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# Deep dive on expenditures

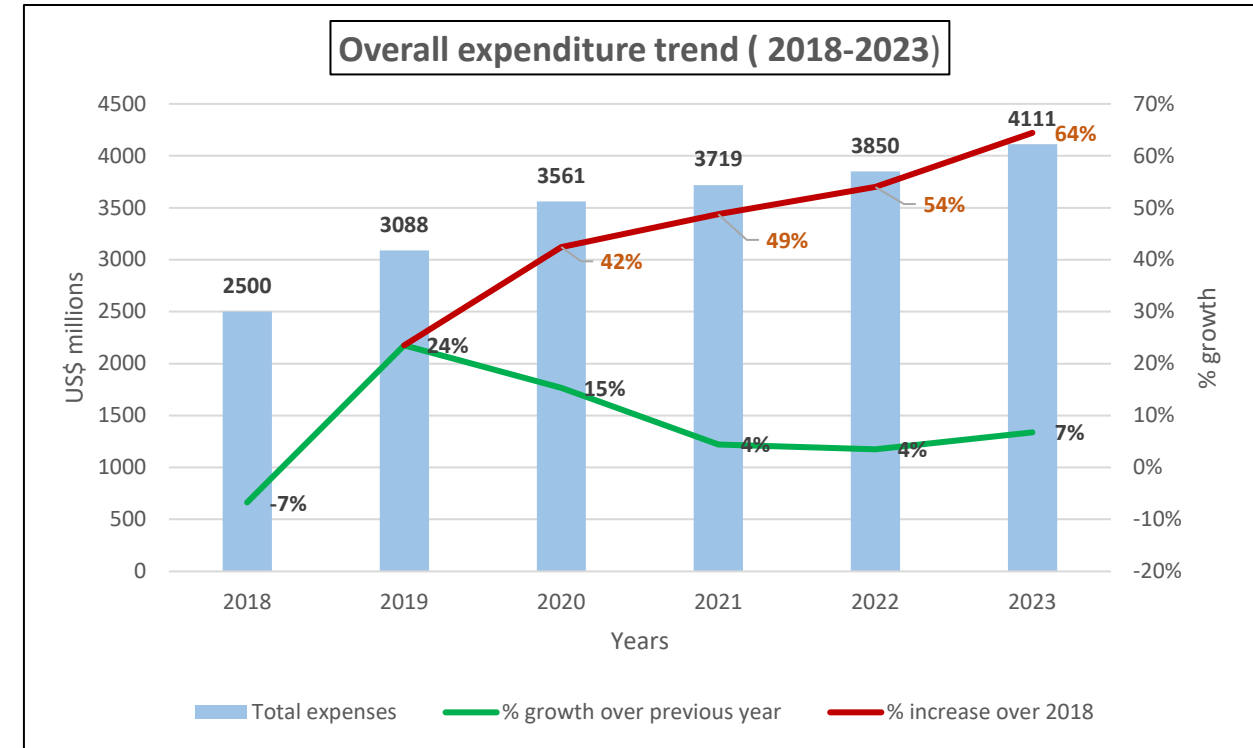
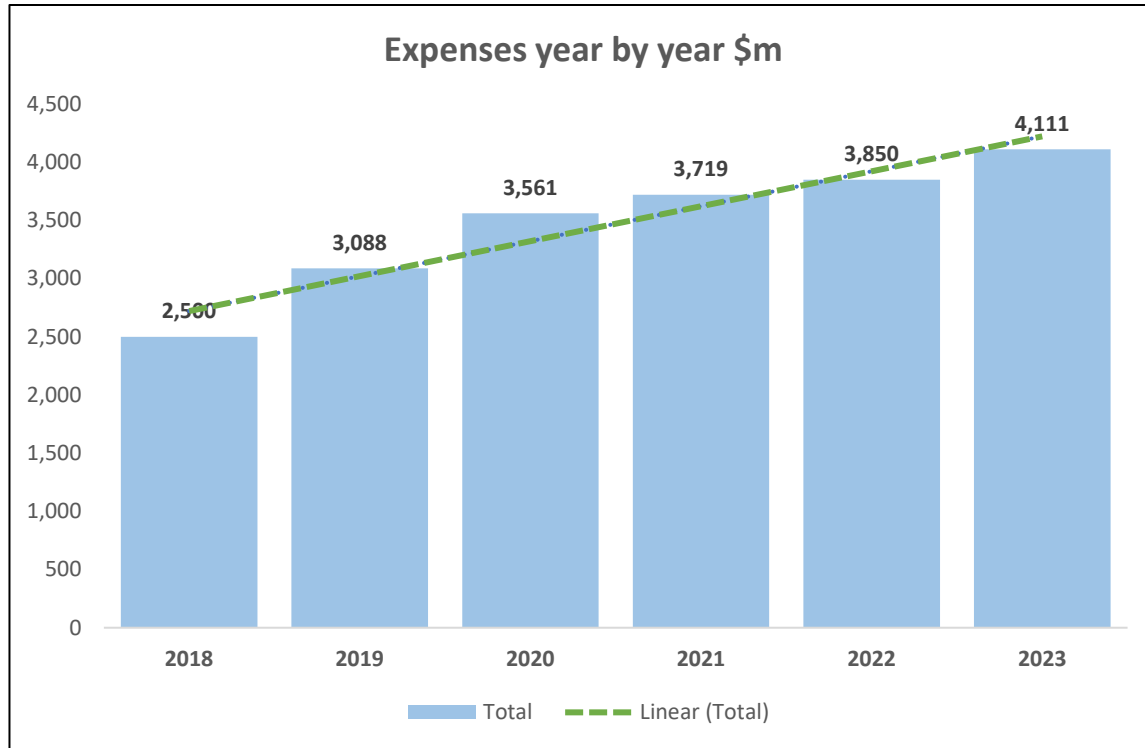
Programme budget and general context

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# Trend analysis of WHO Expenses

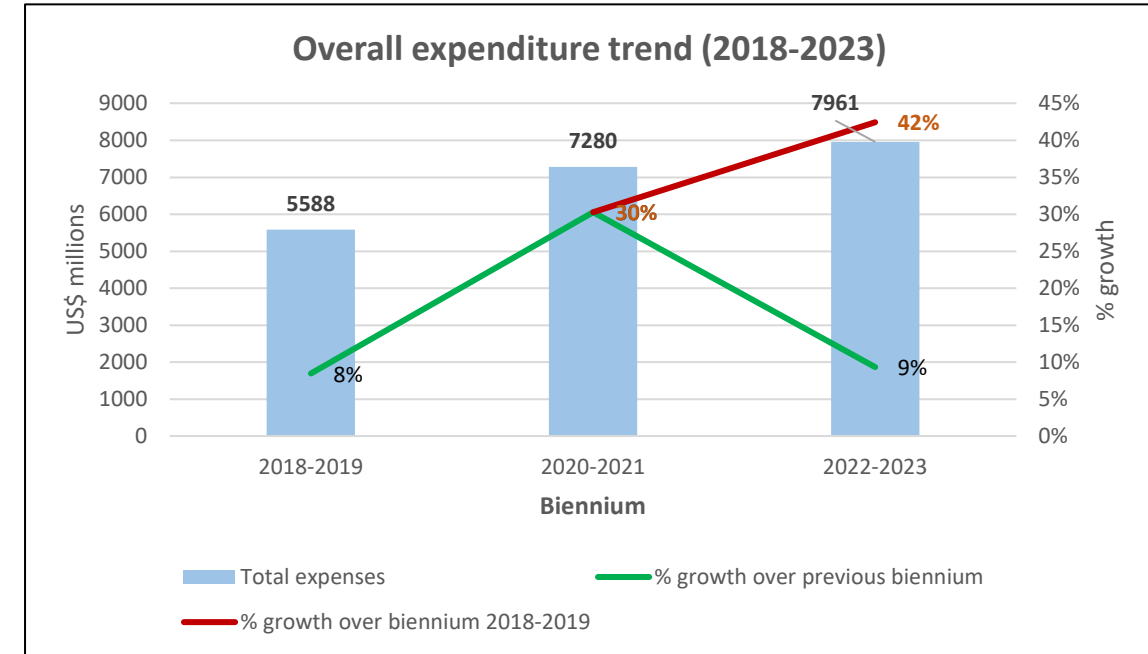
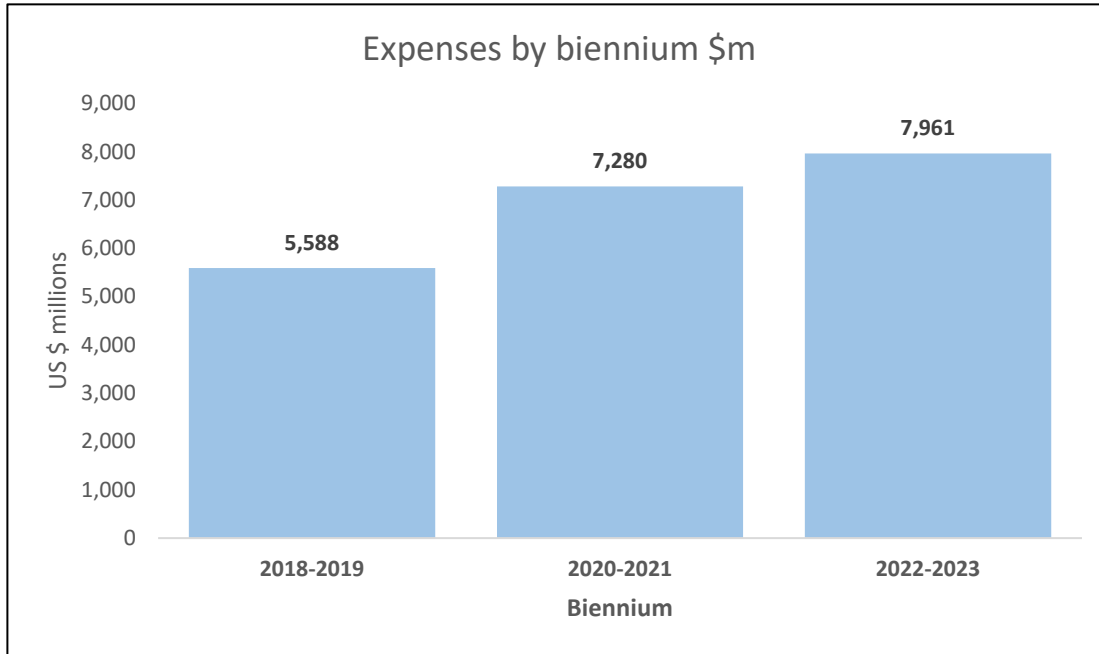
- (i) Long range annual averages (2018-2023) and annual increases
- (ii) Over 3 past biennia ( 2018-2019 , 2020-2021, 2022-2023) and biennia increases

# OVERVIEW – Annual expenditure Trend Analysis ( 2018-2023)



- Overall, expenditure/delivery increased by **64%** over past 5 years, an *average annual* increase of **13%** since 2018.

