

## **Implementation and financing of Programme budget 2014–2015: update**

### **Report by the Secretariat**

1. In May 2013, the Sixty-sixth World Health Assembly approved the budget for the financial period 2014–2015, under all sources of funds, namely assessed and voluntary contributions, of US\$ 3977 million, allocated to six categories.<sup>1</sup>
2. In accordance with the authority granted to the Director-General by the Health Assembly in resolution WHA66.2, the Programme budget has been revised to US\$ 4549 million as at 30 November 2014. This revision allows a transfer of US\$ 23 million to be made from Outbreak and crisis response to the Emergency risk and crisis management programme area in category 5; it also accommodates an increase of US\$ 572 million in expenditure under the emergencies component of the budget.
3. The increase may be summarized as follows.
  - The net increase of US\$ 306 million for Outbreak and crisis response is made up of increases of US\$ 165 million for the Ebola virus disease crisis, US\$ 113 million for the Eastern Mediterranean Region (Iraq and Syrian Arab Republic), US\$ 14 million for Typhoon Haiyan (Yolanda) in the Philippines, US\$ 10 million for yellow fever and cholera outbreaks and US\$ 4 million for emergency relief in the South-East Asia Region.
  - The increase of US\$ 266 million for Polio eradication is in line with the overall budget of the Global Polio Eradication Initiative for 2014–2015 and the Polio Eradication and Endgame Strategic Plan 2013–2018.

### **FINANCING THE PROGRAMME BUDGET 2014–2015**

4. At the end of November 2014 the financing available to support all categories of the budget was US\$ 4132 million (assessed contributions of US\$ 929 million and voluntary contributions of US\$ 3203 million for 2014–2015).<sup>2</sup> Excluding the Emergencies component, Programme budget

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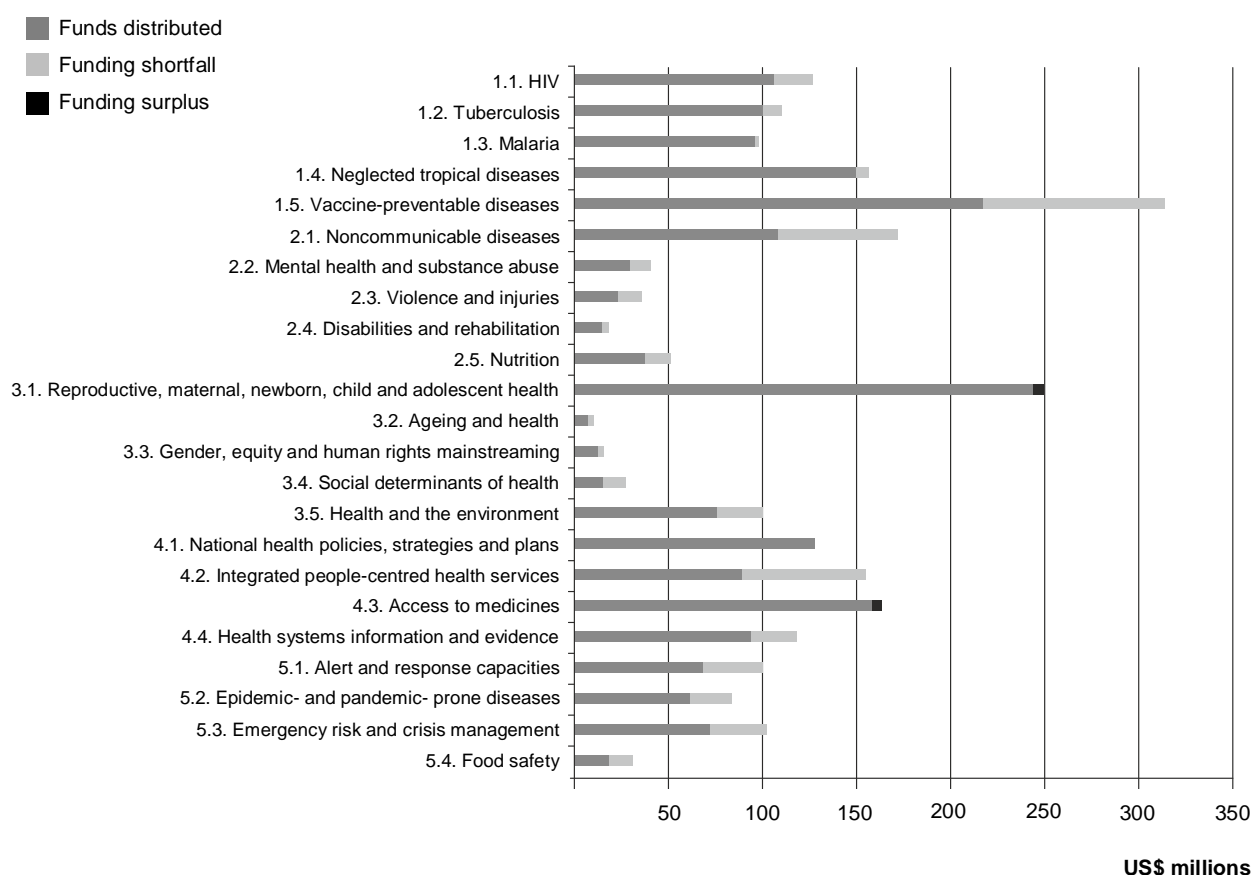
<sup>1</sup> Resolution WHA66.2.

