. In the first year of the financial period, the Health Assembly may decide to amend the scale of assessments to be applied to the second year of the financial period	No change	
6.2 After the Health Assembly has adopted the budget, the Director-General shall inform Members of their commitments in respect of contributions for the financial period and request them to pay the first and second instalments of their contributions.	6.2 After the Health Assembly has adopted the budget, the Director-General shall inform Members of their commitments in respect of <u>assessed</u> contributions for the financial period and request them to pay the first and second instalments of their contributions.	Amended to clarify that this Regulation refers to “assessed” contributions
6.3 If the Health Assembly decides to amend the scale of assessments, or to adjust the amount of the appropriations to be financed by contributions from Members for the second year of a biennium, the Director-General shall inform Members of their revised commitments and shall request Members to pay the revised second instalment of their contributions	6.3 If the Health Assembly decides to amend the scale of assessments, or to adjust the amount of the <u>budget appropriations</u> to be financed by <u>assessed</u> contributions from Members for the second year of a biennium, the Director-General shall inform Members of their revised commitments and shall request Members to pay the revised second instalment of their contributions.	Amended to revise “appropriations” to “budget” and to clarify that this Regulation refers to “assessed” contributions.
6.4 Instalments of contributions shall be due and payable as of 1 January of the year to which they relate.	6.4 Instalments of <u>assessed</u> contributions shall be due and payable as of 1 January of the year to which they relate.	Amended to clarify that this Regulation refers to “assessed” contributions

EXISTING TEXT AS OF 1 JANUARY 2013	PROPOSED REVISED TEXT	COMMENTS
6.5 As of 1 January of the following year, the unpaid balance of such contributions shall be considered to be one year in arrears.	6.5 As of 1 January of the following year, the unpaid balance of such assessed contributions shall be considered to be one year in arrears.	Amended to clarify that this Regulation refers to “assessed” contributions.
6.6 Contributions shall be assessed in United States dollars, and shall be paid in either United States dollars, euros or Swiss francs, or such other currency or currencies as the Director-General shall determine.	6.6 Assessed Contributions shall be assessed in United States dollars, and shall be paid in either United States dollars, euros or Swiss francs, or such other currency or currencies as the Director-General shall determine.	If the proposal to change to 50% assessed in Swiss francs is agreed, this Regulation will be amended. Payment of the assessed amount may continue to be possible in another currency, in which case Financial Regulation 6.9, below, applies.
6.7 The acceptance by the Director-General of any currency that is not fully convertible shall be subject to a specific, annual approval on a case-by-case basis by the Director-General. Such approvals will include any terms and conditions that the Director-General considers necessary to protect the World Health Organization.	No change	
6.8 Payments made by a Member shall be credited to the Member’s account and applied first against the oldest amount outstanding.	6.8 Payments made by a Member for assessed contributions shall be credited to the Member’s account and applied first against the oldest amount outstanding.	
6.9 Payments in currencies other than United States dollars shall be credited to Members’ accounts at the United Nations rate of exchange ruling on the date of receipt by the World Health Organization.	6.9 Payments of assessed contributions in currencies other than United States dollars shall be credited to Members’ accounts at the United Nations rate of exchange ruling on the date of receipt by the World Health Organization.	
6.10 The Director-General shall submit to the regular session of the Health Assembly a report on the collection of contributions.	6.10 The Director General shall submit to the regular session of the Health Assembly a report on the collection of contributions.	Amended to delete the former clause and replace with a new clause within Regulation V (5.5 above), to explain that reports will be provided to the Health Assembly on the status of collection of <u>all</u> funds, both voluntary and assessed.

EXISTING TEXT AS OF 1 JANUARY 2013	PROPOSED REVISED TEXT	COMMENTS
6.11 New Members shall be required to make a contribution for the financial period in which they become Members at rates to be determined by the Health Assembly. Such contributions shall be recorded as income in the year in which they are due.	6.10 New Members shall be required to make <u>an assessed</u> contribution for the financial period in which they become Members at rates to be determined by the Health Assembly. Such contributions shall be recorded as income in the year in which they are due.	Updated to 6.10
<i>Regulation VII – Working Capital Fund and Internal Borrowing</i> 7.1 Pending the receipt of assessed contributions, implementation of the regular budget may be financed from the Working Capital Fund, which shall be established as part of the regular budget approved by the Health Assembly, and thereafter by internal borrowing against available cash reserves of the Organization, excluding Trust Funds.	<i>Regulation VII – Working Capital Fund and Internal Borrowing</i> 7.1 Pending the receipt of assessed contributions, implementation of that part of the regular budget <u>financed from these contributions</u> , may be financed from the Working Capital Fund, which shall be established as part of the regular budget approved by the Health Assembly and thereafter by internal borrowing.- <u>The amount of the Working Capital Fund is approved by the Health Assembly. Internal borrowing may be made</u> against available cash reserves of the Organization, excluding Trust Funds.	Amended to reflect the fact that it is now an integrated budget (assessed and voluntary contributions).
7.2 The level of the Working Capital Fund shall be based on a projection of financing requirements taking into consideration projected income and expenditure. Any proposals that the Director-General may make to the Health Assembly for varying the level of the Working Capital Fund from that previously approved shall be accompanied by an explanation demonstrating the need for the change.	7.2 The level of the Working Capital Fund shall be based on a projection of financing requirements taking into consideration projected income and expenditure <u>from assessed contributions</u> . Any proposals that the Director-General may make to the Health Assembly for varying the level of the Working Capital Fund from that previously approved shall be accompanied by an explanation demonstrating the need for the change.	
7.3 Any repayments of borrowing under Regulation 7.1 shall be made from the collection of arrears of assessed contributions and shall be credited first against any internal borrowing outstanding and secondly against any borrowing outstanding from the Working Capital Fund.	No change	

	FINANCIAL RULES	
<p><i>Rule III – Regular Budget Appropriations</i></p> <p>103.1 The appropriations approved by the Health Assembly constitute an authority to issue awards up to the amount approved to enable expenditures to be incurred for the purposes for which the appropriations were approved. The Director-General may determine the maximum amount of the appropriations that it would be prudent to issue as awards taking into account the prospects for payment of assessed contributions and the availability of both the Working Capital Fund and internal borrowing.</p>	<p><i>Rule III – Regular Budget Appropriations <u>Approval</u></i></p> <p>103.1 The appropriations <u>budget</u> approved by the Health Assembly constitutes an authority to issue awards up to the amount approved to enable expenditures to be incurred for the purposes for which the appropriations were <u>budget is</u> approved. The Director-General may determine the maximum amount of the appropriations <u>approved budget</u> that it would be prudent to issue as awards taking into account the prospects for payment of assessed <u>collection of</u> contributions and the availability of both the Working Capital Fund and internal borrowing.</p>	<p>Amended to revise “appropriations” to “budget”.</p> <p>Amended to reflect financing of the budget by both voluntary and assessed contributions.</p>

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