



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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Washington, D.C., USA, 22-26 September 2003

Provisional Agenda Item 4.4

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REGULAR BUDGET ALLOCATIONS TO REGIONS

NOTE FOR REGIONAL COMMITTEES PREPARED BY THE WHO HEADQUARTERS

1. In 1998, the World Health Assembly adopted Resolution WHA51.31 (Annex I) relating to regular budget allocations to regions.
2. The Resolution recommended that regional, intercountry and country allocations should be for the most part guided by a model that:
 - (a) draws upon UNDP's Human Development Index, possibly adjusted for immunization coverage;
 - (b) incorporates population statistics of countries calculated according to commonly accepted methods such as "logarithmic smoothing";
 - (c) can be implemented gradually so that the reduction for any region would not exceed 3% per year and would spread over a period of three biennia.
3. In operative paragraph 4, the Director-General was requested to present a thorough evaluation of that model to the Fifty-seventh World Health Assembly for the purpose of continuing response to health needs and equitable allocation of the resources of WHO.
4. This note is intended to provide Regional Committees with information relating to the financial impact of implementing the Resolution on each of the six regions of WHO.

The model

5. The model has been used by the Director-General to assist in determining her recommendations to the World Health Assembly for the regular budget allocations to regions for the 2000-2001, 2002-2003 and 2004-2005 Programme Budgets of WHO.

6. In summary, a theoretical budget allocation for all countries (except high income as defined by the World Bank) has been calculated, with the apportionment between countries being (a) inversely related to their position on the Human Development Index and (b) also based on population size but weighted so as to reduce partially the effect of high populations. Least developed countries were protected from any decrease. The results were then used to calculate the share of each region (regional office and countries) in the total of the six regional budgets.

7. The proposals made by the Director-General also included the following adjustments, based on the provisions and discretions given in the text of the resolution:

- (a) In 2000-2001, the Director-General adjusted the model also to take account of immunization coverage. However, in the light of fluctuations and uncertainties surrounding some immunization coverage statistics, they were not used in 2002-2003 or 2004-2005.
- (b) The maximum reduction foreseen in paragraph 3 (c) of the resolution of 3% per annum per region was only implemented in the first biennium, viz. 2000-2001. Thereafter, the maximum reduction for any region was limited to 2% per year in the 2002-2003 biennium, and to 1.5% per year in the 2004-2005 biennia. This decision was taken in part to reflect the fact that regions had to absorb cost increases in these biennia in addition to the decreases resulting from the use of the model.

Impact of the Model

8. The table attached as Annex II shows the regional allocations resulting from the application of the model, as well as other changes made in regional allocations during the period 2000-2001, 2002-2003 and 2004-2005.

9. Extra-budgetary contributions are not covered by the model, and figures for the biennium 2000-2001 and for the year 2002, broken down by region and Headquarters, are attached for information as Annex III.

Action requested of the Regional Committee

10. Any comments from Regional Committees on the impact of the model will be taken into account in the evaluation that will be presented to the Executive Board in January 2004 and to the Fifty-seventh World Health Assembly in May 2004.

Annexes

FIFTY-FIRST WORLD HEALTH ASSEMBLY

WHA51.31

Agenda item 27.2

16 May 1998

Review of the Constitution and regional arrangements of the World Health Organization

Regular budget allocations to regions

The Fifty-first World Health Assembly,

Recalling resolution EB99.R24 on regional arrangements within the context of WHO reform;

Noting that regular budget allocations to regions have not been based on objective criteria but rather on the basis of history and previous practice;

Concerned that, as a result, each region's share of such allocations has remained largely unchanged since the Organization's inception;

Recalling that two basic principles governing the work of WHO are those of equity and support to countries in greatest need; and stressing the need for the Organization to apply principles which Member States have adopted collectively;

Noting that other organizations of the United Nations system, particularly UNICEF, have already adopted models based on objective criteria to ensure a more equitable distribution of programme resources to countries,

1. **THANKS** the Executive Board and its special group for the review of the Constitution for the comprehensive study of allocations from the regular budget to regions;
2. **REAFFIRMS** Article 55 of the Constitution which stipulates that it is the Director-General's prerogative to prepare and submit to the Board the budget estimates of the Organization, and requests her/him to take into account the discussion on this matter during the Fifty-first World Health Assembly when preparing future programme budgets;
3. **RECOMMENDS** that, globally, the regional, intercountry and country allocation in future programme budgets approved by the Health Assembly should for the most part be guided by a model that:
 - (a) draws upon UNDP's Human Development Index, possibly adjusted for immunization coverage;
 - (b) incorporates population statistics of countries calculated according to commonly accepted methods, such as "logarithmic smoothing";