<sup>2</sup> In addition, US\$ 315 million was received to support implementation of the Programme budget in 2016–2017 and 2018–2019.

financing on 30 November 2014 was 78%.<sup>1</sup> Overall, this demonstrates more realistic setting of the budget level and more timely receipt of financing for 2014–2015 compared with previous bienniums.<sup>2</sup>

5. However, there are still differences in the levels of financing of various technical programme areas. The five most under-funded programme areas (Vaccine-preventable diseases, Integrated people-centred health services, Noncommunicable diseases, Alert and response capacities and Health and the environment) represent 57% (US\$ 287 million) of the 2014–2015 shortfall.<sup>3</sup> The status of financing by programme area is shown in Figure 1.

**Figure 1. Financing of the Programme budget by programme area as at 30 November 2014**



<sup>1</sup> This excludes the assessed contribution reserve of US\$ 186 million and the core voluntary contribution reserve of US\$ 155 million. These amounts will be distributed throughout the biennium to ensure continuity of operations within programme areas.

<sup>2</sup> The revised budget as at 30 November 2012 was 73% financed. Excluding the emergencies component, Programme budget financing on 30 November 2012 was 71%.

<sup>3</sup> These programme areas exclude the Emergencies component and the category of Corporate services/enabling functions.

6. Compared with the previous two bienniums, the financing of the Programme budget by programme area shows an improvement. As at 30 November 2014 no category had a funding gap of more than 33%.

7. Following the second financing dialogue in November 2013, the Programme budget was 70% financed at the start of the biennium. In order to provide adequate financing and ensure operational capacity across the three levels of the Organization, the Director-General has decided to adopt a strategic approach to the release of flexible resources (assessed contributions and core voluntary contributions). At the beginning of the biennium, 80% of available assessed contributions and 50% of core voluntary contributions were released, based on a review focused on the costs of staff and key activities for major offices. A second release of funds will take place in December 2014, following the same criteria and aimed at reducing funding gaps across all programme areas.

8. There is clear evidence of an improvement in the alignment of resources to the Programme budget 2014–2015. However, efforts need to be made to bridge the gaps in under-funded programme areas, in line with the principles established for the financing dialogue and coordinated resource mobilization.

## **PROGRAMMATIC IMPLEMENTATION OF THE PROGRAMME BUDGET 2014–2015**

9. The 2014 Ebola virus disease outbreak, which has been taking place on an unexpected and unprecedented scale in several countries in West Africa, has stretched the capacity of the Organization to mount and sustain the necessary response and staff from across the Organization have been mobilized in support. The use of operational capacity that is required for procurement of goods and services, recruitments and staff deployment, is also affecting the delivery of the work for other priority programmes. This comes in the midst of other persisting and emerging crises in other parts of the world in which WHO is also heavily involved. Sustaining this effort over a significant period is anticipated to incur an opportunity cost in terms of the delivery of the Programme budget 2014–2015.

