
Implementation of Programme budget 2012–2013: update

Report by the Secretariat

1. In May 2011, the Sixty-fourth World Health Assembly adopted resolution WHA64.3, the appropriation resolution for the financial period 2012–2013, and noted the total effective budget of US\$ 3959 million, presented in three segments: Base programmes (US\$ 2627 million); Special programmes and collaborative arrangements (US\$ 863 million); and Outbreak and crisis response (US\$ 469 million). This was to be financed from assessed contributions, voluntary contributions and carry-over funds from the financial period 2010–2011.

FINANCING THE PROGRAMME BUDGET 2012–2013

2. At the end of the third quarter of 2013, the financing available for all segments of the budget, including both assessed and voluntary contributions, was US\$ 4103 million, comprising:

- income of US\$ 1000 million received in 2010–2011 and planned for 2012–2013;
- income planned and carried forward from 2010–2011 of US\$ 500 million; and
- new income of US\$ 2603 million for 2012–2013, including
 - US\$ 915 million in assessed contributions, and
 - US\$ 1688 million in new voluntary contributions for the biennium.¹

3. Table 1 compares the situation at 30 September 2012 and at 30 September 2013. The grey areas indicate where strategic objectives have a financing gap of between 30% and 50%; the black areas indicate a gap of more than 50% of the approved Programme budget.

4. Compared with the Programme budget 2010–2011, this analysis confirms a much closer alignment between income and expenditure projections. Nevertheless, gaps remain across various strategic objectives and major offices, highlighting the ongoing problems created by the high level of earmarked funds and the inadequacy of flexible funding.

¹ In addition, US\$ 526 million were received to support implementation of the Programme budget 2014–2015.

5. During 2013, the Resource Mobilization Task Force, established by the Secretariat to address the shortfalls and co-chaired by the Deputy Director-General and the Director of the Regional Office for Europe, initiated coordinated Organization-wide resource mobilization efforts, most notably, the financing dialogue meetings involving key contributors, held in June and November 2013. Such efforts will be further supported by the introduction of an improved resource management policy.

Table 1. Indication of financing gaps for all segments, by major office and strategic objective, Programme budget 2012–2013.

Situation as at 30 September 2012:

Strategic objective	African Region	Region of the Americas	Eastern Mediterranean Region	European Region	South-East Asia Region	Western Pacific Region	Headquarters	Total
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								

Situation as at 30 September 2013:

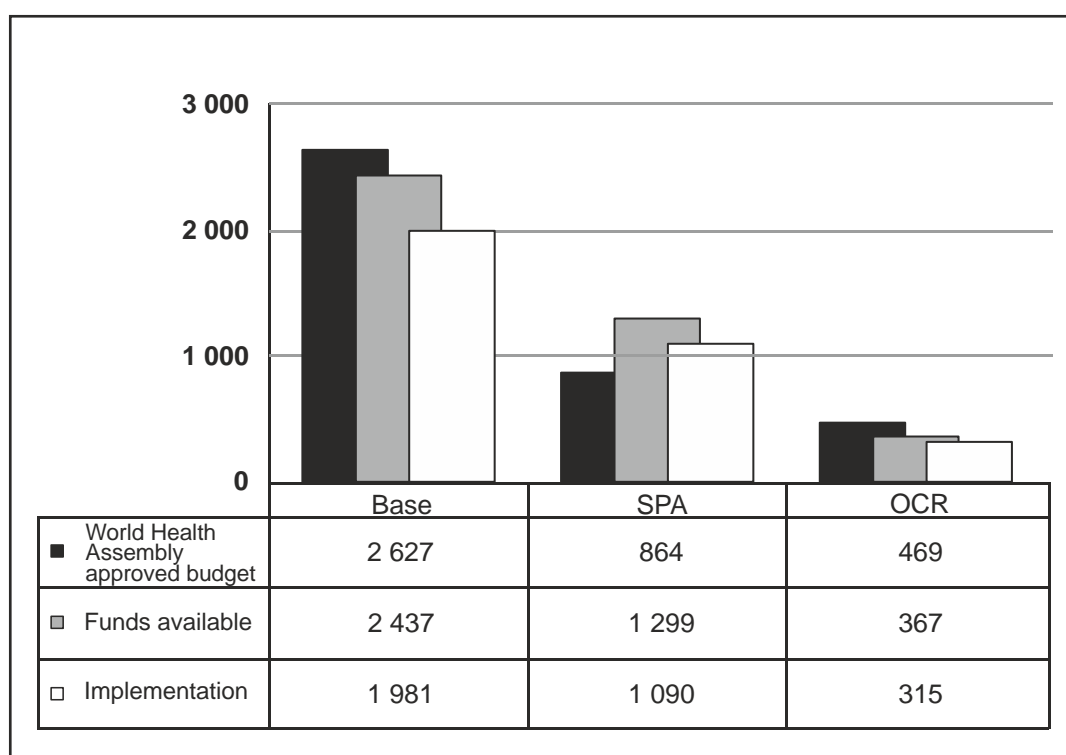
Strategic objective	African Region	Region of the Americas	Eastern Mediterranean Region	European Region	South-East Asia Region	Western Pacific Region	Headquarters	Total
1								
2								
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4								
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PROGRAMMATIC IMPLEMENTATION OF THE PROGRAMME BUDGET 2012–2013

