I

POLICY AND BUDGET FOR ONE WHO

KEY FEATURES OF THE PROPOSED PROGRAMME BUDGET 2002-2003

1. The Proposed programme budget 2002-2003 builds on lessons learned in preparing previous programme budgets, but marks a significant departure in both its content and the way it has been prepared.

A policy framework with clear priorities

2. The corporate strategy sets out the ways in which WHO intends to address the challenges of the rapidly evolving context of international health. The policy framework – one of the first products of this process – now provides the inspiration and basics for the proposed programme budget. In particular, on the basis of the criteria set out in that framework, 11 priorities were determined by the Executive Board at its 105th session. To facilitate tracking – in terms of both resource shifts toward priority areas, and the achievement of results – these priorities have been clearly reflected in the proposed budget.

A budget structure which better reflects WHO's business

3. Thirty-five areas of work have been identified for the whole Organization and constitute the common building blocks of the Proposed programme budget.[1] Health is a multidimensional subject, and there is no simple or unambiguous way of classifying WHO's response to global health needs without some degree of overlap. Nevertheless, the aim has been to reflect as accurately as possible the current range of activities of WHO's Secretariat and to provide a sufficient degree of continuity with the Programme budget 2000-2001 to enable meaningful comparison and analysis of trends.

A corporate programme, jointly developed

4. The programme budget proposed for each area of work has been drawn up through an Organization-wide process, involving staff from regional offices and headquarters. This collaborative process replaces the previous practice in which separate documents were prepared at regional level and subsequently consolidated with those at global level without explicit discussion of objectives, approaches or resource allocation. The Proposed programme budget 2002-2003 expresses more fully the interdependence of the different levels of WHO within agreed global objectives, strategies and expected results.

Concentrating on results: application of results-based budgeting

5. Results-based budgeting derives from an improved process of planning, programming, budgeting, monitoring and evaluation, by which WHO's Secretariat would be held accountable for the achievement of specific results. Under such a process, budget allocations for each area of work are linked to a set of objectives and expected results. A key concern in preparing the Proposed programme budget has been to ensure that Member States receive a clear overview of what WHO plans to deliver. For each area of work three levels of objective have been defined: the broad development **goal** to which WHO's work will **contribute**, the **WHO objective** – the change to which the Organization as a whole is **committed** – and the **expected results** for which the Secretariat is **directly responsible**. This hierarchy clearly distinguishes the responsibilities of WHO's Secretariat from those of Member States – a problem that has beset previous programme budgets.

[1] At headquarters, the areas of work are quite closely aligned with departments. In regional offices, the areas of work will be grouped in different ways depending on the organizational structure adopted by the region concerned. Individual country programmes will be made up of those areas of work – individually or grouped – which form part of the country cooperation strategy.

Integrating planning, budgeting and evaluation

6. The proposed programme budget provides the basis for detailed operational planning which will take place closer to the time of implementation. A considerable body of evaluative work is produced every year in different parts of WHO. However, it has not been systematically linked to the planning and budgeting process. The proposed programme budget lays the foundation for remedying that situation by including predetermined indicators linked to expected results. Regular monitoring against these indicators will ensure transparency and accountability. Each area of work will also, over time, be subject to evaluation. Furthermore, financial reporting will be adjusted so that it will be possible to judge outcomes in relation to budgetary provisions.

Country operations: a clearer focus

7. A key corporate goal is to increase the effectiveness of WHO's country programmes. Well-defined priorities will help to assure a better match between country needs, globally agreed strategies, and areas of work in which WHO has a clear advantage compared to other partners. The process of preparing country programmes will now take place closer to the time of implementation, i.e., the process will be initiated after the proposed programme budget has been reviewed and commented on by the Executive Board.

Programme budget preparation: review by regional committees and by the Executive Board

8. The regional committees reviewed the programme budget proposals as a whole during the period September to October 2000. The Organization's overall priorities were confirmed, and different emphases were laid on region-specific concerns. After careful consideration of the views expressed by the regional committees, the Director-General made some adjustments to the various budgetary allocations for 2002-2003, as set out in the present document. Further adjustments were incorporated after review of the programme budget proposals by the Executive Board at its 107th session in January 2001.