# OVERVIEW – *Biennial* expenditure Trend Analysis ( 2018-2023)



- Overall, expenditure/delivery increased by **42%** over past 2 biennia, an *average biennial* increase of **21%** since the biennium 2018-2019.

# Average expenses – 6 years average (2018-2023)

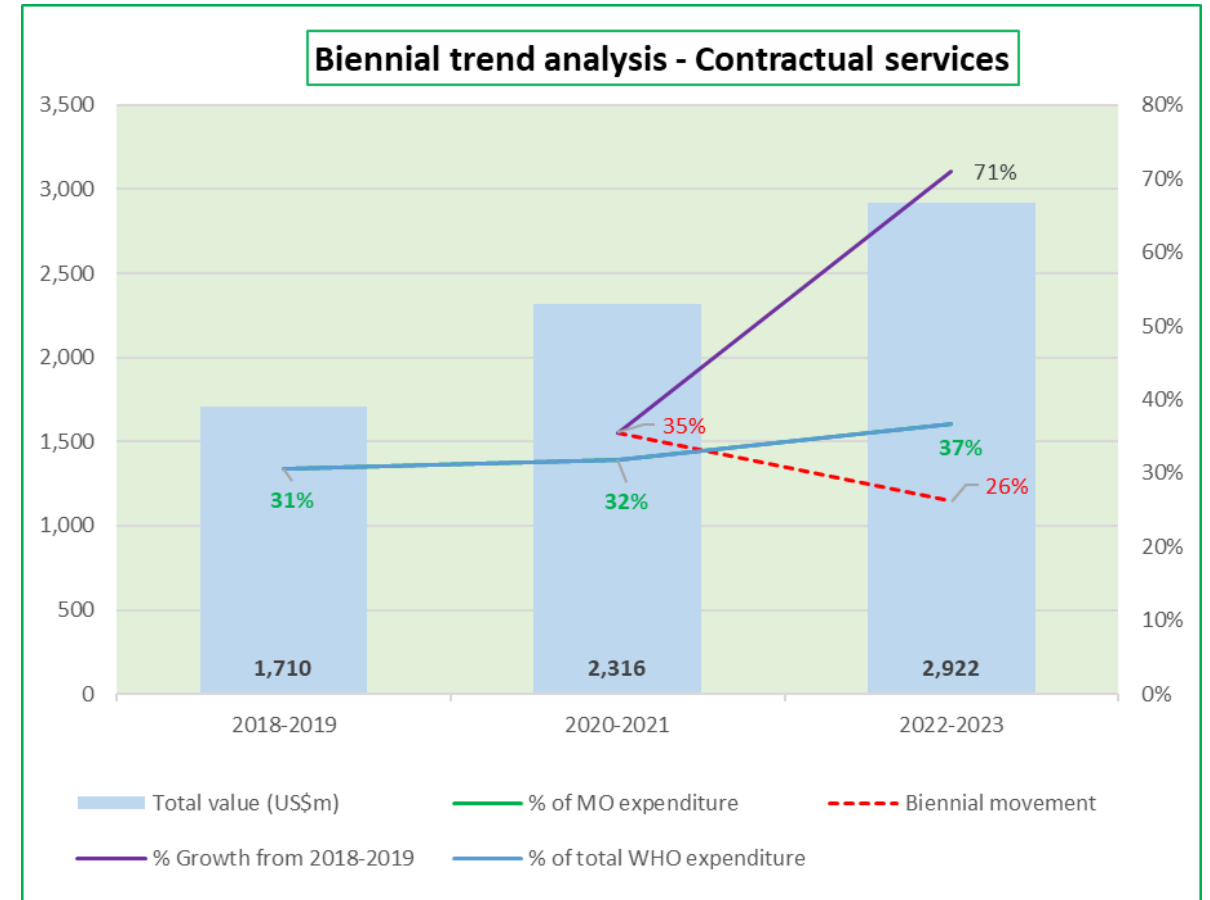
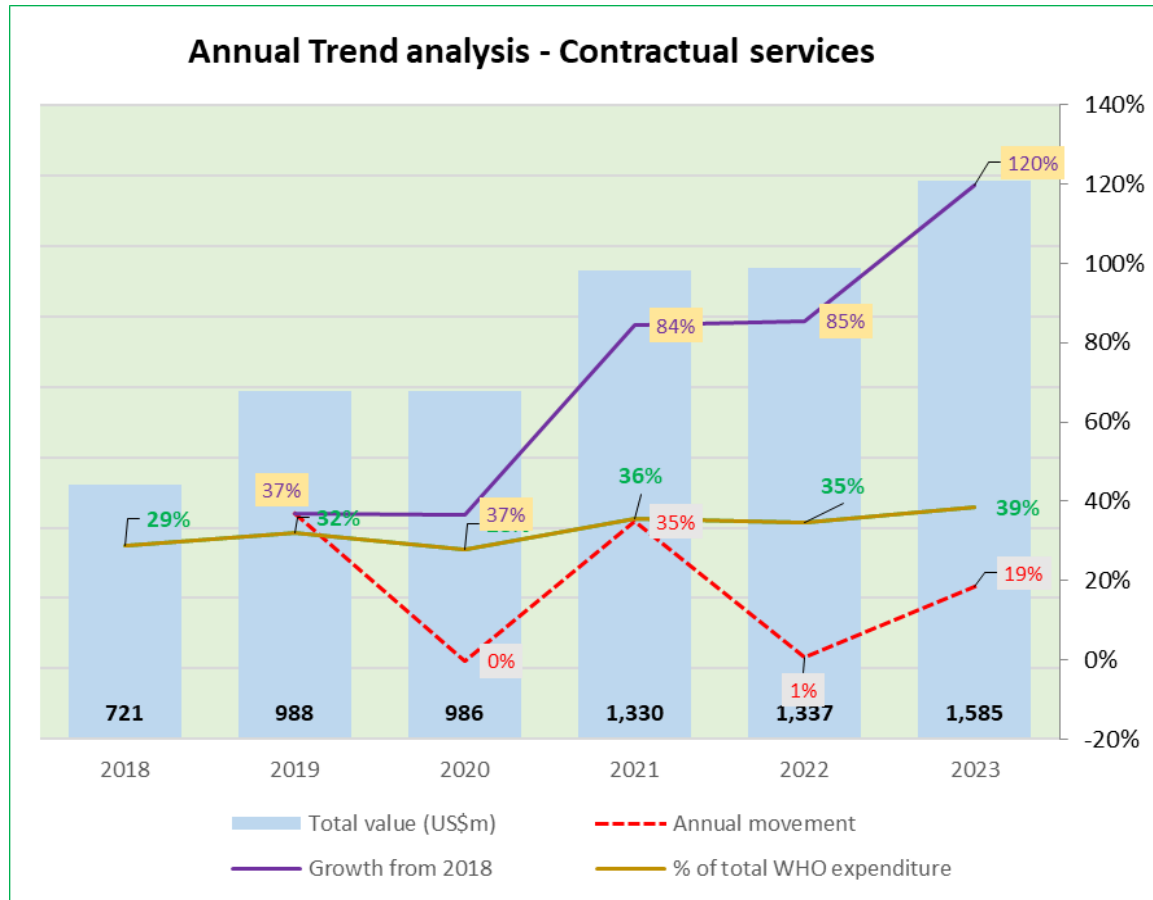
| Cost categories<br>as % of WHO expenses (Annual averages) |               |
|-----------------------------------------------------------|---------------|
| Contractual Services                                      | 33.4%         |
| Staff costs                                               | 33.1%         |
| Transfer and Grants                                       | 11.4%         |
| Medical supplies and Equipment                            | 11.0%         |
| GOE                                                       | 5.5%          |
| Travel costs                                              | 4.6%          |
| Equipment, Vehicles and Furniture                         | 0.6%          |
| Depreciation & amortization                               | 0.4%          |
| <b>Total</b>                                              | <b>100.0%</b> |

| Major office costs<br>as % of WHO expenses (Annual averages) |               |
|--------------------------------------------------------------|---------------|
| Headquarters                                                 | 29.9%         |
| AFRO                                                         | 25.3%         |
| EMRO                                                         | 22.5%         |
| EURO                                                         | 7.7%          |
| SEARO                                                        | 6.7%          |
| WPRO                                                         | 4.6%          |
| AMRO                                                         | 3.3%          |
| <b>TOTAL</b>                                                 | <b>100.0%</b> |

| IS 2 category                     | 2018-2019     | 2020-2021     | 2022-2023     | Biennial average |
|-----------------------------------|---------------|---------------|---------------|------------------|
| Staff costs                       | 34.4%         | 35.3%         | 30.2%         | 33.3%            |
| Contractual services              | 30.6%         | 31.8%         | 36.7%         | 33.0%            |
| Transfers and grants              | 11.7%         | 11.0%         | 11.6%         | 11.4%            |
| Medical supplies and materials    | 7.8%          | 14.0%         | 10.6%         | 10.8%            |
| General operating expenses        | 6.9%          | 4.6%          | 5.3%          | 5.6%             |
| Travel                            | 7.4%          | 2.2%          | 4.9%          | 4.9%             |
| Equipment, vehicles and furniture | 0.7%          | 0.7%          | 0.3%          | 0.6%             |
| Depreciation and amortization     | 0.4%          | 0.3%          | 0.4%          | 0.4%             |
| <b>Total</b>                      | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |

| Major Office | 2018-2019   | 2020-2021   | 2022-2023   | Biennial average |
|--------------|-------------|-------------|-------------|------------------|
| Headquarters | 27.5%       | 31.4%       | 30.1%       | 29.7%            |
| AFRO         | 28.5%       | 22.7%       | 25.4%       | 25.6%            |
| EMRO         | 22.9%       | 22.7%       | 22.0%       | 22.5%            |
| EURO         | 6.2%        | 7.4%        | 9.0%        | 7.5%             |
| SEARO        | 7.1%        | 6.8%        | 6.3%        | 6.7%             |
| WPRO         | 5.0%        | 5.0%        | 4.0%        | 4.7%             |
| AMRO         | 2.7%        | 4.0%        | 3.1%        | 3.3%             |
| <b>Total</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b>      |