6. Implementation to 30 September 2013 was US\$ 3386 million, or 86% of the approved Programme budget (for all segments). The expenditures fall into the following broad categories: staff and other personnel costs (estimated at 45% of the total); contractual services (17%); transfers and grants to counterparts (13%); general operating expenses (11%); travel (8%) supplies, commodities and materials (5%); and equipment, vehicles and furniture (1%).

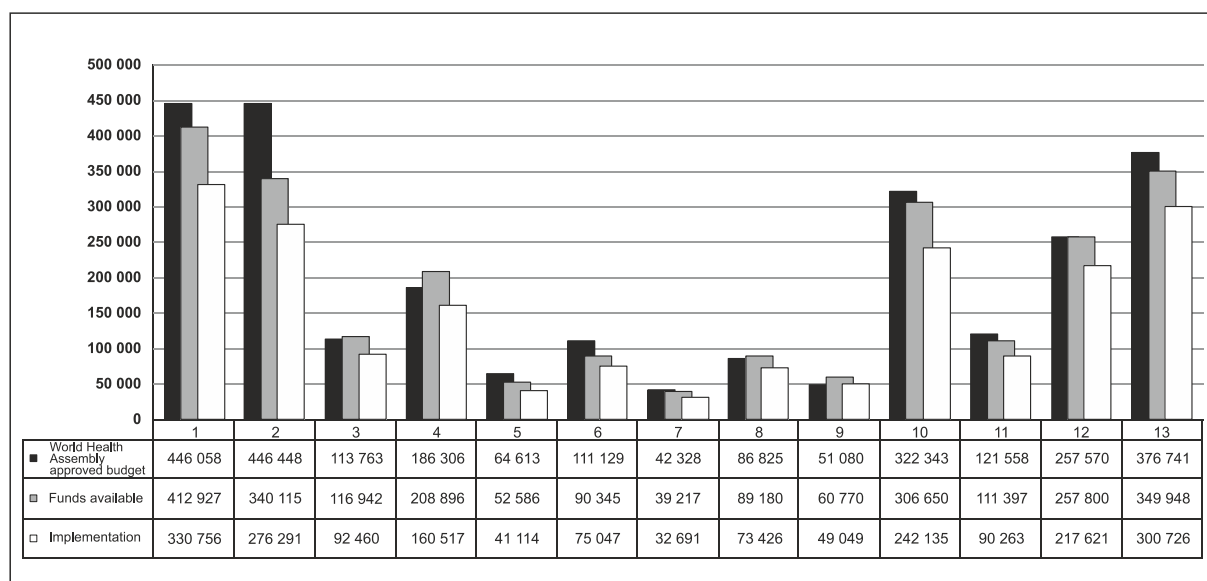
7. Table 2 provides details of available funding and implementation against the approved Programme budget as at 30 September 2013. The financing of the Special programmes and collaborative arrangements segment is frequently influenced by joint activities with partners intended to meet WHO's objectives, but which may be driven by factors beyond the Organization's immediate control. Financing beyond the approved Programme budget in the Special programmes and collaborative arrangements segment is mainly associated with polio eradication under strategic objective 1. Financing and implementation of the Outbreak and crisis response segment is driven primarily by emergencies and outbreaks.