GENERAL PROGRAMME OF WORK 2002-2005

9. The General Programme of Work 2002-2005 provides the policy framework for the programme budget 2002-2003.

The changing context of international health

10. The latter part of the twentieth century saw a transformation in human health unmatched in history. Yet, despite the remarkable achievements of recent decades, more than one thousand million people have been excluded from the benefits of economic development and the scientific advances that have increased the length and quality of life of so many others throughout the world. Health is a fundamental human right, still denied to more than one-fifth of humankind.

11. The past decade has been a time of significant change in international health.

12. **Understanding of the causes and consequences of ill-health is changing.** It is increasingly evident that achieving better health depends on many social, economic, political and cultural factors, in addition to health services. Moreover, there is a growing recognition of the role that better health can play in reducing poverty.

13. **Health systems are becoming more complex.** In many countries, the role of the State is changing rapidly, and the private sector and civil society are emerging as important players. In the developing world, a growing number of development organizations, international financial institutions, private foundations and nongovernmental organizations are active in the health sector. Worldwide, people's expectations of health care services are rising.

14. **Safeguarding health is gaining prominence as a component of humanitarian action.** A significant increase in the occurrence and impact of conflict and of natural disasters has highlighted the need to protect health in complex emergencies.

15. **The world is increasingly looking for greater coordination among development organizations.** Reform in the United Nations system aims to make organizations more responsive to the needs of Member States, and to provide a rallying point for achievement of the International Development Goals. To rise to this challenge will require more emphasis on effectiveness through collective action and partnerships. This, in turn, will require more dynamic, and less bureaucratic, approaches to management.

16. Given the magnitude of the global health agenda, it is evident that WHO cannot do everything. Defining WHO's particular role in world health is therefore fundamental. It has required, among other efforts, greater concentration on areas in which WHO can demonstrate a clear advantage in comparison to other actors at international and national levels.

17. If WHO is to respond effectively to a changing international context, several new ways of working are called for that include:

- adopting a broader approach to health within the context of human development, humanitarian action, equity between men and women, and human rights, with a particular focus on the links between health and poverty reduction

- assuming a greater role in establishing wider national and international consensus on health policy, strategies and standards – through managing the generation and application of research, knowledge and expertise

- triggering more effective action to promote and improve health and to decrease inequities in health outcomes, through carefully negotiated partnerships and by making use of the catalytic action of others

- creating an organizational culture that encourages strategic thinking, prompt action, creative networking, innovation and accountability, and strengthens global influence.

18. These overarching lines require WHO to devise new processes and modalities which draw on the respective and complementary strengths of headquarters, and of regional and country offices. They encompass the functions of WHO as set out in Article 2 of the Constitution, and build on the principles and values articulated in the Global Strategy for Health for All.

Strategic directions

19. WHO's goals are to build healthy populations and communities, and to combat ill-health. To realize these goals, four strategic directions will provide a broad framework for focusing WHO's technical work.

Strategic direction 1: reducing excess mortality, morbidity and disability, especially in poor and marginalized populations.

Strategic direction 2: promoting healthy lifestyles and reducing risk factors to human health that arise from environmental, economic, social and behavioural causes.

Strategic direction 3: developing health systems that equitably improve health outcomes, respond to people's legitimate demands, and are financially fair.

Strategic direction 4: framing an enabling policy and creating an institutional environment for the health sector, and promoting an effective health dimension to social, economic, environmental and development policy.

20. The four strategic directions are interrelated. Real progress in improving people's health cannot be achieved through one direction alone. Success in reducing excess mortality will depend on more effective health systems, and a reduction in exposure to risks and threats to health – many of which lie outside the reach of the health system itself. The effectiveness of work on health systems and risk reduction will in turn depend on the broader policy and institutional environment – globally and nationally – in which countries work to improve the health of their populations.

