

# **Overview of financing and implementation of the Programme budget 2018–2019**

## **Report by the Director-General**

1. In May 2017, the Seventieth World Health Assembly adopted resolution WHA70.5, approving a total Programme budget of US\$ 4421.5 million for the financial period 2018–2019, comprising a base programme component (US\$ 3400.3 million) and a component on polio eradication and special programmes – namely, those on tropical disease research and research in human reproduction (US\$ 1021.2 million).
2. Humanitarian response plans and other appeals, covered in previous programme budgets by the programme area “Outbreak and crisis response”, being event-driven, did not have a predetermined budget at the time of approval of the Programme budget 2018–2019. As at 31 October 2018, based on the level of operations, US\$ 1110.9 million of the budget has been allocated to the segment on Humanitarian response plans and other appeals.
3. The budget segment for base programmes is financed by US\$ 956.9 million of assessed contributions and US\$ 2443.4 million of voluntary contributions. Work on polio eradication, humanitarian response plans and other appeals, and special programmes (on tropical disease research and human reproduction research) is financed predominantly from voluntary contributions.
4. Pursuant to requests in resolution WHA70.5, this report describes the overall status of the financing of the Programme budget 2018–2019 and the progress made towards improving the financing, including planned measures to tackle remaining challenges.

### **OVERALL FINANCING STATUS IN THE BIENNIUM 2018–2019 (AS AT 31 OCTOBER 2018)**

5. The level of financing for the Programme budget 2018–2019 as at 31 October 2018 is shown in the Table.

**Table. Programme budget 2018–2019 and its financing, including projections, by segment as at 31 October 2018**

Segment	Approved Programme budget 2018–2019 (US\$ million)	Financing (US\$ million)	Percentage of approved budget	Expenditure (US\$ million)	Percentage of approved budget
Base programmes	3400.3	3429.1	101%	1104.5	32%
Polio	902.8	1068.3	118%	386.0	43%
Humanitarian response plans and other appeals		924.9		300.0	
Special programmes	118.4	158.9	134%	33.0	28%
<b>Grand total</b>	<b>4421.5</b>	<b>5581.2</b>		<b>1823.5</b>	

6. The financing shown in the Table includes projections of voluntary contributions. Excluding US\$ 519 million of projections but accounting for the funds currently undistributed to either major office or category, available funding for the base programmes in 2018–2019 stands at 86%, which is a higher proportion than at the same time in the previous biennium (82%<sup>1</sup>). Considering that there is a larger base programme budget for 2018–2019, this is a noticeable improvement in the overall level of financing in 2018–2019.

7. Although the above figures represent full financing of the Programme budget at the macro level, several issues below the surface may be highlighted.

(a) Despite the overall financing situation being positive, funds are not evenly distributed between major offices, categories and programme areas because of earmarking of voluntary contributions and internal mechanisms for distribution of funds.

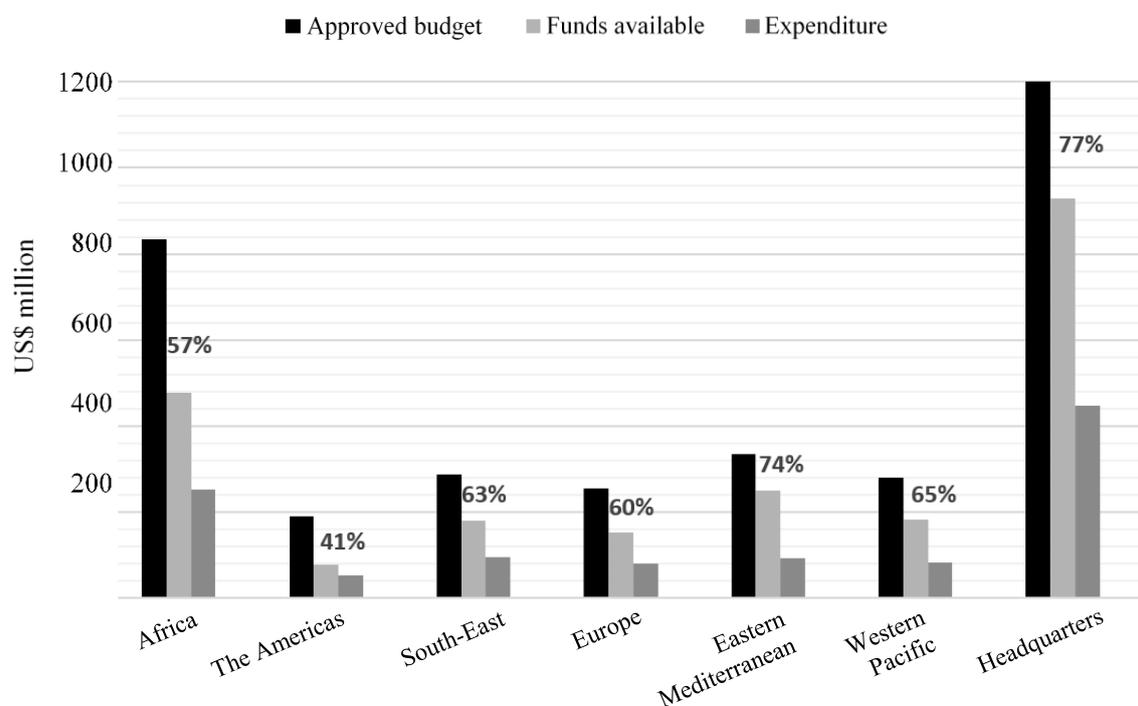
(b) As in the previous biennium, the funding level remains uneven across all major offices for the biennium 2018–2019 (Figure 1), ranging from 77% at headquarters to 57% in the African Region.