Table 2 Global Programme budget by segment (US\$ millions)



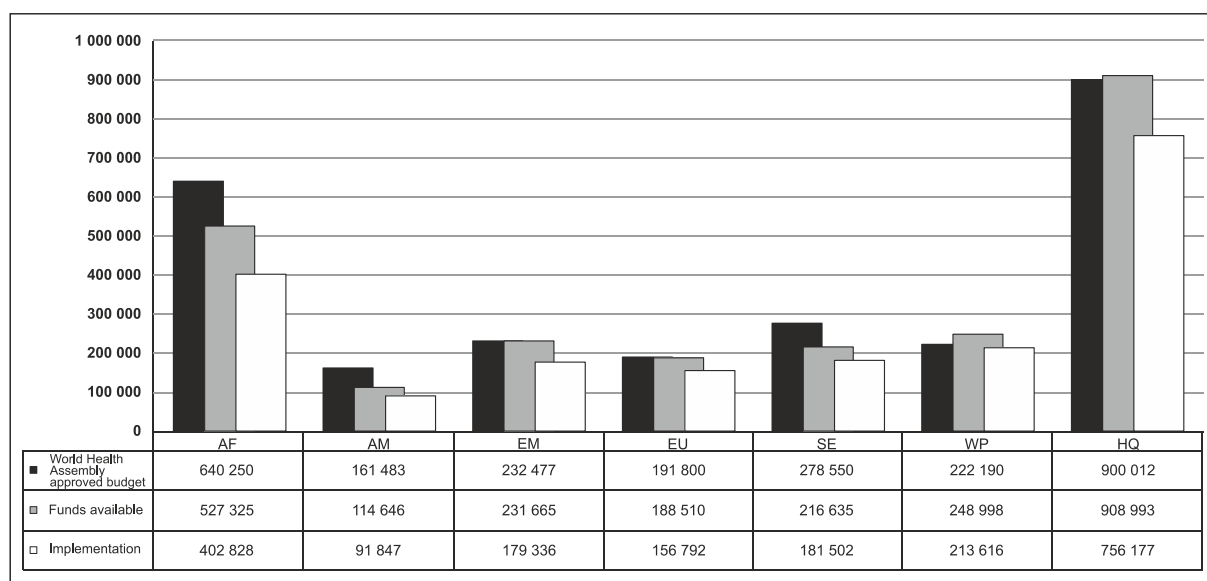
8. Table 3 shows the Base programmes segment of the Programme budget by strategic objective as at 30 September 2013. The average funding available for all strategic objectives was 95%. The funding of strategic objectives varied from 76% for strategic objective 2 to 119% for strategic objective 9. The average implementation rate against the Programme budget for the Base programmes segment was 75% for all strategic objectives. Implementation rates ranged from 62% for strategic objective 2 to 96% for strategic objective 9, with the variation being mainly attributable to the effect of continued misalignment on the availability of funds.

Table 3 Global base programmes by strategic objectives (US\$ thousands)



9. Table 4 highlights base programmes by major office. The average level of funding available for all offices was 92%, which varied between 71% for the Regional Office for the Americas and 112% for the Regional Office for the Western Pacific. The average implementation rate against the Programme budget for the Base programmes segment was 75% for all offices. Implementation rates ranged from 57% in the Region of the Americas to 96% in the Western Pacific Region, with the variation being mainly attributable to the availability of funds.

Table 4 Global base programmes by major office (US\$ thousands)



10. The analysis highlights a number of points:

- confirmation of the overall, more realistic budget for 2012–2013, which closely matched the income and expenditure projections;
- achievement of full financing of the Programme budget 2012–2013;
- slight under-implementation against the Programme budget 2012–2013 as at the end of the third quarter of 2013, which can be explained by:
 - continuation of the cost-saving measures introduced in 2010–2011 into the current biennium resulting in a further reduction in salary expenditures;
 - further savings generated by other efficiency measures; and
 - conservative spending by managers in the current financial climate;
- an acceleration in the implementation of activities during the second year of the biennium;
- despite a fully financed overall budget, continued misalignment of funding across WHO, linked to earmarking, has resulted in variations in financing within categories and offices (for example lower than budgeted resources and implementation for the Regional Office for Africa, as shown in Table 4, and lower implementation for strategic objective 2, shown in Table 3). The measures introduced to address such misalignment, including establishment of the Resource Mobilization Task Force and its follow up work, need to be strengthened throughout 2014 and beyond.

11. A more detailed analysis of the implementation of the Programme budget 2012–2013, and an update on the actions being proposed and carried out as part of the managerial response to the reform agenda, will be submitted to the Programme, Budget and Administration Committee of the Executive Board at its twentieth meeting in May 2014, together with a review of the audited financial statements for the biennium 2012–2013.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

12. The Committee is invited to note the report.

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