10. In the African Region, a large number of technical and administrative staff have been mobilized from the regional and country offices to help in the countries affected. A large number of staff normally engaged in work on preparedness and response, polio, health systems and management and administration at headquarters and in the regions have been seconded and or deployed for work to tackle Ebola virus disease. It is expected that a number of time-bound projects will be affected. It is also anticipated that there will be a substantial need for work on strengthening preparedness in all regions, but the extent of this effort and its resource implications have yet to be determined.

11. Processes are currently under way to capture more thoroughly the impact of the Ebola virus disease outbreak on the delivery of WHO's work. The mid-term review of the Programme budget 2014–2015 that is currently being undertaken will also provide more detailed information on the impact of the outbreak on the delivery of the Secretariat's work. The information will also influence the finalization of the Programme budget 2016–2017 for the Sixty-eighth World Health Assembly in May 2015.

12. A number of resolutions and decisions adopted by the Executive Board at its 133rd and 134th sessions have cost implications for the Programme budget 2014–2015, notably in categories 2, 4 and 5. Details of these cost implications, which amount to US\$ 39.6 million, are contained in the Annex.

13. The UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases, and the UNDP/UNFPA/UNICEF/WHO/World Bank Special Programme of

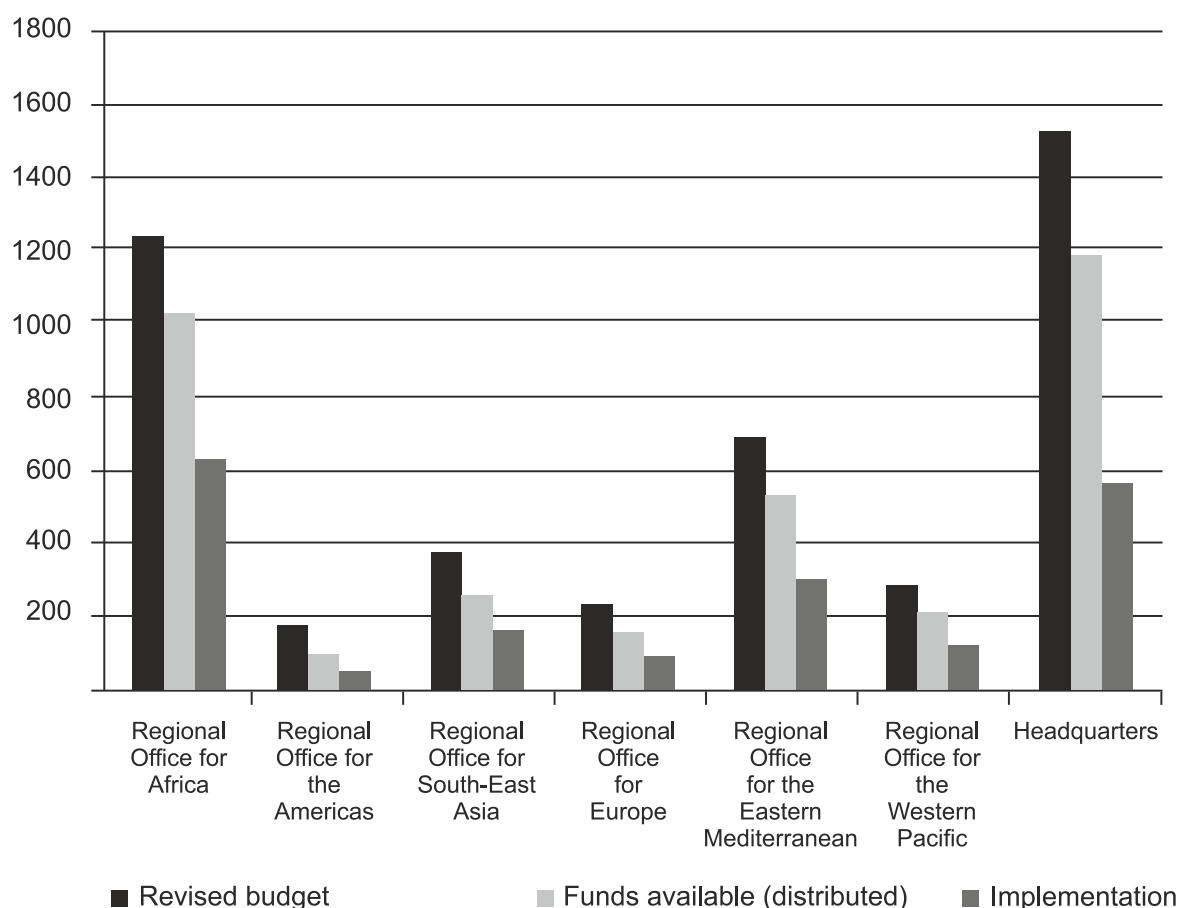
Research, Development and Research Training in Human Reproduction have their respective governance mechanisms that set their budgeting and financing targets. An approach similar to that taken in respect of polio is required to deal in a transparent manner with the budgetary and financing decisions of the governing bodies of these programmes.