# Contractual Services - Trend Analysis ( 2018-2023)



- 6 years' average of contractual services, as % of WHO expenses is **33.4%**
- Contractual services, as % of WHO annual expenses, fluctuated narrowly between **29-39%**. The increase % and decreases % were in alternate years
- However, contractual services increased by **120%** over the past 5 years, with an annual average increase of **24%** (as against an increase in WHO expenses of **13%**)
- On a biennium basis, contractual services increased by **71%** over the past 2 biennia, with a biennial average of **35%** (as against WHO expenses increase of **21%**)

# Contractual Services - Trend Analysis ( 2018-2023)

|                                    | % of WHO Expenses |                                 |              |                                 |              |                                 |                  |                                 |
|------------------------------------|-------------------|---------------------------------|--------------|---------------------------------|--------------|---------------------------------|------------------|---------------------------------|
|                                    | 2018-2019         |                                 | 2020-2021    |                                 | 2022-2023    |                                 | Biennial Average |                                 |
| Components of Contractual Services | USD-million       | % of total Contractual services | USD-million  | % of total Contractual services | USD-million  | % of total Contractual services | USD-million      | % of total Contractual services |
| Consultants and research cont      | 72                | 4%                              | 73           | 3%                              | 75           | 3%                              | 73               | 3%                              |
| Contractual services general       | 889               | 52%                             | 1,450        | 63%                             | 1,739        | 60%                             | 1,359            | 59%                             |
| Direct Implementations             | 565               | 33%                             | 532          | 23%                             | 838          | 29%                             | 645              | 28%                             |
| Security and other costs           | 50                | 3%                              | 55           | 2%                              | 55           | 2%                              | 53               | 2%                              |
| Services in kind                   |                   | 0%                              | 32           | 1%                              | 8            | 0%                              | 14               | 1%                              |
| Special Service Agreements         | 134               | 8%                              | 173          | 7%                              | 208          | 7%                              | 171              | 7%                              |
| <b>Total</b>                       | <b>1,710</b>      | <b>100%</b>                     | <b>2,316</b> | <b>100%</b>                     | <b>2,922</b> | <b>100%</b>                     | <b>2,316</b>     | <b>100%</b>                     |

DI is about **US\$ 645 million** per year = **28%** of contractual services

|                        | 2020-2021 | 2022-2023 | Average |
|------------------------|-----------|-----------|---------|
| Contractual services   | 2,316     | 2,922     | 2,316   |
| Direct Implementation  | 532       | 838       | 645     |
| DI as % of T&G         | 23%       | 29%       | 28%     |
| Increase over biennium | -6%       | 57%       |         |

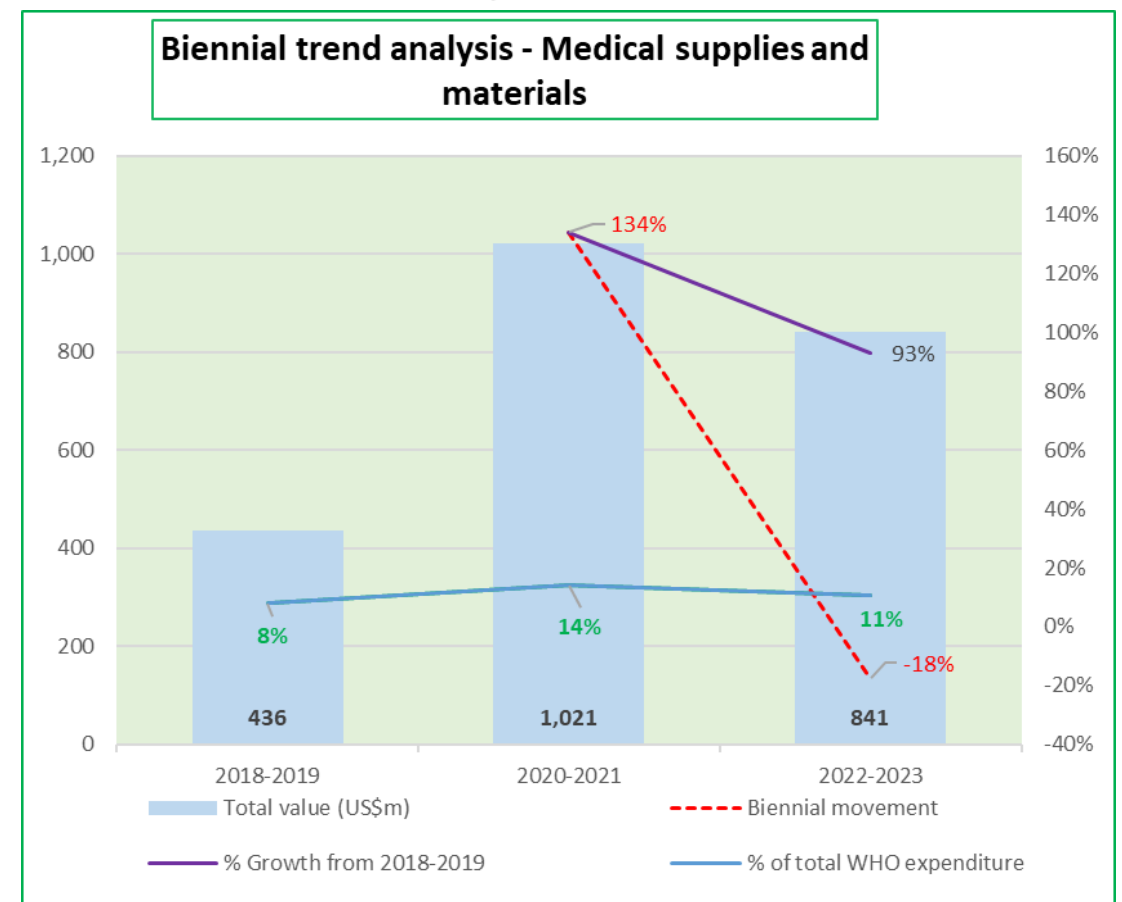
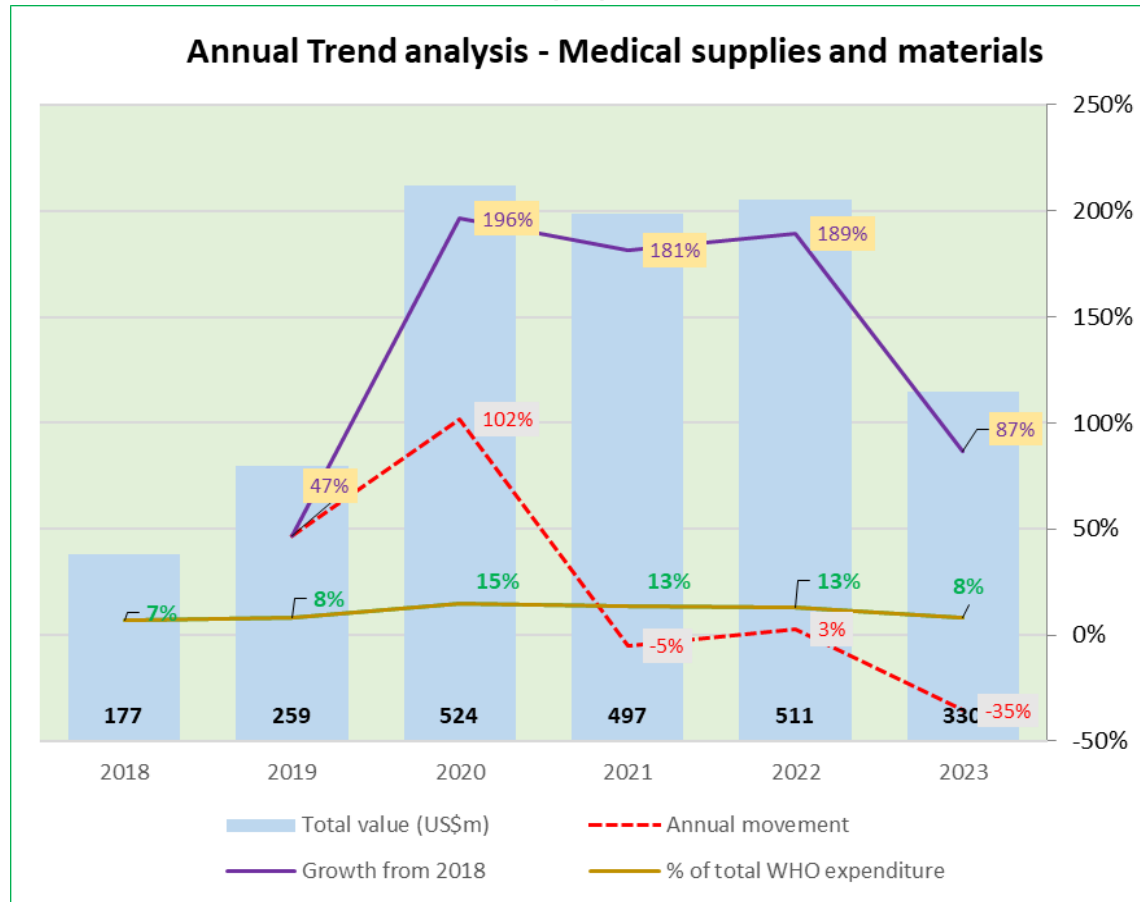
| Major Office | 2020-2021 | 2022-2023 |
|--------------|-----------|-----------|
| AFRO         | -11%      | 81%       |
| EMRO         | 2%        | 37%       |
| EURO         |           |           |
| HQ           |           |           |
| SEARO        |           |           |
| WPRO         |           |           |
| Grand Total  | -6%       | 57%       |