Core functions

21. In carrying out its activities WHO's Secretariat will focus on the following six core functions:

- articulating consistent, ethical and evidence-based **policy** and **advocacy** positions

- **managing information** by assessing trends and comparing performance; setting the agenda for, and stimulating, research and development

- catalysing change through **technical** and **policy support**, in ways that stimulate cooperation and action and help to build sustainable national and intercountry capacity

- negotiating and sustaining national and global **partnerships**

- setting, validating, monitoring and pursuing the proper implementation of **norms** and **standards**

- stimulating the development and testing of new **technologies**, **tools** and **guidelines** for disease control, risk reduction, health care management, and service delivery.

22. WHO's functions have often been described as falling into two categories: normative work and technical cooperation. Implicit in this division has been the idea that normative functions are carried out primarily at headquarters, and that technical cooperation describes the work of regional and country offices. Yet the six core functions describe the most important activities carried out at *all* levels of WHO. Technical cooperation does not appear as a single category. Rather, it is better described as a summary term covering many different combinations of the core functions carried out in specific countries. In this sense, technical cooperation (including between developing countries) will include advocacy, development of partnerships, encouragement of local research and development, and policy advice. Depending on the needs of the specific country, technical cooperation may involve staff from headquarters, as well as from regional and country offices.

23. This approach to describing WHO's core functions also recognizes that regional and country offices too play a role in normative work. Some regional offices may take on global leadership in a particular technical area. In addition, both regional and country offices will be involved in drawing up guidelines on best practice, and in testing new technologies or approaches to service delivery.

24. WHO's core functions provide a focus for planning the work of the Secretariat. They have been helpful in thinking about where WHO's advantages lie, and are particularly useful in appraising whether the balance of functions is right in relation to specific areas of work. The core functions also played a part in formulating expected results.

Organization-wide priorities

25. Despite the orientation provided by the strategic directions and core functions, more specific areas of emphasis still need to be defined. Based on an analysis of major challenges in international health, they also reflect strategic choices with regard to areas in which WHO has an advantage compared to others, or where there is a need to build up capacity.

26. Criteria for identifying priorities include:

- potential for significant change in burden of disease with existing cost-effective interventions
- health problems with major impact on socioeconomic development and a disproportionate impact on the lives of the poor
- urgent need for new technologies
- opportunities to reduce health inequalities within and between countries
- WHO's advantages, particularly in relation to provision of public goods; building of consensus around policies, strategies and standards; initiation and management of partnerships
- major demand for WHO support from Member States.

27. WHO's overall, Organization-wide priorities are set out below.

Malaria, tuberculosis and HIV/AIDS:

- three major communicable diseases, which all pose a serious threat to health and economic development and have a disproportionate impact on the lives of poor people

- all three urgently need new and affordable diagnostics, drugs and vaccines, requiring intervention by a global body such as WHO, capable of influencing private sector research and development in an area which would otherwise receive limited attention

- tackling the three diseases requires not only cost-effective technologies, but also sustained efforts and effective mechanisms which bring together and mobilize the resources of diverse players – in the public and private sectors, within and beyond the health system

Cancer, cardiovascular diseases and diabetes:

- a growing epidemic in poor and transitional economies; a major threat, not least because of escalating costs of treatment, in the industrialized world

- needs cross-national surveillance, and better epidemiology of risk factors

Tobacco:

- a major killer in all societies and a rapidly growing problem in developing countries

- not just a health issue – the economic case for tobacco control is strong

- powerful vested interests have to be overcome if consumption is to be reduced, which argues for leadership from a global organization that unites the strength of its Member States

Maternal health:

- the most marked difference in health outcomes between developed and developing countries shows up in maternal mortality data

- closely linked to development of health systems – it is difficult to cut down maternal mortality without a well-functioning health system

Food safety:

- a growing public concern, with potentially serious economic consequences

- new developments in biotechnology pose increasingly difficult technical and ethical questions; problems may affect several countries when food is traded internationally

- demand is increasing from Member States for impartial technical and scientific advice

- consistent with WHO's broader approach to health: opportunities for working across sectors and in partnership with several other bodies