(c) can be implemented gradually so that the reduction for any region would not exceed 3% per year and would be spread over a period of three bienniums;

4. REQUESTS the Director-General to present a thorough evaluation of that model to the Fifty-seventh World Health Assembly for the purpose of continuing response to health needs and equitable allocation of the resources of the World Health Organization;

5. DECIDES that the model should be applied in a flexible rather than a mechanical manner so as to minimize, to the extent possible, any adverse effects on countries whose budgetary allocations will be reduced;

6. REQUESTS the Director-General to ensure that all least developed countries will be guaranteed during the 2000-2001 biennium that their allocation from the regular budget will not be less than that of the 1998-1999 budget by use of the 2% transfer from global and interregional activities foreseen in resolution WHA48.26 and by casual income if available; and to continue in subsequent bienniums to give high priority to protect the situation of least developed countries;

7. REQUESTS the Director-General, while emphasizing that any additional funds resulting from the present process of reallocation should flow to the country level, to enable regions within the terms of the Constitution to determine for themselves the partition between country, intercountry and regional office budgets;

8. REQUESTS the Director-General to monitor and evaluate closely the working and the impact of this new process in the light, in particular, of changes in international social and economic conditions, and to report annually to the Executive Board and the World Health Assembly with a view to any further refinement, development or modification to ensure response to health needs and the equitable allocation of the resources of the World Health Organization;

9. REQUESTS the Director-General to report to the 103rd session of the Executive Board and to the Fifty-second World Health Assembly on the details of the model and the regional, intercountry and country allocations to be applied to the 2000-2001 biennium;

10. FURTHER REQUESTS the Director-General to report to the 103rd session of the Executive Board and to the Fifty-second World Health Assembly within the context of the request in paragraph 4 above, on the use of extrabudgetary allocations in regional, intercountry and country programmes in the previous three bienniums.

Tenth plenary meeting, 16 May 1998
A51/VR/10

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**ADJUSTMENTS TO REGIONAL REGULAR BUDGET ALLOCATIONS
2000-2001 to 2004-2005**

(in US dollar K, and percentage)

	Approved 1998-1999	Increase/ (decrease) in 2000-2001 as per WHA 51.31	Increase/ (decrease) in 2002-2003 as per WHA 51.31	Increase/ (decrease) in real terms in 2004-2005 as per WHA51.31	Other increases in real terms 2000-2005	Cost decrease 2000-2005	Approved 2004-2005
The Americas	82 686	(4 961)	(3 043)	(2 191)	802	(563)	72 730
South-East Asia	99 251	(3 656)	(2 573)	(1 853)	2 508*	(719)	92 958
Eastern Mediteranean	90 249	(4 380)	(2 479)	(1 806)	902	(633)	81 853
Western Pacific	80 279	(4 390)	(2 627)	(1 957)	788	(533)	71 540
Sub-total	352 465	(17 387)	(10 722)	(7 807)	5 000	(2 468)	319 081
Africa	157 413	19 409	9 650	6 246	-	(1 479)	191 239
Europe	49 823	1 876	1 072	1 561	374	(419)	54 287
Sub-Total	207 236	21 285	10 722	7 807	374	(1 898)	245 526
Total-regions	559 701	3 898**	NIL	NIL	5 374***	(4 366)	564 607

* Includes the effect of a new country budget for Timor-Leste (\$1.5 M) transferred from global funds

** In 2000-2001 the impact of the model was boosted by this transfer from the global to regional budgets

*** Increases from the global part of the regular budget

EXTRA-BUDGETARY CONTRIBUTIONS BY REGION 2000-2001 and 2002

(in thousands of dollars)

Region	2000-2001	2002
Africa	497,006	187,328
The Americas	12,604	7,049
South-East Asia	91,639	54,758
Europe	73,446	43,573
Eastern Mediterranean	85,903	61,767
Western Pacific	45,034	30,686
Total (Regions)	805,632	385,161
Headquarters	550,035	391,164
TOTAL	1,355,667	776,325

Source: For the biennium 2000-2001: Financial Report and Audited Financial Statements for the period 1 January 2000-31 December 2001 (document A55/25), pg 72-73

For the year 2002: Unedited Interim Financial Report for the year 2002 (document A56/28), pg 54-67