**87%** of Contractual services constitute:

- (i) General contractual services(**59%**) and
- (ii) Direct Implementation (**28%**)

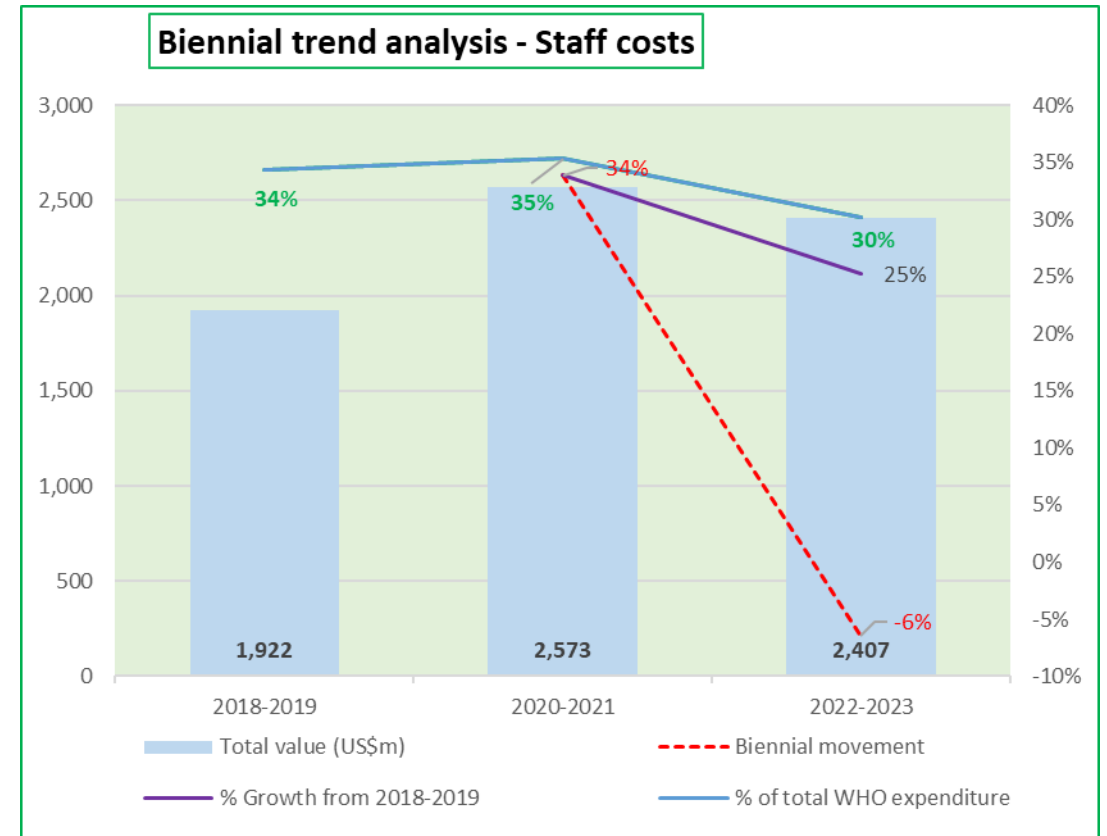
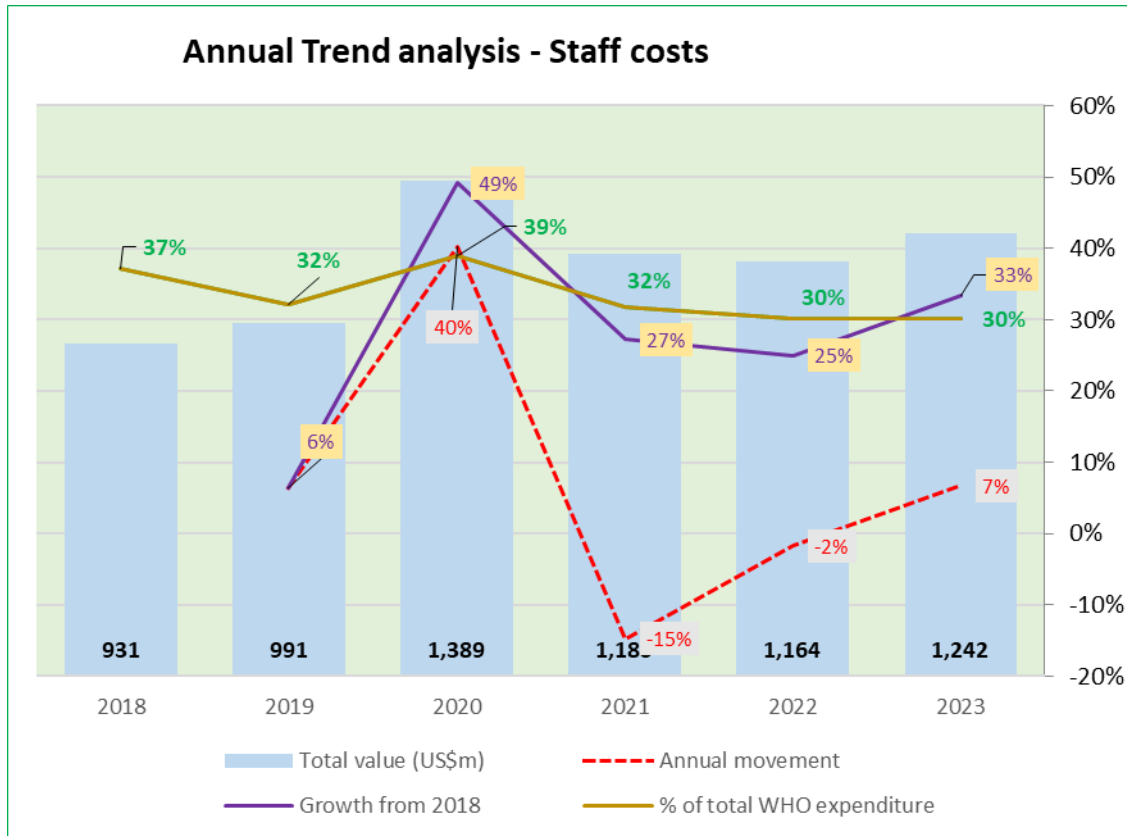
In the last biennium DI increased significantly in **AFRO and EMRO**

# Medical Supplies and materials - Trend Analysis ( 2018-2023)



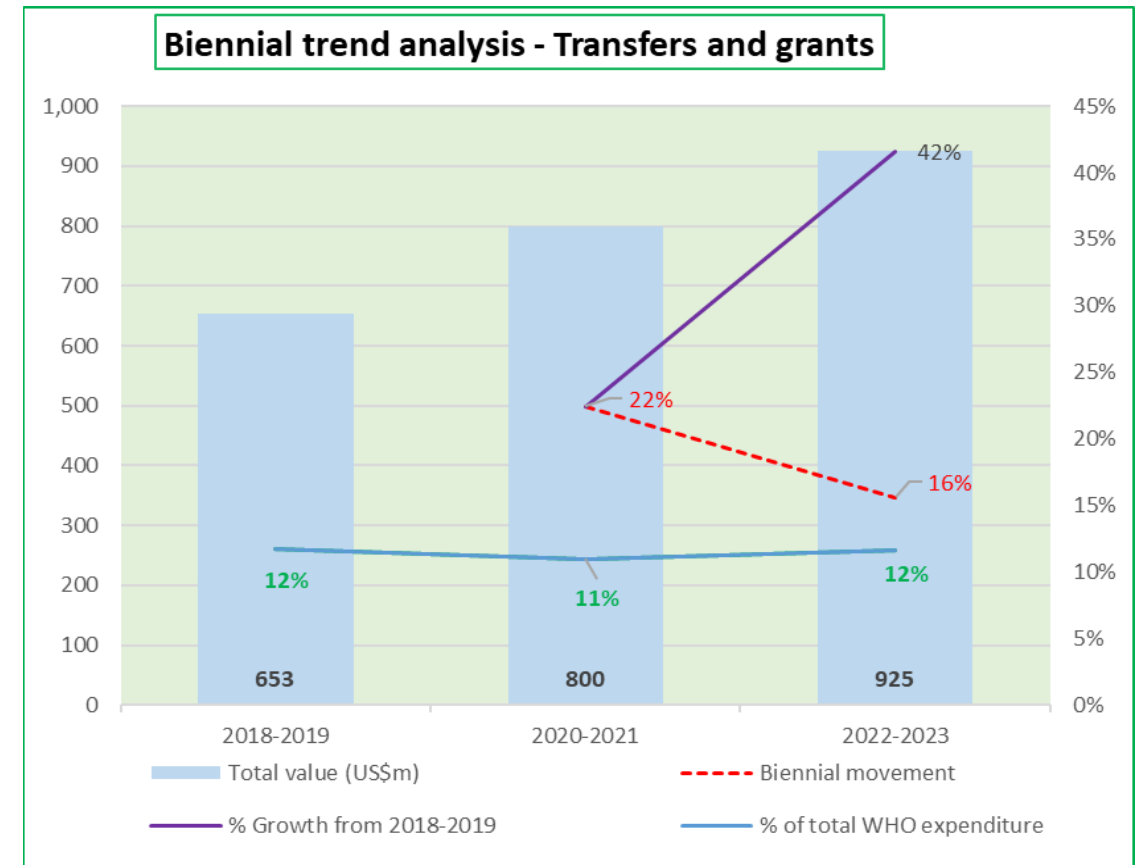
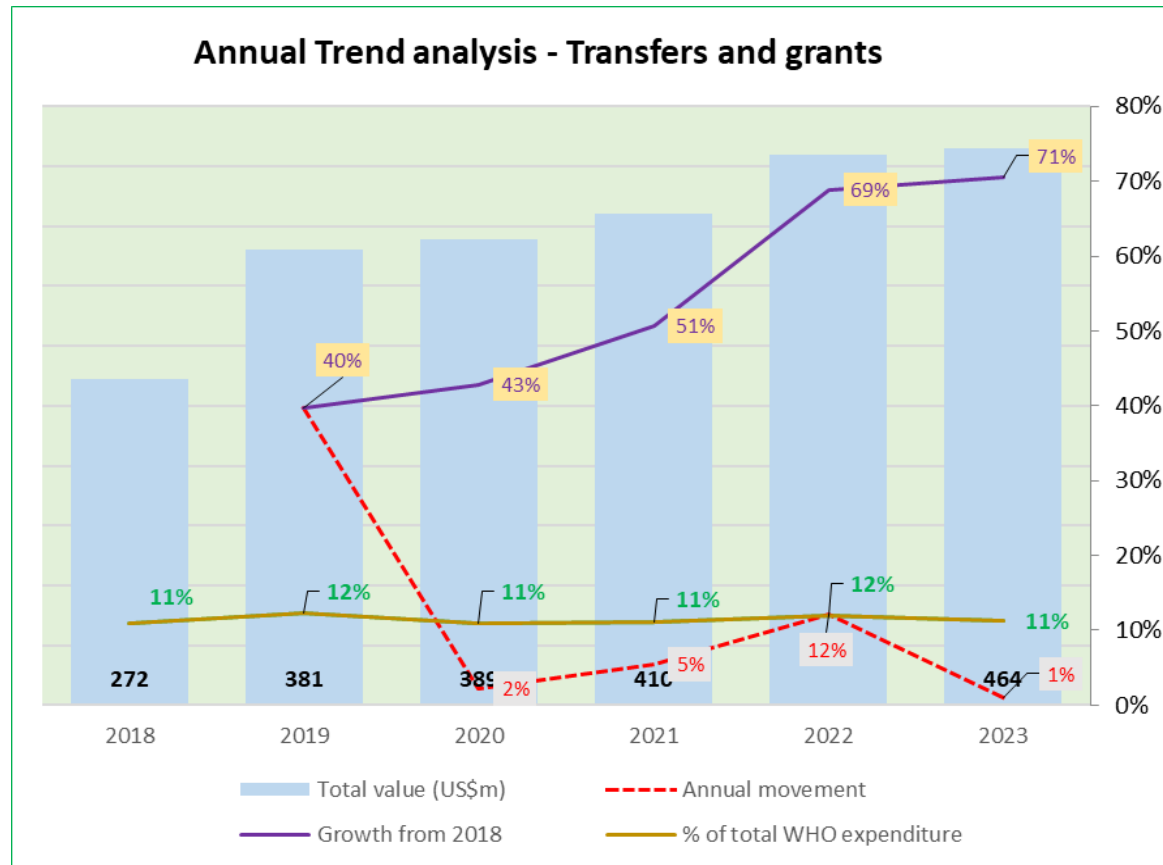
- 6 years' average of Medical supplies and material, as % of WHO expenses is **11%**
- The Medical supplies and materials, as % of the WHO expenses for the year, remained **at 7-8%**, except for the years 2020-2022)
- However, Medical supplies and materials increased by **87%** over the past 5 years, with an annual average increase of **17%** (as against increase in WHO expenses of 13%)
- On a biennium basis, medical supplies and materials increased by **93%** over the past 2 biennia , with a biennial average of **46%** (as against WHO expenses increase of 21 %)

