



# WORLD HEALTH ORGANIZATION

ADMINISTRATION, BUDGET AND FINANCE  
COMMITTEE OF THE EXECUTIVE BOARD  
Twentieth meeting

EBABFC20/3  
19 January 2004

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## Report of the twentieth meeting of the Administration, Budget and Finance Committee of the Executive Board

### **Agenda item 1      Opening of the meeting, election of the Chairman and adoption of the agenda (Document EBABFC20/1)**

1. The twentieth meeting of the Administration, Budget and Finance Committee (ABFC) was held in Geneva from 15 to 16 January 2004. A list of participants appears in the Annex. The Committee elected Dr A.A. Yoosuf (Maldives) as Chairman and adopted the provisional agenda.

### **Agenda item 2      Financial matters**

#### **2.1 Status of collection of assessed contributions and Members in arrears in the payment of their contributions to an extent which would justify invoking Article 7 of the Constitution (Document EB113/16)**

2. The Committee noted the contents of the report, and welcomed the improvement in both the rate of collection and the reduction in arrears of unpaid prior year contributions and hoped that this trend would continue. Timely payment of assessed contributions by Member States was important in ensuring full implementation of the regular budget.

3. The Committee noted with appreciation that since 31 December 2003, further payments of assessed contributions had been received totalling just under US\$ 10 million. The payments were from Algeria, Austria, Bulgaria, Colombia, Denmark, Finland, Israel, Italy, Lao People's Democratic Republic, Lithuania, Nigeria, Niue, Pakistan, Poland and Yemen.

4. As a result, the rate of collection for 2003 had risen to 91% and a total of 137 Member States had now paid their 2003 contributions in full, compared with 132 Member States indicated in the report.

5. It was noted that some Member States experience difficulty in meeting their obligations and that it was important that the Secretariat continue to engage in active discussion with the Member States concerned in order to resolve the matter of long outstanding arrears.

6. The Chairman indicated that further information on the status of collection and Members in arrears to an extent that would justify invoking Article 7 of the Constitution, would be provided to ABFC at its twenty-first meeting in May 2004. The Committee would formulate at that time the necessary recommendations in connection with Members concerned by Article 7.

## **2.2 Amendments to Financial Regulations and Financial Rules [if any]**

7. There were no amendments to be considered.

### **Supplementary agenda item 1 Scale of assessments (Document EB113/46)**

8. The Committee noted that by resolution WHA56.33, the Health Assembly had decided to accept henceforth the latest available United Nations scale as the basis for the WHO scale of assessments and had adopted a scale of assessments for 2004-2005. At that time, the latest available United Nations scale was for 2003. Since then, the United Nations had adopted a new scale for the period 2004-2006. A revision of the WHO scale for 2005 would thus be consistent with resolution WHA56.33, and would be permitted by Financial Regulation 6.1.

9. In response to a question from the Committee concerning the application of the adjustment mechanism, which provides compensation to those Member States experiencing an increase in their scale of assessment compared to 2000-2001, it was noted that Argentina, Brazil, Chile, China, Colombia, Cuba, Czech Republic, Dominican Republic, Greece, India, Indonesia, Israel, Malaysia, Mexico, Pakistan, Peru, Philippines, Portugal, Russian Federation, Singapore, United Kingdom of Great Britain and Northern Ireland and Viet Nam were the only Member States who had taken advantage of the adjustment mechanism in 2004. In all cases, except for the Czech Republic, the full amount of the credit available had been claimed. The Czech Republic had claimed half of the amount available. The amount claimed for 2004 amounted to US\$ 7.7 million, from a total appropriation of US\$ 12.4 million for the 2004-2005 financial period.

10. It was noted that no Member States from the African Region had claimed credits under the adjustment mechanism. The adjustment mechanism only applied to those Members facing increases in their rates of assessments, whereas in the African Region most Member States' scales of assessments were either reduced or unchanged; as a result, very few Member States from that Region were entitled to benefit from the adjustment mechanism.

11. The Committee requested that further information be provided to the Health Assembly to enable it to give the matter full consideration; consultations in the intervening period could also be useful.

12. The further information requested was in respect of:

- (a) the impact in dollar terms of a revised 2005 scale on Member States' assessments;
- (b) the impact of the revised scale for 2005 on the amounts that would be available to Member States under the adjustment mechanism established by resolution WHA56.34;
- (c) the details of amounts actually claimed by Member States under the adjustment mechanism;

(d) an update on the expected level of Miscellaneous Income in 2004-2005, from which the amount of US\$ 12.4 million was appropriated for the adjustment mechanism, and the impact on the financing of the WHO regular budget for 2004-2005.

13. The Committee noted the report in document EB113/46.

**Recommendation to the Executive Board** (1) **To recommend that the Fifty-seventh World Health Assembly consider the amendment of the WHO scale of assessment for 2005.**

### **Agenda item 3 Briefing by the Chairman of the Audit Committee**

14. The Chairman of the Audit Committee of the Executive Board reported to ABFC on the Audit Committee's ninth meeting.<sup>1</sup>

### **Agenda item 4 Programme budget 2004-2005**

#### **4.1 Progress report** (Documents EB113/42 and EB113/42 Add.1)

15. The Committee noted that the Director-General had reviewed the alignment of the programme budget with his objective of strengthening WHO's activities in countries and regions, and of according higher priorities to some aspects of the Organization's work. The operational planning process for 2004-2005 had resulted in no major suggested reallocations of regular budget resources; the 10% flexibility for transfers between appropriation sections would be more than sufficient. Under other sources of funds, there were upward revisions in funds expected to be used under the areas of work of HIV/AIDS and Emergency preparedness and response. The last three columns in that document showed that 67% of other funds would be spent at regional and country levels. This rose to about 70% if figures for these levels were included in respect of planned expenditures on research into tropical diseases and human reproduction – as was the case for headquarters. This latter figure was in line with the Director-General's commitment to shift resources to regional and country levels.

