

REGIONAL COMMITTEE

*Fifty-second Session*

Provisional Agenda item 7

SEA/RC52/11

22 July 1999

**PROGRAMME BUDGET  
(1998-99, 2000-2001 AND 2002-2003)**

## 1. 1998-1999

- (1) The 3% programme budget implementation reduction effected by the Director-General due to anticipated shortfall in the receipt of assessed contributions will not be returned, according to current information.
- (2) Financial implementation of the regional working allocation. Obligation of Regular Budget funds made available to SEAR during the biennium was 80% as of 30 June 1999. This is in line with the similar percentage found in the other regions and HQ. In relation to the target of 100% country activity obligation by 30 September 1999, the standing as of 30 June 1999 was 75%.
- (3) As of 30 June 1999, extrabudgetary funds available to SEAR during the biennium amounted to US\$ 61.9 million, of which 61% has been obligated.
- (4) Audit observations have indicated the need for improvement in the selection of fellows and appropriate training institutions; termination of studies and utilization of fellows' services reports; and the relationship of training topics selected, compared with those approved in the Plans of Action. In addition, the review of unliquidated obligations, the receipt of local cost financial statements and inventory controls were also singled out for needed improvement.

## 2. 2000-2001

### REGIONAL IMPLICATIONS OF RESOLUTION WHA52.20

- (1) *Format*: The World Health Assembly approved a modified format for the regional programme budget as compared with that agreed during RC51. It reflects, for the regional/inter-country programmes, the 10 appropriation sections modelled on the HQ clusters, and for country programmes, the amounts budgeted for country offices, and for all other activities taken as a whole.
- (2) *Efficiency*: The World Health Assembly, when approving a budget representing zero nominal growth, encouraged identification of 2-3% efficiency savings to be diverted to priority programmes. For SEAR, this amounts to \$2.9 million.
- (3) *Zero nominal growth = Cost increases not approved*: As SEAR had requested 4.9% in cost increases which were not approved, the Director-General has determined that savings must be identified to offset this amount for a total of \$ 4.7 million.
- (4) *Total savings required*: A total of \$ 7.6 million has, therefore, been identified within the SEAR approved budget to offset unawarded cost increases and to reallocate efficiency savings to priority activities. These cuts have been identified by the Regional Director on a *pro rata* basis. They will be globally "pooled" and their reallocation decided by the Director-General in October 1999.

- (5) *Allocation of casual income*: The World Health Assembly decided to allocate \$15 million from casual income to Tobacco Free Initiative, Tuberculosis, HIV/AIDS, Roll Back Malaria and Polio Eradication in a "balanced manner". SEAR anticipates receiving \$ 1.702 million as a proportionate share to be distributed as follows:

Tobacco Free Initiative	:	US\$ 459 500
Tuberculosis	:	459 500
HIV AIDS	:	340 400
Roll Back Malaria	:	221 300
Polio Eradication	:	221 300

- (6) *Implementation targets*: The Regional Director has decided to maintain a target for activities of 75% financial obligation by 31 December 2000 and full obligation by September 2001. Supplies and equipment must be requisitioned by 31 December 2000.

### 3. 2002-2003

#### (1) Principles

- (a) *Policy-led budget*: The need for budget preparation to be underpinned by a strategy emphasizing a leadership in world health, with clear directions and programme priorities.
- (b) *Broad resource-based*: The need for an overall financial framework (covering the major sources of income) for better informed priority setting and resource mobilization for the Organization as a whole.
- (c) *Priority-driven resource allocation*: The need for improved correlation between priorities, resource allocation and expenditure patterns.
- (d) *Participatory process*: The need for meaningful and constructive participation of key partners in the process.

#### (2) Strategy

As agreed during the 35th meeting of CCPDM (April 1999), the Regional Director intends to invite a small group of public health specialists from the SEAR Member Countries to analyse the regional health situation and help formulate strategies of Regional Health Development to guide the development of PB 2002-2003.