# Staff costs- Trend Analysis ( 2018-2023)



- 6 years' average of Staff costs, as % of WHO expenses is **33.1%**
- The Staff costs, as % of WHO annual expenses, fluctuated narrowly with a general declining trend.
- However, Staff costs increased by **33%** over the past 5 years, with an annual average increase of **7%** (as against increase in WHO expenses of **13%**)
- On a biennium basis, staff costs increased by **25%** over the past 2 biennia , with a biennial average of **13%** (as against WHO expenses increase of **21 %**)

# Transfers and Grants : Trend Analysis ( 2018-2023)



- 6 years' average of Transfers and grants, as % of WHO expenses is **11.4%**
- Transfers and Grants, as % of the WHO expenses for the year, were stable between 11 to 12 %
- However, Transfers and Grants increased by **71%** over the past 5 years, with an annual average increase of **14.2%** (as against increase in WHO expenses of **13%**)
- On a biennium basis, Transfers and Grants increased by **42%** over the past 2 biennia, with a biennial average of **21%** (in line with WHO expenses)

# Transfer and Grants - Trend Analysis ( 2018-2023)

| Components of Transfers and Grants   | % of WHO Expenses |                        |             |                        |             |                        |                  |                        |
|--------------------------------------|-------------------|------------------------|-------------|------------------------|-------------|------------------------|------------------|------------------------|
|                                      | 2018-2019         |                        | 2020-2021   |                        | 2022-2023   |                        | Biennial Average |                        |
|                                      | USD-million       | % of Transfer & Grants | USD-million | % of Transfer & Grants | USD-million | % of Transfer & Grants | USD-million      | % of Transfer & Grants |
| Direct Financial Cooperation         | 293               | 45%                    | 257         | 32%                    | 351         | 38%                    | 300              | 38%                    |
| Equipment Procured for Third Parties | 108               | 17%                    | 328         | 41%                    | 327         | 35%                    | 255              | 32%                    |
| Fellowships, GEA                     | 6                 | 1%                     | 3           | 0%                     | 3           | 0%                     | 4                | 0.5%                   |
| Letters of Agreement                 | 246               | 38%                    | 211         | 26%                    | 244         | 26%                    | 234              | 29%                    |
| <b>Total</b>                         | <b>653</b>        | <b>100%</b>            | <b>800</b>  | <b>100%</b>            | <b>925</b>  | <b>100%</b>            | <b>792</b>       | <b>100%</b>            |

**67%** of Transfers and Grants constitute “DFC”(38%) and “GLOA” (29%)

DFC is about **US\$ 300** million per Biennium, about **38%** of the total Transfers and Grants expenses

GLOA is about **US\$ 234** million per Biennium, about **30%** of the total Transfers and Grants expenses

|                        | 2018-2019 | 2020-2021   | 2022-2023 | Average    |
|------------------------|-----------|-------------|-----------|------------|
| Transfer and grants    | 653       | 800         | 925       | 792        |
| <b>DFC</b>             | 293       | 257         | 351       | <b>300</b> |
| DFC as % of T&G        | 45%       | 32%         | 38%       | <b>38%</b> |
| Increase over biennium |           | <b>-12%</b> | 36%       |            |

|                        | 2020-2021   | 2022-2023 | Average    |
|------------------------|-------------|-----------|------------|
| Transfer and grants    | 800         | 925       | 792        |
| <b>GLOA</b>            | 211         | 244       | <b>234</b> |
| GLOA as % of T&G       | 26%         | 26%       | <b>30%</b> |
| Increase over biennium | <b>-14%</b> | 15%       |            |