Mental health:

- five of the 10 leading causes of disability are mental health problems; major depression is the fifth contributor to the global burden of disease, and may be second by 2020

- needs greater technical consensus in a highly contested and politicized field, and better epidemiological information; potential for public-private partnerships (new treatments) and public voluntary partnerships

(provision of service and continuity of care) – all areas in which WHO has advantages compared to other organizations

Safe blood:

- both a potential source of infection and a major component of treatment: crucial in the fight against HIV/AIDS and for dealing with the growing disease burden among women (as a consequence of pregnancy), children, and accidents and trauma victims

- a neglected area in many countries, requiring work not only on technical standard setting, but also on legislation, development of health systems, and creation of public, private and voluntary partnerships

- major opportunity to establish a partnership with the International Federation of Red Cross and Red Crescent Societies and other nongovernmental organizations competent in blood safety

Health systems:

- development of effective and sustainable health systems underpins all the other priorities

- WHO's work on tools and methods for assessing and comparing health systems will provide much needed evidence on the determinants of performance

- demand is substantial from Member States for support and advice on health sector reform

- different approaches to health financing have major implications for equity and efficiency

- workforce management is a neglected area in many health systems and needs a more comprehensive approach

- more effective mechanisms for resource allocation, budgeting and financial management are a key to ensuring successful implementation of priority programmes

Investing in change in WHO:

- a prerequisite for WHO to become a more efficient and productive organization – and one capable of response within an increasingly complex international environment

- development of new skills, systems and processes is central to the effective management of WHO's core functions

- gender considerations are being incorporated in the planning and achievement of expected results in all areas of work.

28. The Organization-wide priorities as set out above are broadly supported by activities conducted under different areas of work, not only by the area that bears the title of the priority. The extent of contribution of other areas of work and its nature have been identified in order to indicate WHO's overall involvement in a given priority. Details are provided under each priority area in Section II of the proposed programme budget.

OVERALL RESOURCE CONTEXT

Expenditure plan for 2002-2003

29. The tables below summarize the overall expenditure plans for the biennium 2002-2003. Further details, by area of work, organizational level, and source of fund, are provided in the Annex.

30. Table 1 summarizes the expenditure plan for the whole Organization, i.e., the total amount that is needed to achieve the expected results of the Proposed programme budget 2002-2003. Expenditure is broken down between the regular budget and other sources of funds. Regular budget figures in both bienniums are based on cost levels and the rates of exchange for 2000-2001.

31. The budget for 2000-2001, approved under resolution WHA52.20, has been slightly modified to reflect changes in the areas of work inherent in the 2002-2003 proposals. The budget for other sources of funds reflects projected expenditure for the next biennium.[1]

TABLE 1. EXPENDITURE PLAN – ALL SOURCES OF FUNDS

(US$ thousand)

Source of funds	2000-2001	2002-2003	Percentage change
Total regular budget	842 654	842 654	0
Total other sources[2]	1 097 000	1 380 000	+26
Total all sources	1 939 654	2 222 654	+15

Regular budget

32. The estimates for the regular budget alone are shown in Table 2 below, according to organizational level. At this stage, all regular budget figures are nominal, i.e., they do not include possible adjustments for currency fluctuations and inflation which may be required before submission of the proposed programme budget to the Fifty-fourth World Health Assembly in May 2001.

TABLE 2. REGULAR BUDGET SUMMARY BY ORGANIZATIONAL LEVEL

(US$ thousand)

Organizational level	2000-2001	2002-2003	Percentage increase/decrease
Headquarters	279 055	279 055	0
Regional offices	231 816	227 594	-2
Countries	331 783	336 005	+1
Total	842 654	842 654	0

