



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
113th Session
Provisional agenda item 4.2

EB113/42
18 December 2003

Programme budget 2004-2005: progress report

Report by the Director-General

1. Thirty years ago, the non-regular budget of the Organization represented some 30% of the total financial resources for programme purposes. Other sources of financing for this purpose were not an integral part of the overall financial framework of the Organization. Since then, the balance has shifted and other sources of financing for the programmes of the Organization now account for well over 60% of total financial resources. This fundamental difference has occurred because the regular budget has remained largely unchanged over the past 15 years or so, whereas the level of other sources of financing has increased substantially.
2. In order to adapt accordingly the budgeting process and approval of the programme budget, the Organization is now developing an integrated approach to results-based budgeting and planning that incorporates all sources of funds. This approach lays more emphasis on the achievement of expected results set out in the programme budget and less on the source of funds. Indicators in the Programme budget 2004-2005 will be reviewed and refined in order to ensure an adequate and appropriate basis for assessing and reporting on achievement of the expected results.
3. Work is also under way to establish as realistic a picture as possible of the level of other sources of funds that Member States and other donors may decide to make as voluntary contributions to the Organization. This information is being used to review the process for planning expenditure more realistically and to support monitoring of achievement of the expected results.
4. The Programme budget 2004-2005 was adopted by resolution WHA56.32 which appropriated US\$ 880 111 000 for the effective working regular budget. The resolution noted that expenditure to be financed from sources other than the regular budget was estimated at US\$ 1 824 500 000.
5. On assuming office, the Director-General reviewed the alignment of the programme budget with his objective of strengthening WHO's activities in countries and regions and of according higher priority to certain aspects of the Organization's work, most notably HIV/AIDS, malaria and tuberculosis. No changes are being made to the structure of the budget by area of work.
6. Updated figures for the Programme budget 2004-2005 are being submitted separately to the Executive Board.¹

¹ Document EB113/42 Add.1.

7. It is expected that any regular budget transfers that may be required between appropriation sections will be accommodated within the customary 10% flexibility afforded to the Director-General by resolution WHA56.32. The estimated figure for financing from sources other than the regular budget is expected to increase in line with the priority now given to HIV/AIDS. There will also be some variations at the level of areas of work, and in the allocation between headquarters, regions and countries. The Director-General intends to devote 70% of the overall programme resources available to the Organization to activities outside headquarters in 2004-2005. Consequently it is expected that an increasingly large proportion of expenditure financed from sources other than regular budget will be incurred at regional and country levels, thereby ensuring that the above target is achieved.

ACTION BY THE EXECUTIVE BOARD

8. The Executive Board is invited to note the above report.

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