

## **Financing 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 biennium 2018–2019, comprising a base programme component (US\$ 3400.3 million) and a component on polio eradication, tropical disease research and research in human reproduction (US\$ 1021.2 million). Humanitarian response plans and other appeals, formerly outbreak and crisis response, being event-driven in nature, do not have a predetermined budget.

2. The budget segment for base programmes is being financed by US\$ 956.9 million in assessed contributions and US\$ 2443.4 million in voluntary contributions. The funding requirements for polio eradication, humanitarian response plans and other appeals, tropical disease research and human reproduction research are being financed solely from voluntary contributions.

3. 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 MARCH 2018)**

4. The level of financing for the Programme budget 2018–2019, as at the end of the first quarter of 2018, is shown in the Table.

**Table. Programme budget 2018–2019 and its financing by segment as at 31 March 2018**

<b>Segment</b>	<b>Approved Programme budget 2018–2019</b>	<b>Financing of Programme budget 2018–2019 (as at 31 March 2018)</b>	
		<b>US\$ millions</b>	<b>%</b>
Base	3400.3	2929.1	86%
Polio	902.8	1137.0	126%
Humanitarian response plans and other appeals		658.1	
Special programmes	118.4	128.3	108%
<b>Grand total</b>	<b>4421.5</b>	<b>4852.5</b>	

5. The projected level of financing is high at this stage of the biennium: 86% for the Base segment (compared with 79% in projected funding in quarter 1 of 2016). This amount includes currently estimated projections (agreements not yet signed with donors for US\$ 451 million). Excluding projections, available funding for the base component is 73% which is similar to the available funding in quarter 1 of 2016 (72%).

6. Therefore, the increase in projected funding for all segments of the Programme budget is the major reason for the improved financing at the end of quarter 1 of 2018 (estimated projections: US\$ 1263 million). This is the result of two developments: (1) increased resource mobilization efforts across the organization and (2) improved financial projections as a result of outreach to contributors, clusters and regional offices.

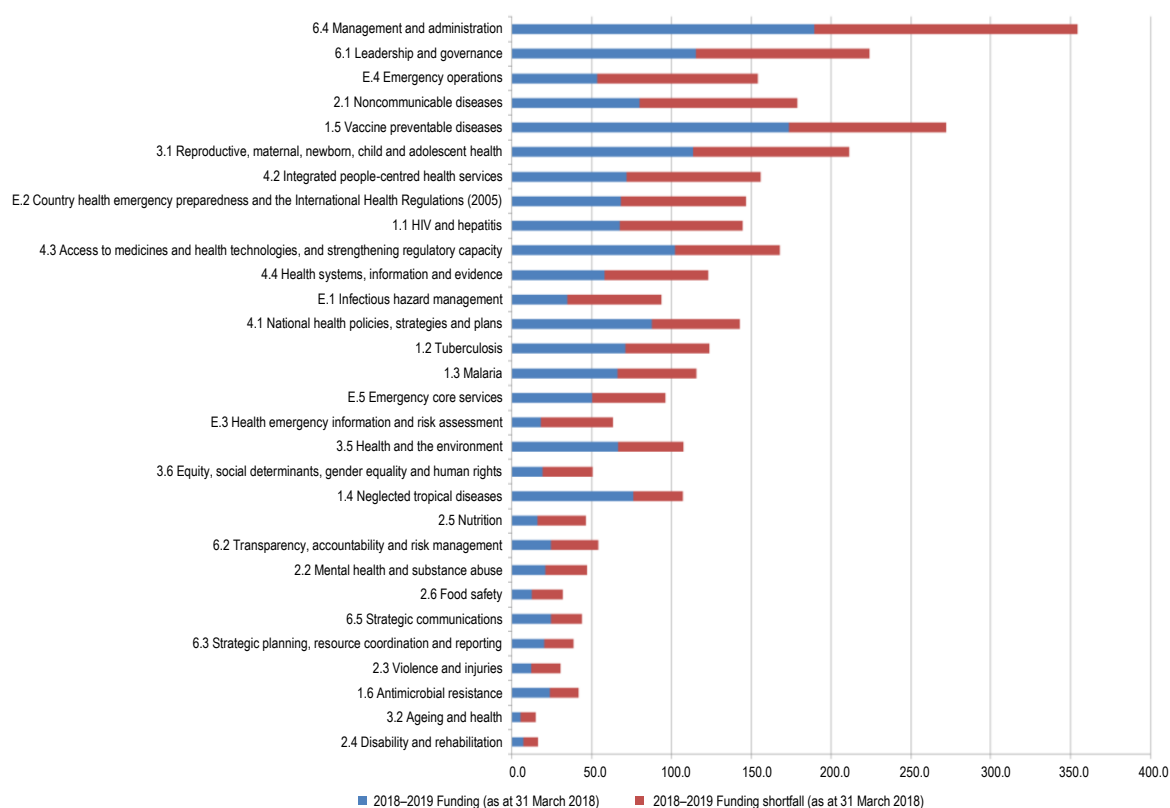
7. Intensified and transparent dialogue with contributors, through mechanisms such as WHO's financing dialogue in 2016 and regular bilateral meetings, has gone some way to improving both alignment of specified voluntary contributions and their predictability. Furthermore, the transparency of WHO's financing and the application of funding has been enhanced through the WHO Programme budget web portal,<sup>1</sup> which provides updated financial information (regularly every quarter), and the WHO results report: programme budget 2016–2017.<sup>2</sup> Despite the overall positive outlook, there are still programme areas that have funding shortfalls at this stage of the biennium.