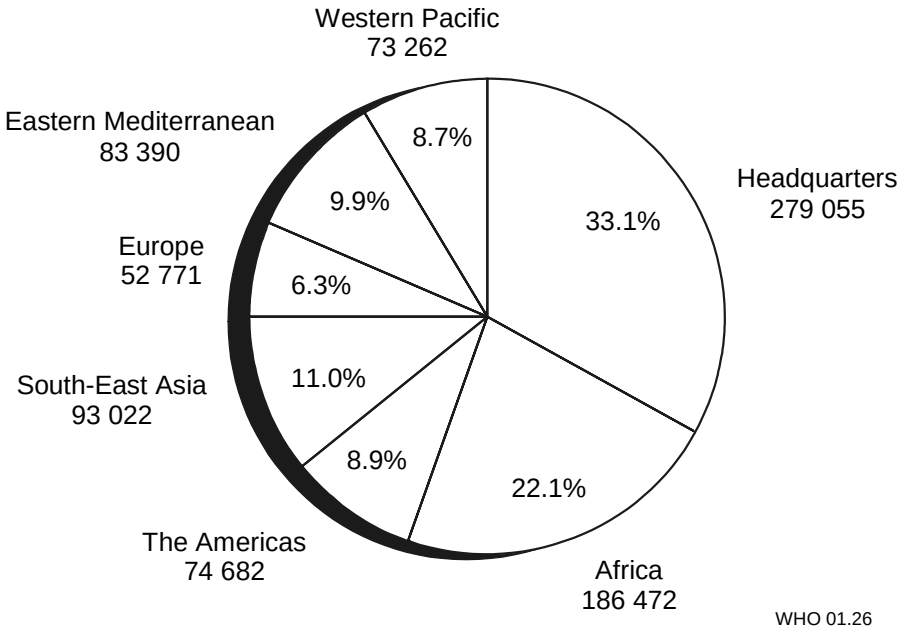
[1] The relationship between income and expenditure will be shown in the financial statements for the biennium. These financial statements will also make it possible to compare actual and budgeted expenditure for all areas of work.

[2] Excludes funds allocated to WHO under the oil-for-food programme for Iraq. See explanatory note on page 73.

33. Distribution of the regular budget by region, obtained by attributing the country and the regional office budgets to the respective region, is illustrated in Figure 1 below.

FIGURE 1: REGULAR BUDGET SUMMARY BY REGION
2002-2003

(US$ thousand and percentage)



Planned resources by area of work

34. The Proposed programme budget 2002-2003 has been divided into 35 areas of work, for which all expenditure will be accounted in the Financial Report.

35. Resources under the regular budget for country-level activities have, at this stage, not been shown against individual areas of work, but as a separate provision at the end of Table 3 below. Country expenditures under other sources have been included under the corresponding area of work, with the exception of some interagency financing and provisions for funds-in-trust.

TABLE 3. PLANNED RESOURCES BY AREA OF WORK (US$ thousand)

(Priority areas of work shown in bold)

Areas of work	Regular budget		Other sources		Total		Increase/ decrease %
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	
Communicable disease surveillance	14 226	13 743	41 500	57 000	55 726	70 743	26.9
Communicable disease prevention, eradication and control	22 831	19 911	149 000	122 000	171 831	141 911	-17.4
Research and product development for communicable diseases	4 802	4 376	80 500	84 500	85 302	88 876	4.2
Malaria	**6 436**	**8 212**	**76 000**	**110 000**	**82 436**	**118 212**	**43.4**
Tuberculosis	**1 682**	**4 650**	**17 000**	**100 000**	**18 682**	**104 650**	**460.2**
Subtotal – Communicable diseases	49 977	50 892	364 000	473 500	413 977	524 392	26.7
Surveillance, prevention and management of noncommunicable diseases	**11 974**	**13 029**	**3 500**	**7 000**	**15 474**	**20 029**	**29.4**
Tobacco	**3 496**	**5 708**	**12 500**	**19 500**	**15 996**	**25 208**	**57.6**
Health promotion	9 252	6 739	15 500	28 000	24 752	34 739	40.3
Disability/injury prevention and rehabilitation	3 848	3 547	6 000	8 500	9 848	12 047	22.3
Mental health and substance abuse	**8 708**	**11 147**	**9 500**	**17 000**	**18 208**	**28 147**	**54.6**
Subtotal – Noncommunicable diseases and mental health	37 278	40 170	47 000	80 000	84 278	120 170	42.6
Child and adolescent health	7 480	8 127	60 000	64 000	67 480	72 127	6.9
Research and programme development in reproductive health	8 377	6 252	62 000	61 000	70 377	67 252	-4.4
Making pregnancy safer	**1 538**	**5 657**	**9 500**	**31 500**	**11 038**	**37 157**	**236.6**
Women's health	2 916	3 524	10 000	12 000	12 916	15 524	20.2
HIV/AIDS	**6 972**	**9 812**	**48 500**	**120 000**	**55 472**	**129 812**	**134.0**
Subtotal – Family and community health	27 283	33 372	190 000	288 500	217 283	321 872	48.1
Sustainable development	9 029	8 919	7 000	9 500	16 029	18 419	14.9
Nutrition	8 042	6 975	7 500	7 500	15 542	14 475	-6.9
Health and environment	23 471	22 076	23 500	28 000	46 971	50 076	6.6