16. The Committee welcomed this development and noted that the projected increase in resources at country level should, as far as possible, support programme activities. The Committee was reminded that a large fund-raising effort by the Organization would now be needed to make these plans a reality.

#### **4.2 Information on categories of expenditure** (Document EBABFC20/2)

17. The Committee noted that the summary table provided was in response to an explicit request by the Health Assembly when adopting the appropriation resolution for 2004-2005, taking into account the results-based nature of the programme budget. The Committee noted that the actual expenditure for 2002-2003 would be reported in the Financial Report of the Organization for the biennium, which would allow for comparison with 2004-2005 planned expenditure as foreseen at the current stage. It was confirmed that the heading "Salaries" included all forms of staff contracts, including short-term contracts, financed under the regular budget. It was noted that there was a tendency for the proportion

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<sup>1</sup> For the report of this meeting, see document EBAC9/5.

of “Salaries” under the regular budget to go up; this was largely because the approved increases in salary scales were greater than the overall increase in the regular budget.

18. It was explained that the amount shown under “Other expenditure” covered more than one category of expenditure, including the provisions, particularly at country level, that had not yet been planned in sufficient detail to allow inclusion in one of the other categories. It was also noteworthy that the figure had fallen against the 2002-2003 biennium.

19. The Committee took note of the report.

## **Agenda item 5 Human resources**

### **5.1 Annual report (Document EB113/17)**

20. The Committee examined and took note of the report, recognizing that the annual report with complete data as at December 2003 would be submitted to the Fifty-seventh World Health Assembly in May 2004.

### **5.2 Recruitment strategy integrating gender and geographical balance (Document EB113/18)**

21. The Committee welcomed this information as requested in resolutions WHA56.17 and WHA56.35.

22. It was noted that it would take time to achieve the targets set by the Health Assembly. The action plan was seen as a positive and realistic first step towards those goals.

23. Cooperation with Member States, particularly those that were unrepresented and underrepresented, was regarded as an important element in implementing the strategy. The need to raise awareness in such countries of WHO as an employer of choice was recognized; wider dissemination of information on employment opportunities would enable WHO to receive a larger number of applicants from priority countries.

24. The Web-based recruitment system was undoubtedly very successful, but continued attention also needed to be paid to attracting candidates from areas where connectivity with the Internet was poor or information technology expertise limited. It was agreed that WHO could provide coaching on how to complete application forms, particularly online; and could explain the Organization’s selection process involving written tests and competency-based interviews.

25. Concern was expressed about the need to ensure that external and internal candidates enjoyed equal opportunities. The Organization faced the challenge of striking the most appropriate balance between contract duration (whether short-, medium- or long-term) and the need to remain attractive as an employer.

26. In conclusion, there was consensus that monitoring and evaluation were very important aspects of the recruitment strategy. It was hoped that the Secretariat would therefore provide regular reports on its achievements and experiences.

27. The Committee agreed that the Executive Board should take note of the recruitment strategy.

**5.3 Report of the International Civil Service Commission** (Document EB113/19)

28. The Committee noted the salient points in the Commission's annual report for 2003, namely, a progress report on the review of the pay and benefits system; and maintenance of the current level of the base/floor salary and related allowances of the professional and higher categories.

**Recommendation to the Executive Board**                      **(2) To adopt the draft resolution contained in document EB113/19.**

**5.4 Amendments to the Staff Rules** [if any] (Document EB113/20)

29. There were no amendments to be considered.

ANNEX  
**LIST OF PARTICIPANTS**

**MEMBERS, ALTERNATES AND ADVISERS**

**Maldives**

Dr A.A. Yoosuf (Member, Chairman)

**China**

Dr Yin Li (Member)

Mr Qi Qingdong (Adviser)  
Ms Liu Guangyuan (Adviser)

**Guinea-Bissau**

Dr J.C. Sá Nogueira (Member)

**Iceland**

Mr D.Á. Gunnarsson (Member)

Ms Á. Knútsdóttir (Adviser)  
Ms H. Ottósdóttir (Adviser)

**Sudan**

Mr C.L. Jada (alternate to Dr A.B. Osman)

**United States of America**

Mr D. Hohman (alternate to Dr W.R Steiger)

Mr C. Stonecipher (Adviser)

**OTHER EXECUTIVE BOARD MEMBERS, ALTERNATES AND ADVISERS**

Dr J. Larivière (Canada)  
Mr D. MacPhee (Canada)  
Mr M. Kochetkov (Russian Federation)

**MEMBER STATES NOT REPRESENTED ON THE EXECUTIVE BOARD**

Mr M. Sawers (Australia)  
Ms S. Cullen (Ireland)  
Ms S. Mangan (Ireland)  
Mr S. Hemmi (Japan)  
Ms D. Mafubelu (South Africa)

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