14. As of 30 November 2014 the overall implementation rate was 42% of the revised Programme budget and 51% of available resources. This is slightly lower than expected, owing to the increase in the budget for the Emergencies component.

15. Figures 2 and 3 below show the revised budget, financing and implementation as at 30 November 2014 by major office and category.

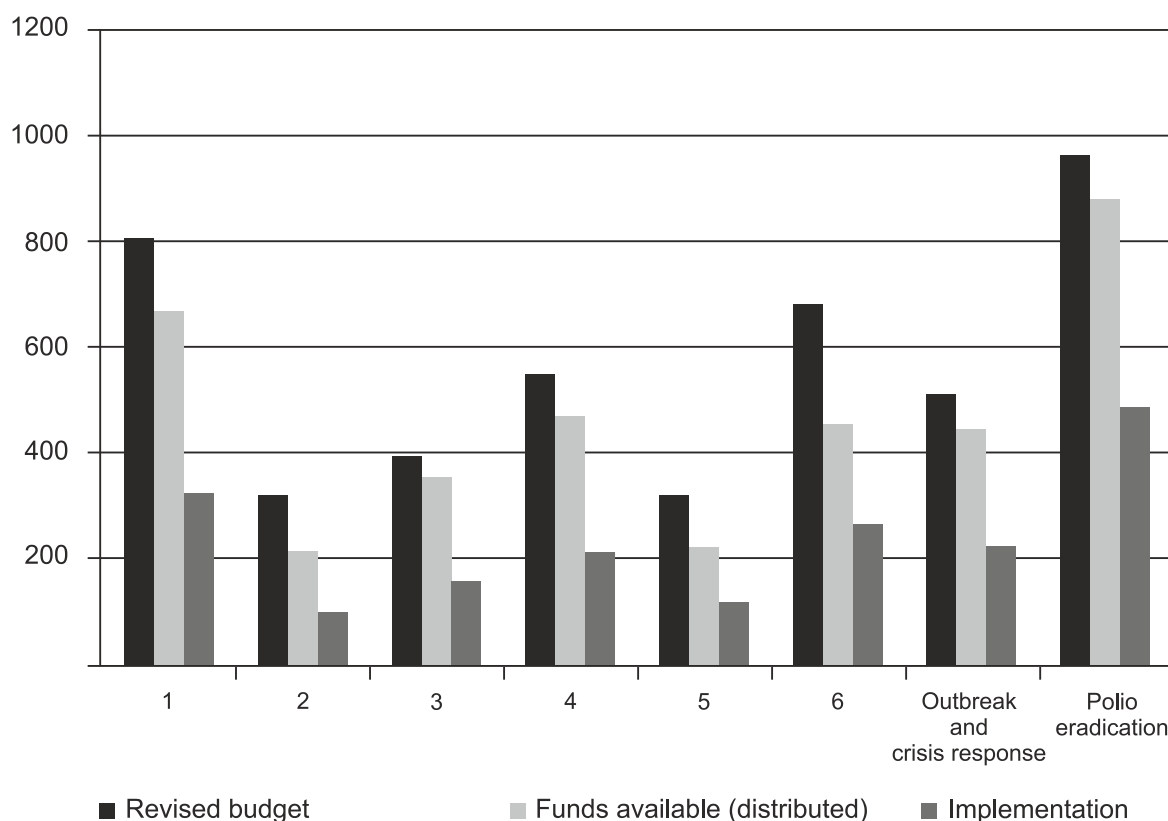
**Figure 2. Revised Programme budget: financing and implementation by major office as at 30 November 2014 (US\$ millions)**