TABLE 3. PLANNED RESOURCES BY AREA OF WORK (continued)

Areas of work	Regular budget		Other sources		Total		Increase/ decrease %
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	
Food safety	**2 997**	**5 399**	**3 500**	**5 000**	**6 497**	**10 399**	**60.1**
Emergency preparedness and response	2 983	3 999	39 500	43 000	42 483	46 999	10.6
Subtotal – Sustainable development and healthy environments	46 522	47 368	81 000	93 000	127 522	140 368	10.1
Essential medicines: access, quality and rational use	10 078	11 063	27 000	31 000	37 078	42 063	13.4
Immunization and vaccine development	14 269	13 692	175 500	171 000	189 769	184 692	-2.7
Blood safety and clinical technology	**7 780**	**10 227**	**14 000**	**15 500**	**21 780**	**25 727**	**18.1**
Subtotal – Health technology and pharmaceuticals	32 127	34 982	216 500	217 500	248 627	252 482	1.6
Evidence for health policy	**20 966**	**22 225**	**11 500**	**21 000**	**32 466**	**43 225**	**33.1**
Health information management and dissemination	33 508	30 370	9 000	16 000	42 508	46 370	9.1
Research policy and promotion	5 266	6 114	5 500	5 000	10 766	11 114	3.2
Organization of health services	**35 712**	**35 423**	**15 500**	**22 500**	**51 212**	**57 923**	**13.1**
Subtotal – Evidence and information for policy	95 452	94 132	41 500	64 500	136 952	158 632	15.8
Governing bodies	24 089	21 439	500	1 000	24 589	22 439	-8.7
Resource mobilization, and external cooperation and partnerships	26 319	23 307	12 500	12 000	38 819	35 307	-9.0
Subtotal – External relations and governing bodies	50 408	44 746	13 000	13 000	63 408	57 746	-8.9
Budget and management reform	7 495	6 932	1 000	1 000	8 495	7 932	-6.6
Human resources development	15 795	15 678	5 000	6 000	20 795	21 678	4.2
Financial management	24 311	23 318	12 000	15 000	36 311	38 318	5.5
Informatics and infrastructure services	101 537	93 531	34 500	40 000	136 037	133 531	-1.8
Subtotal – General management	149 138	139 459	52 500	62 000	201 638	201 459	-0.1

TABLE 3. PLANNED RESOURCES BY AREA OF WORK (continued)

Areas of work	Regular budget		Other sources		Total		Increase/ decrease %
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	15 197	14 226	6 000	3 500	21 197	17 726	-16.4
Director-General's and Regional Directors' Development Programme and initiatives	7 489	7 302	4 000	0	11 489	7 302	-36.4
Subtotal – Director-General, Regional Directors and independent functions	22 686	21 528	10 000	3 500	32 686	25 028	-23.4
TOTAL – Areas of work	510 871	506 649	1 016 000	1 295 000	1 526 871	1 801 649	18.0
Country-level activities[1]	331 783	336 005	81 000	85 000	412 783	421 005	2.0
TOTAL – Country programmes	331 783	336 005	81 000	85 000	412 783	421 005	2.0
GRAND TOTAL	842 654	842 654	1 097 000	1 380 000	1 939 654	2 222 654	14.6

[1] The figures for the regular budget are good estimates of the resources that will be spent at country level. The corresponding figures for other sources are underestimates, as most of the resources that will be spent at this level have been included in the funding estimated for individual areas of work.