(c) Category 1 (Communicable diseases) is the best funded among technical categories, followed by category 4 (Health systems). However, funds under these categories are usually highly earmarked and designated for specific work, often not allowing resources to be shared with related programme areas within the same categories and between categories. Category 2 (Noncommunicable diseases) continues to be the least funded, as in the past three bienniums. Even though most activities in category 2 are considered to be of high priority, donor interest does not match the prioritization made by Member States.

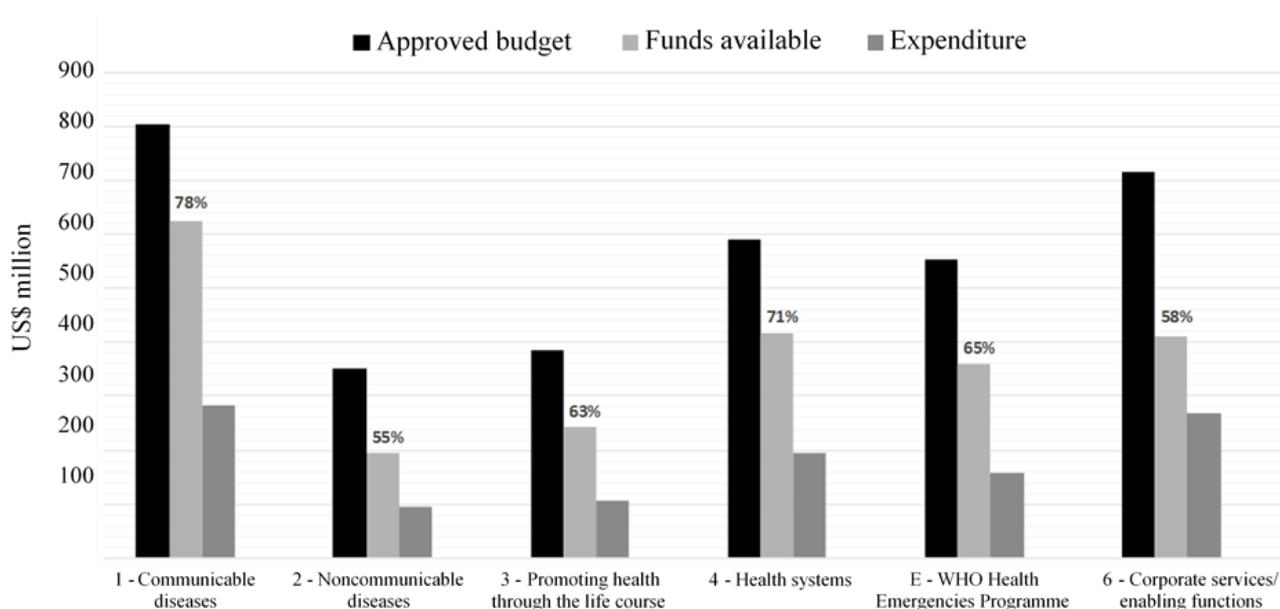
(d) Financing with flexible funds continues to be available for only about one third of the Programme budget; such funds are used as catalysts in the areas such as noncommunicable diseases, health information, ageing, equity, social determinants and gender equality and human rights, and the WHO Health Emergencies Programme.