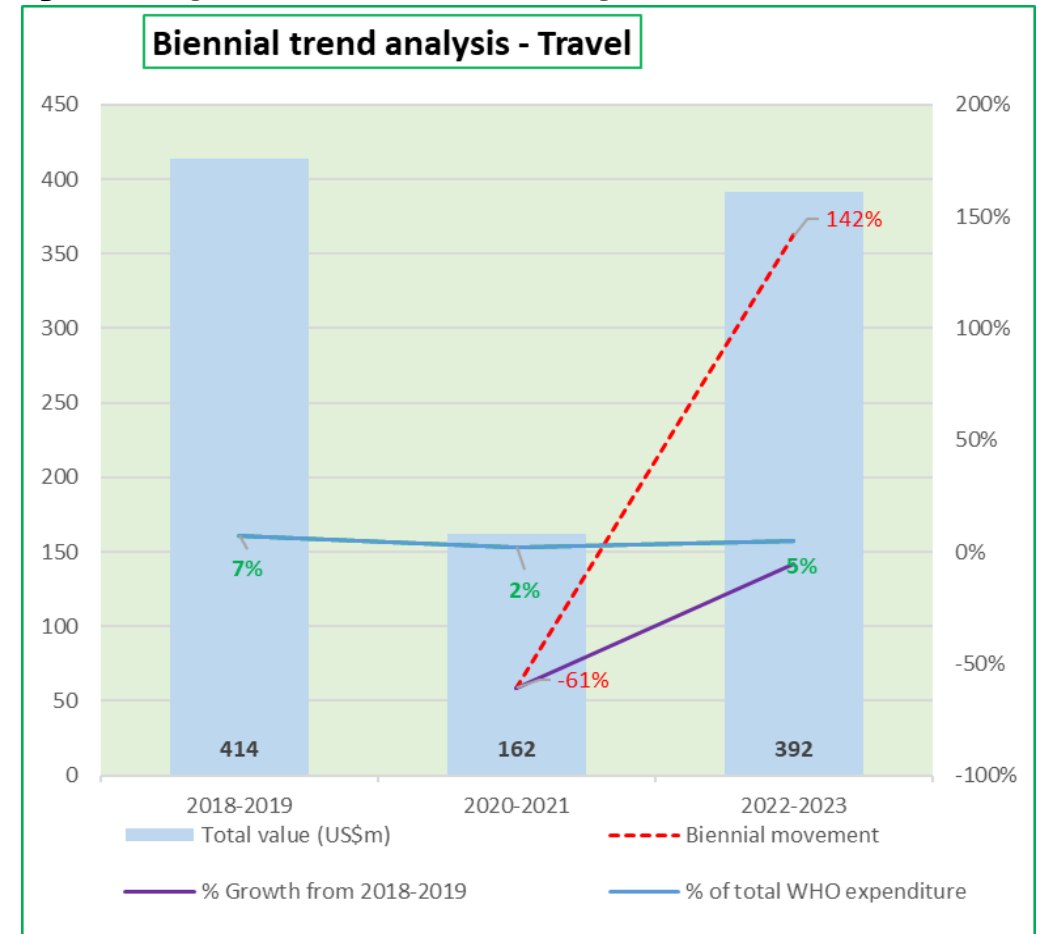
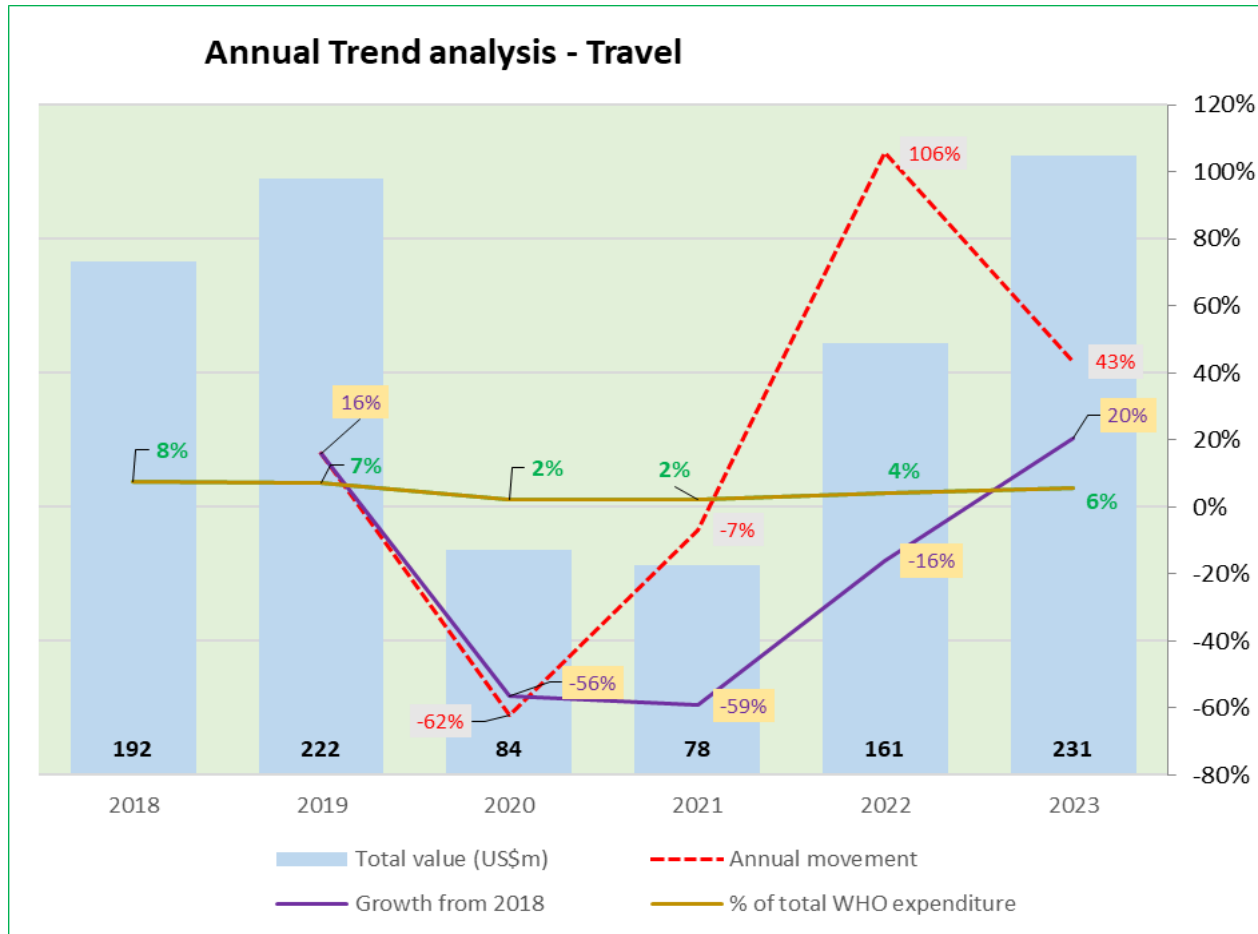
| Major Office | 2020-2021 | 2022-2023 | % increase in 2022-2023 |
|--------------|-----------|-----------|-------------------------|
| AFRO         | 139       | 235       | <b>69%</b>              |
| AMRO         | 4         | 3         | <b>-43%</b>             |
| EMRO         | 44        | 37        | <b>-17%</b>             |
| EURO         | 5         | 11        | <b>127%</b>             |
| HQ           | 0         | -2        |                         |
| SEARO        | 33        | 36        | 8%                      |
| WPRO         | 32        | 31        | -2%                     |
| Grand Total  | 257       | 351       | 36%                     |

In the last biennium DFC increased significantly in **AFRO , EURO** and decreased in **EMRO**

| Major Office | 2020-2021 | 2022-2023 | % increase in 2022-2023 |
|--------------|-----------|-----------|-------------------------|
| AFRO         | 25        | 30        | <b>20%</b>              |
| AMRO         |           |           |                         |
| EMRO         | 114       | 129       | <b>13%</b>              |
| EURO         | 19        | 48        | <b>154%</b>             |
| HQ           | 42        | 29        | <b>-30%</b>             |
| SEARO        | 11        | 8         | <b>-20%</b>             |
| WPRO         | 1         |           |                         |
| Total        | 211       | 244       | 15%                     |

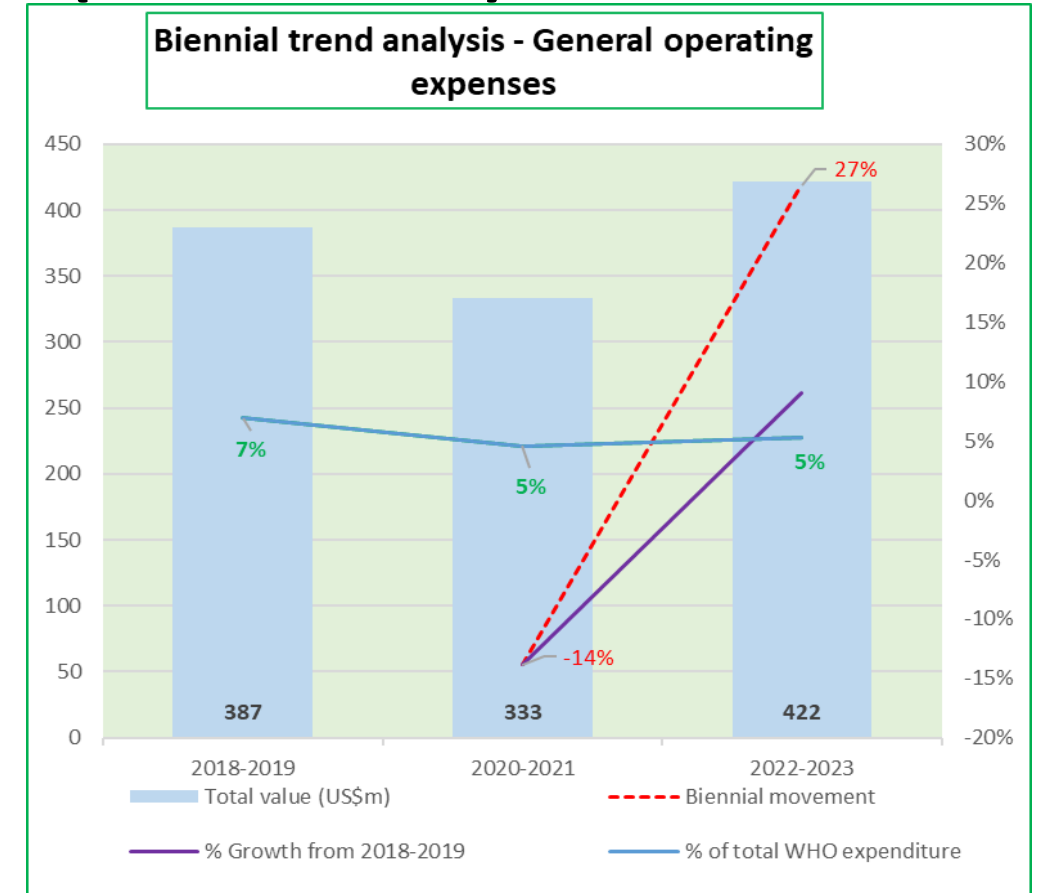
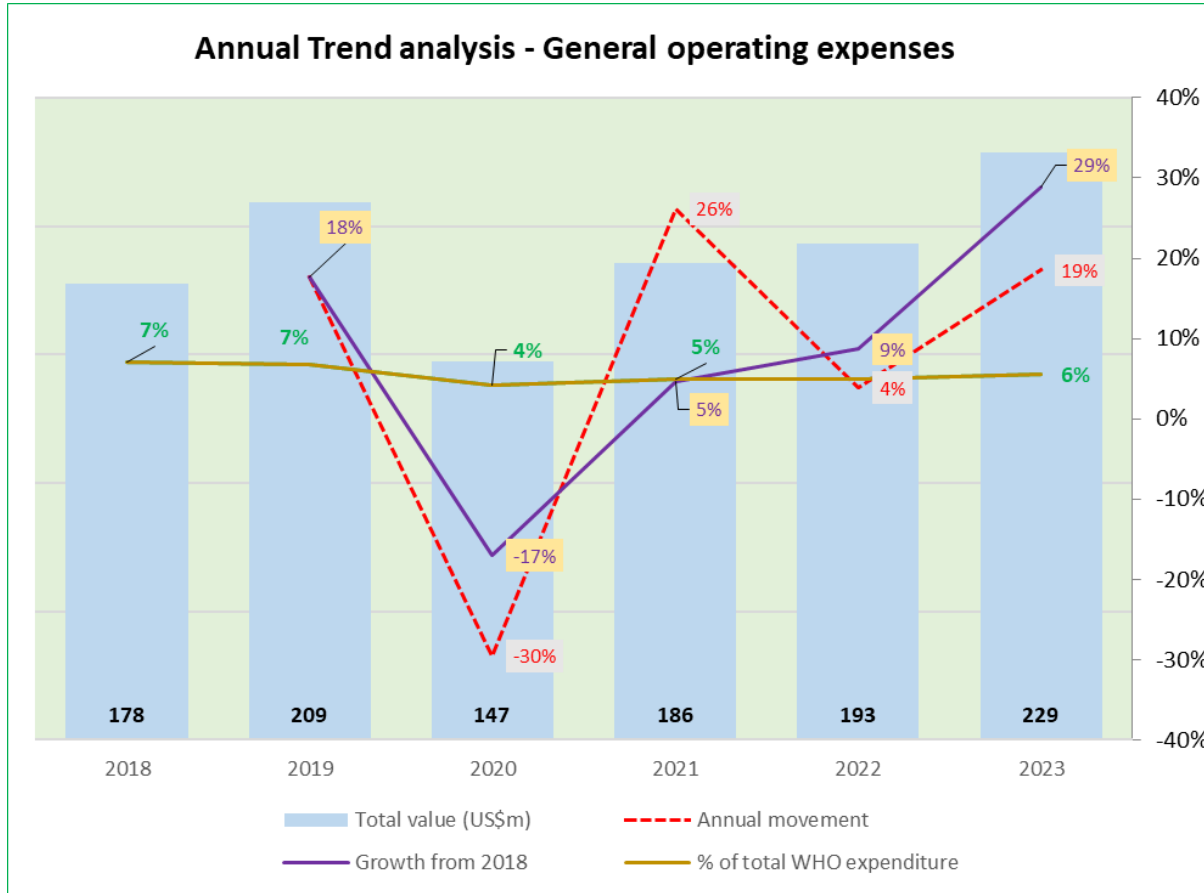
In the last biennium GLOA has increased significantly in **EURO, EMRO** and decreased in **HQ and SEARO**