Note: Health systems is covered by two areas of work: Evidence for health policy and Organization of health services.

Priorities

36. The priority areas of work, highlighted in Table 3 above, have been allocated resources preferentially under the regular budget for 2002-2003. The overall, planned allocation of resources to these priorities is shown in Table 4.

TABLE 4. PLANNED RESOURCES FOR PRIORITY AREAS[1]

(US$ thousand)

Priority areas	Regular budget		Other sources		Total	
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003
Total	108 261	131 489	221 000	461 500	329 261	592 989

[1] In addition, for 2002-2003 substantial resources will continue to be allocated to the priority area "investment in change".

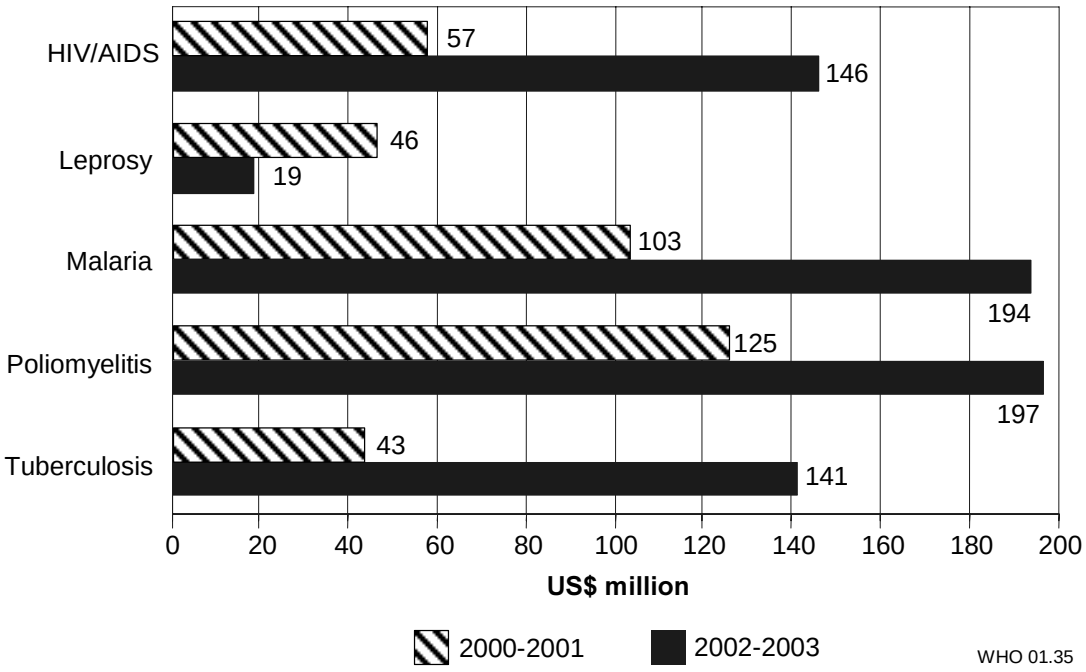
Indicative breakdown by disease

37. The budget structure of 35 areas of work cuts across specific diseases, with a view to ensuring an integrated approach. None the less, it will still be possible in subsequent planning and implementation to identify activities by various categories, one of which will be disease related. Figure 2 below shows a breakdown of indicative estimates from all sources of funds at all levels at this stage of planning for five diseases on which

WHO is undertaking major work. (Indicative estimates for the same diseases were also provided in the programme budget for 2000-2001.)

FIGURE 2: INDICATIVE ESTIMATES OF EXPENDITURE ON FIVE DISEASES[1]

(US$ million)



[1] Includes estimated expenditures in other areas of work (paragraph 28 refers).