<sup>1</sup> Figures for the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases and the UNDP/UNFPA/UNICEF/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction were excluded to enable a comparison to be made.

**Fig. 1. Base programme budget, financing and expenditures by major office<sup>1</sup> (percentages indicate proportion of approved Programme budget financing received as at 31 October 2018)**



**Fig. 2. Base programme budget, financing and expenditures by category (percentages indicate the proportion of approved Programme budget financing received as at 31 October 2018)**



<sup>1</sup> Figs. 1 and 2 exclude funds currently undistributed to either major office or category and projected voluntary contributions. When these funds are excluded the total base programmes budget is 66% financed. The situation is being continuously monitored.

## **PROGRAMME BUDGET 2018–2019 – UPDATE ON IMPLEMENTATION**

8. At 31 October 2018 the implementation rate for the base programme segment was 32% (see Table), a percentage that is the same as in October 2016, although, once again (see paragraph 5), comparison is being made with a higher base programme budget in 2018–2019. As the biennial implementation of base programme budget in 2016–2017 reached 85%, there is a good expectation that the implementation of the Programme budget will accelerate after the initial months during which work has been dedicated to detailed planning and preparation of activities.

9. As has been observed in previous bienniums, the level of financing, including its predictability and alignment to agreed priorities, is one of the major factors underlying timely implementation of the Programme budget. Figs. 1 and 2 show that the best-funded major offices and categories (namely, headquarters and categories 1 and 4) have the highest implementation rates. By inference, headquarters and categories 1 and 4 are expected to have higher implementation rates by the end of the biennium compared to other major offices and categories.

## **PROGRESS IN IMPROVING THE FINANCING**

10. In 2018 the Secretariat laid solid foundations for a resource mobilization strategic framework for 2019–2023. This work included the launch of the WHO Investment Case for 2019–2023<sup>1</sup> and related advocacy plan, coordinated engagement plans for new and existing donors, the creation of a strategic external relations approach with an integrated resource mobilization function, and a review of business processes.

11. In 2019 the focus will be on two key areas: (1) monetizing of all outstanding projections for 2018–2019 to ensure that cash is available to fully implement the Programme budget in 2019; and (2) the implementation of the resource mobilization strategic framework to ensure the full financing of the Proposed programme budget 2020–2021.

12. The framework is currently under development, with a target date for completion during the first quarter of 2019. It consists of three segments, with a focus on three groups: Member State contributors (existing and new private donors (in line with WHO's Framework of Engagement with Non-State Actors), including foundations and Funds; and international development banks, and multilateral organizations. The framework will also cover innovative financing for revenue generation, drive increased flexibility and predictability of funding, and underpin targeted resource mobilization efforts, especially to increase country capacity in line with the Thirteenth General Programme of Work, 2019–2023.

13. Targets have been set for each segment, and, if these are met, WHO will be on track to mobilize all the funds required to finance its Thirteenth General Programme of Work, 2019–2023. The main groups from whom growth in mobilized resources is forecast are: emerging Member State contributors (120% increase over baseline), private donors and funds (13% over baseline) and international development banks and multilateral organizations (18% over baseline).

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<sup>1</sup> WHO. A healthier humanity: the WHO Investment Case for 2019–2023. Geneva: World Health Organization; 2018 (<http://apps.who.int/iris/bitstream/handle/10665/274710/WHO-DGO-CRM-18.2-eng.pdf>, accessed 27 November 2018).

14. The following two milestones for resource mobilization are foreseen in 2019 to drive forward the resource mobilization framework.

(a) Convening a Partners' Forum. The forum will build on successful experiences from WHO's Financing Dialogue, bringing together key contributors in order that they clearly understand the results to be achieved through WHO's Programme budget and identify solutions on how best to finance it. The forum would likely include sessions on further developing themes that were discussed during WHO's Financing Dialogue, including new mechanisms to allow a wider group of contributors to provide flexible funding, as well as newer themes, such as innovative financing by and partnership with the private sector.

(b) Meeting the targets for growth in contributions and setting the stage to fully finance the Thirteenth General Programme of Work, 2019–2023.

**ACTION BY THE EXECUTIVE BOARD**

15. The Board is invited to note the report and to provide further guidance.

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