# Travel costs: Trend Analysis ( 2018-2023)



- 6 years' average of Travel costs, as % of WHO expenses is **4.6%**
- Travel costs, as % of the WHO expenses, generally are 6-8%, except during 2020-21 when they fell to 2% of WHO expenses.
- However, travel costs increased by **20%** over the past 5 years, with an annual average increase of **4%** (lower than the increase in WHO expenses of **13%**)
- On a biennium basis, travel costs increased by **5%** over the past 2 biennia, with a biennial average of **2.5%** (as against WHO expenses increase of **21%**). **Travel costs in 2022-2023 biennium are still lower than the biennium 2018-2019**

# GOE: Trend Analysis ( 2018-2023)



- 6 years' average of GOE, as % of WHO expenses is **5.5%**
- GOE, as % of the WHO annual expenses, were **6-7%**, except during **2020-2021** when this fell to **4-6%** of the WHO expenses
- However, GOE increased by **29%** over the past 5 years, with an annual average increase of **6%** (compared to an increase in WHO expenses of **13%**)
- On a biennium basis, GOE increased by **9%** over the past 2 biennia, with a biennial average of **4.5%** (as against WHO expenses increase of **21 %**).

# Overall trends of categories of costs

| IS 2 category                     | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | Annual average |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|
| Staff costs                       | 37%         | 32%         | 39%         | 32%         | 30%         | 30%         | 33%            |
| Contractual services              | 29%         | 32%         | 28%         | 36%         | 35%         | 39%         | 33%            |
| Transfers and grants              | 11%         | 12%         | 11%         | 11%         | 12%         | 11%         | 11%            |
| Medical supplies and materials    | 7%          | 8%          | 15%         | 13%         | 13%         | 8%          | 11%            |
| General operating expenses        | 7%          | 7%          | 4%          | 5%          | 5%          | 6%          | 5%             |
| Travel                            | 8%          | 7%          | 2%          | 2%          | 4%          | 6%          | 5%             |
| Equipment, vehicles and furniture | 0.6%        | 0.9%        | 1%          | 1%          | 0.2%        | 0.4%        | 1%             |
| Depreciation and amortization     | 0.5%        | 0.4%        | 0%          | 0%          | 0.4%        | 0.3%        | 0%             |
| <b>Total</b>                      | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b>    |

As % of overall WHO Expenses, most cost categories may be **returning to 2018-2019 levels**, except contractual services and medical supplies and materials.

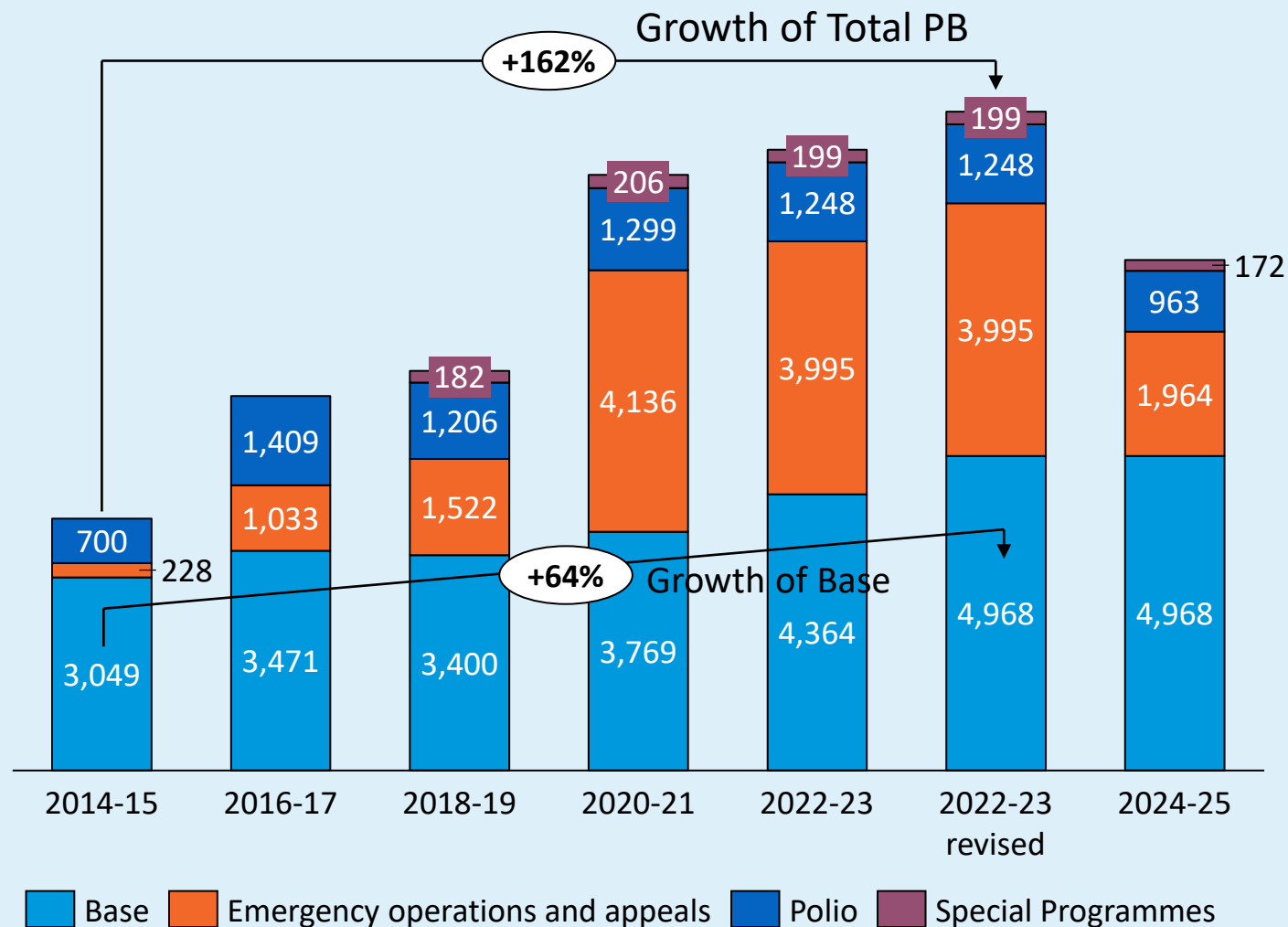
| IS 2 category                     | 2018-2019     | 2020-2021     | 2022-2023     | Biennial average |
|-----------------------------------|---------------|---------------|---------------|------------------|
| Staff costs                       | 34.4%         | 35.3%         | 30.2%         | 33.3%            |
| Contractual services              | 30.6%         | 31.8%         | 36.7%         | 33.0%            |
| Transfers and grants              | 11.7%         | 11.0%         | 11.6%         | 11.4%            |
| Medical supplies and materials    | 7.8%          | 14.0%         | 10.6%         | 10.8%            |
| General operating expenses        | 6.9%          | 4.6%          | 5.3%          | 5.6%             |
| Travel                            | 7.4%          | 2.2%          | 4.9%          | 4.9%             |
| Equipment, vehicles and furniture | 0.7%          | 0.7%          | 0.3%          | 0.6%             |
| Depreciation and amortization     | 0.4%          | 0.3%          | 0.4%          | 0.4%             |
| <b>Total</b>                      | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |

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# Analysis of expenditures by budget segments

## Approved programme Budgets across GPW12 and 13 (US\$ million)

- **Total PB** has grown, but growth is differentiated by segment.
  - **Base and special programmes** segments as per approved WHA resolutions
  - **Emergency operations and appeals, and polio eradication** shown as allocated budget at biennium end (which better reflects their event-driven level of operations)
- “COVID” effect explains growth from 18-19 to 20-21, particularly for emergencies segment (2.7x increase)