8. Fig. 1 shows the programme areas with the biggest gaps in descending order as at 31 March 2018. What is apparent is that, even at this stage of the biennium, the same programmes that had funding issues in the bienniums 2016–2017 and 2014–2015 are similar to those in 2018–2019. However, including projections the financial outlook for the WHO Health Emergency Programme, vaccine-preventable diseases and health and environment programme areas improve significantly over 2016–2017 levels.

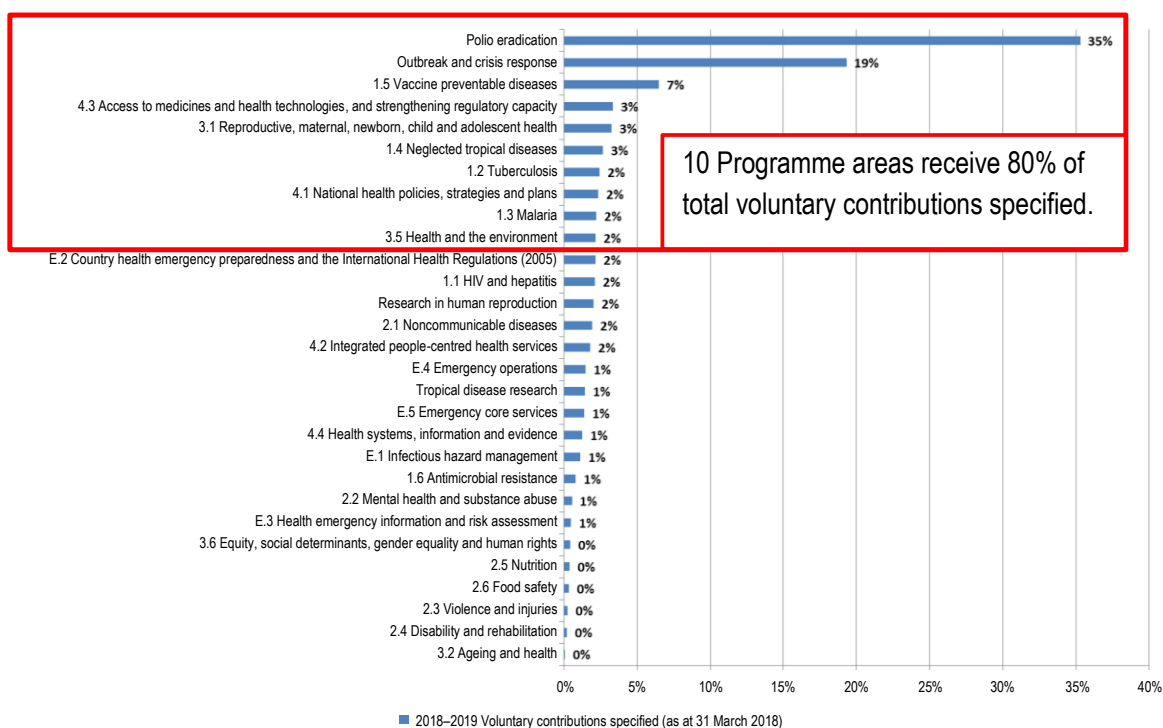
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<sup>1</sup> Available at <http://open.who.int> (accessed 9 May 2018).

<sup>2</sup> See document A71/28.

**Fig. 1. Programme area financing and shortfalls as at 31 March 2018**

9. Fig. 2 shows the percentage of funding of programme areas (except category 6) from specified voluntary contributions. Ten programme areas receive 80% of all specified voluntary contributions. Fourteen programme areas receive less than 2% of the overall specified voluntary contributions; that means that they do not attract sustainable voluntary specified funding necessary to achieve the Programme budget results. In addition, the level of core voluntary contributions is falling, thereby reducing the overall level of flexible funds (assessed contributions, programme support costs and core voluntary contributions). These funds play a vital catalytic role in funding the under-funded programmes.

**Fig. 2. Specified voluntary contributions received for 2018–2019 (as at 31 March 2018)**

## PROGRESS MADE TOWARDS IMPROVING THE FINANCING

10. Mobilizing resources has been a priority for the new leadership of WHO. The activities include a focus on persuading emerging economies to increase their voluntary contributions to WHO, encouraging contributors to fund WHO priorities, and increasing the flexibility of funding. Although the initial response is encouraging, with some increased funding to strategic priority areas, achieving the ambitious goals of the Thirteenth General Programme of Work will clearly require more from all parties, including the Secretariat.

11. The work of the transformation process on resource mobilization continues. To date, the following steps are being planned or taken to improve the financing of the Organization:

- (a) a financing campaign, including an investment case to be launched after the Seventy-first World Health Assembly;
- (b) coordination of engagement with donors through a stronger alignment of resource mobilization across the organization;
- (c) enhancement of systems to ensure that the Secretariat is clearer in its organization wide goals on resources, especially in priority countries;

- (d) resource mobilization efforts that focus on raising funding for WHO's priority areas and on seeking higher levels of flexibility;
- (e) more extensive outreach to obtain new contributors;
- (f) provision of greater transparency through reporting on both results and financing through the WHO Programme budget web portal.

12. In addition to enhancing resource mobilization, the Secretariat is investing substantial efforts into finding the most efficient ways to deliver its work and will continue to do so. Steps taken to date, which include outsourcing services and moving some administrative functions to lower-cost locations, have been productive and could be further developed with a strategic approach, including measures in technical programmes. To this end, the Secretariat has started to implement a value-for-money plan and approach, which will further help to ensure cost-effectiveness in WHO.

#### **ACTION BY THE HEALTH ASSEMBLY**

13. The Health Assembly is invited to note the report.

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