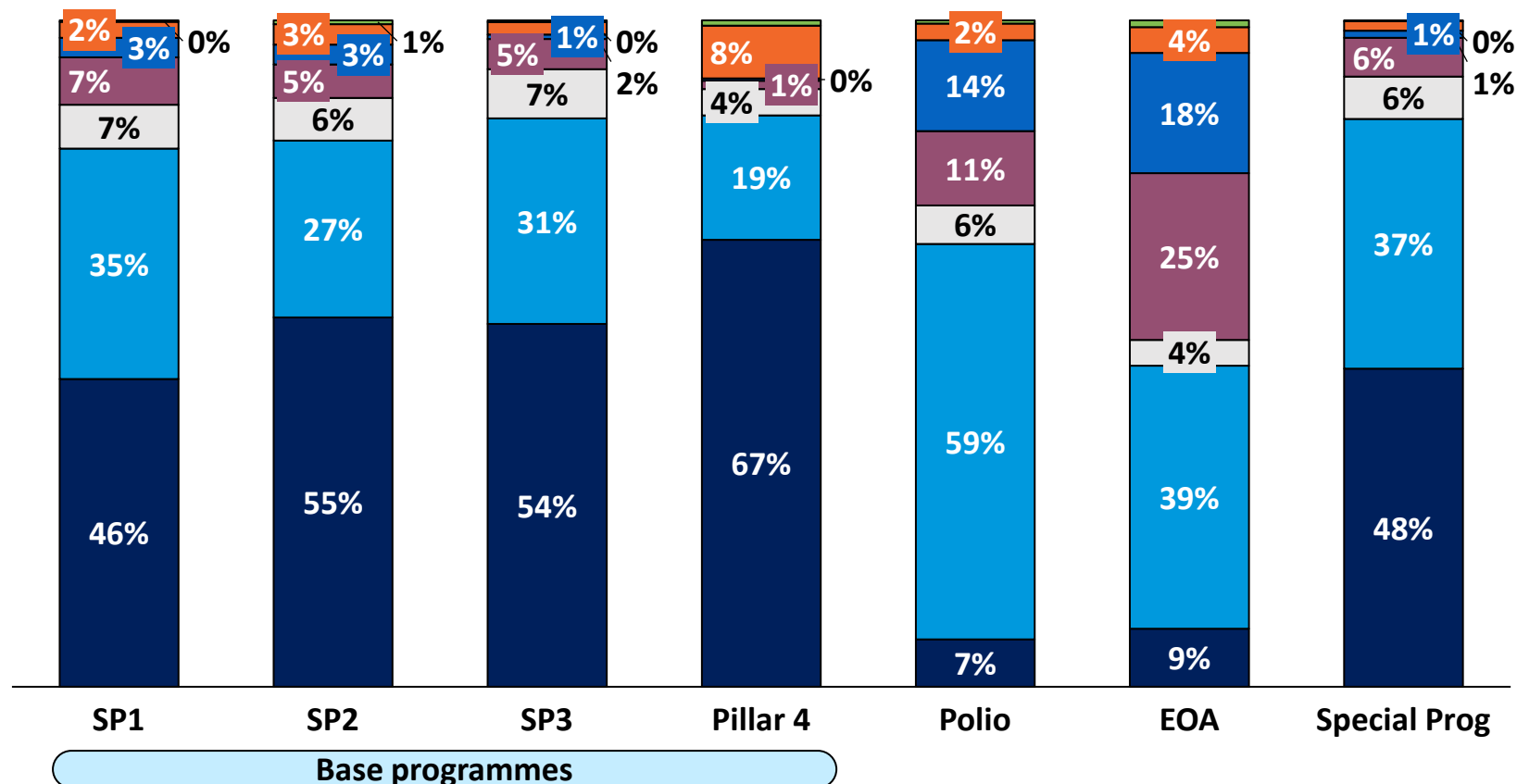


Growth with respect  
to 2014-2015

Base Programmes:  
**64%**

Emergency operations and appeals:  
**863%**

# 22-23 PB expenditures by strategic priority, budget segment and type of expenditure (US\$ million)



The nature of each budget segment helps to understand expenditure patterns

## Base:

- **Staff:** 55% of total expenditures or 43% of the approved budget
- **SP1-SP3**
  - mainly technical work
  - similar % staff, travel, transfers/grants
  - slightly larger % medical supplies in SP1 (vaccines) and SP2 (emergencies)
- **SP4**
  - enabling functions
  - more staff dependent than SP1-3
  - larger share of general operating expenses and less % travel due to nature of enabling functions

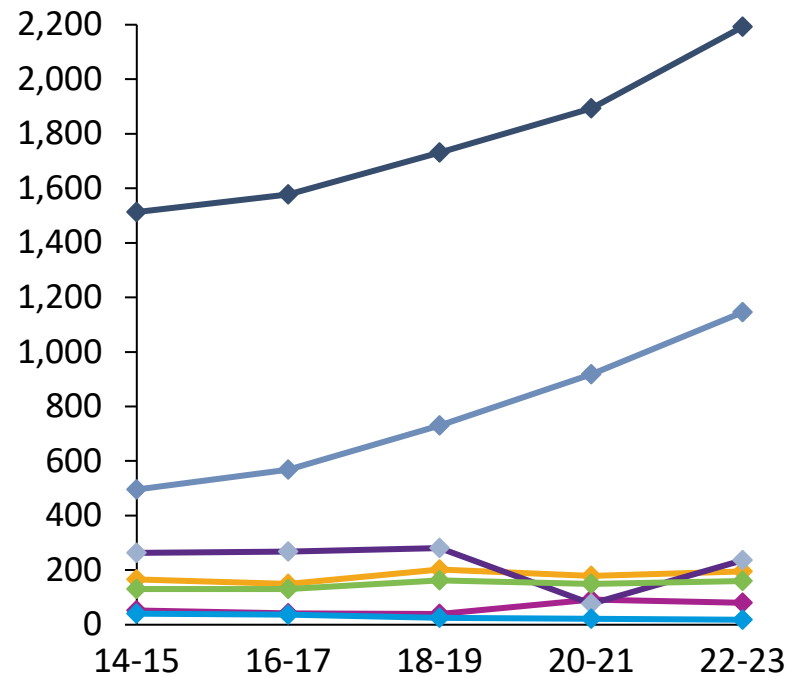
## Emergencies and polio:

- event driven → more operational
- very few staff (7-9%) but more contractual
- operations-driven expenses: transfers/grants, procurement of supplies

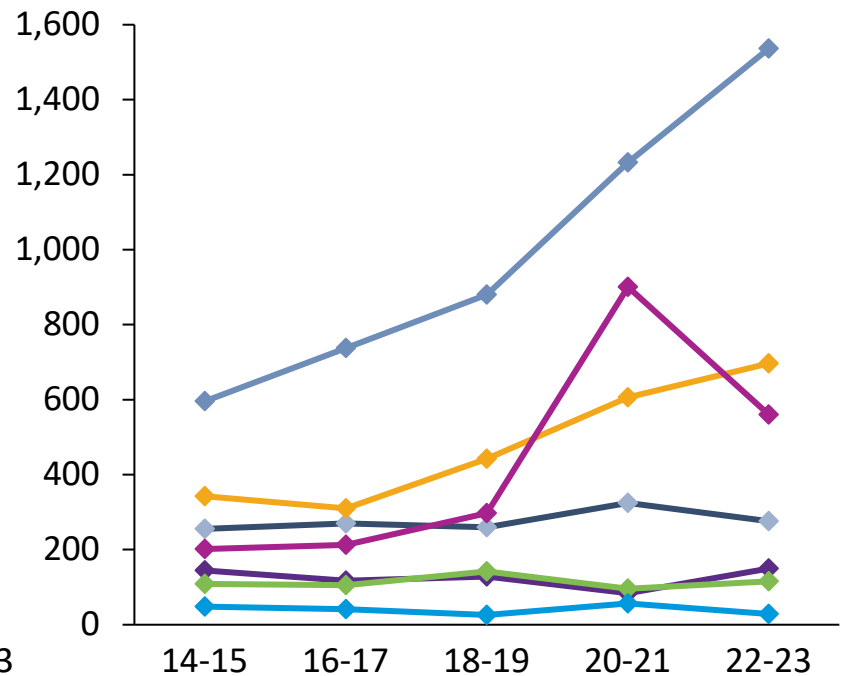
**Special programmes:** technical, similar to Base

# Trend in main type of expenditures by PB segments (US\$ million)

## Base and Special programmes



## Polio and Emergencies



- ◆ Staff costs
- ◆ Contractual services
- ◆ Transfers and grants
- ◆ Medical supplies and materials
- ◆ Travel
- ◆ General operating expenses
- ◆ Equipment, vehicles and furniture

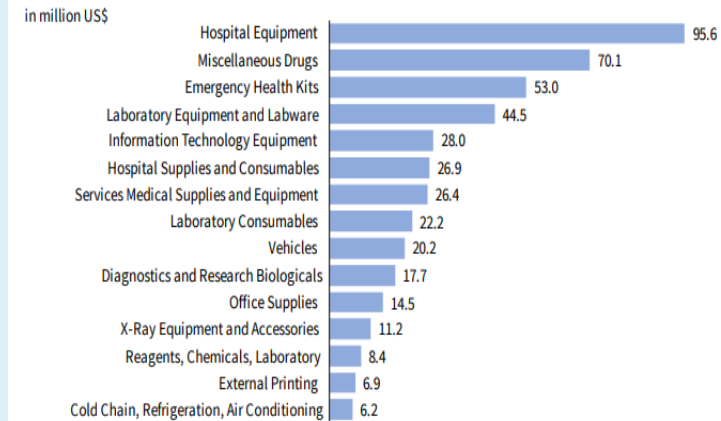
- While Base budget increased 63% between 14-15 and 22-23, staff expenditures increased 41%:
  - Staff exp 50% of the PB14-15
  - Staff exp 43% of the PB22-23
 → larger programme budget implemented by proportionately less staff capacity (efficiencies, innovation, but also pressure on staff)
- Polio and Emergency segments implement primarily through contractual services; staff component remains constant despite increase of overall budget/operations (i.e. also relying on Base staff).
- Notwithstanding drop during COVID, travel expenditures remained constant across all segments in absolute terms – and decreased as a % of budget (even though average price per ticket increased by 14%)

## Procurement-related expenses

- Increase in **contractual services** and **medical supplies**, particularly since 2020, explained by WHO's response to the COVID-19 emergency
- Initial COVID-19 response some key requirements (including PPE, diagnostics, biomedical equipment) was partially centralized to guarantee an adequate allocation across countries
- EURO increase, support to emergency in Ukraine and neighbouring countries
- Under the overall Transformation Agenda: Supply Chain Strategy since 2022 to ensure that WHO delivers procurement and supply services in an efficient and effective manner
- Since 2020, WHO Procurement Report, including now regional analysis
- Trend of procurement in 2024 : decline in emergencies segment due to end of COVID emergency

## WHO Procurement Report: Example of detail reported

Fig. 4. Largest procurement categories for goods



The top five categories for procurement of services included Research and Normative work (10% of total procurement), Consulting and Audit Services (8.6%), Meeting Logistic Support (4.1%), Human Resources (4.0%) and Building Construction (3.6%).

Fig. 5. Largest procurement categories for services