US\$ millions



**Figure 3. Revised Programme budget: financing and implementation by category as at 30 November 2014 (US\$ millions)**

US\$ millions



16. In conclusion:

- the Programme budget 2014–2015 is better aligned with the available financing and the implementation of activities than the Programme budget 2012–2013;
- in overall terms the Programme budget 2014–2015 is well financed; however, there are a number of issues with regard to alignment of resources to certain programme areas;
- at the end of the third quarter of 2014, the Programme budget 2014–2015 was slightly under-implemented; and
- a more flexible approach must be taken to cope with budget requirements that arise during the biennium.

17. A more detailed analysis of implementation of the Programme budget 2014–2015, and an update on the actions being proposed and implemented as part of the managerial response to the continued reform agenda,<sup>1</sup> will be submitted to the Sixty-eighth World Health Assembly through the

<sup>1</sup> Including options to ensure alignment of resolutions with the general programme of work and the related programme budgets. See decision WHA67(8) operative paragraph 4.

Programme, Budget and Administration Committee of the Executive Board at its twenty-second meeting in May 2015, together with a review of the audited financial statements for the year 2014. Further information on the Programme budget 2014–2015 will be available on the web portal in 2015.<sup>1</sup>

#### **ACTION BY THE EXECUTIVE BOARD**

18. The Board is invited to note the report.

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<sup>1</sup> <https://extranet.who.int/programmebudget/> (accessed 18 December 2014).

## ANNEX

### THE FINANCIAL IMPLICATIONS OF THE RESOLUTIONS AND DECISIONS ADOPTED BY THE EXECUTIVE BOARD AT ITS 133RD AND 134TH SESSIONS, OR DRAFTS RECOMMENDED AT THOSE SESSIONS, FOR ADOPTION BY THE SIXTY-SEVENTH WORLD HEALTH ASSEMBLY

Resolution/ decision/draft resolution	Title	Report on financial and administrative implications for the Secretariat	Estimated total cost (US\$ 000)	Estimated total duration	Overall financial implications for Programme budget 2014–2015 (US\$ 000)	Costs already included in Programme budget 2014–2015 (US\$ 000)	Costs not included in Programme budget 2014–2015 (US\$ 000)
EB133.R1	Comprehensive and coordinated efforts for the management of autism spectrum disorders	See document EB133/2013/REC/1	37 000	7 years (2014–2020)	2 800	1 000	1 800
EB133.R2	World psoriasis day	See document EB133/2013/REC/1	100	2014 onwards	150	150	–
EB133.R3	Confirmation of amendments to the Staff Rules	See document EB133/2013/REC/1	–	“Indefinite”	–	–	–
EB134.R1	Appointment of the Regional Director for South-East Asia	N/A					
EB134.R2	Expression of appreciation to Dr Samlee Plianbangchang	N/A					
EB134.R3	Appointment of the Regional Director for the Western Pacific	N/A					
EB134.R4	Global strategy and targets for tuberculosis prevention, care and control after 2015	See document EB134/2014/REC/1	To be confirmed	20 years (2016–2035)	98 500	98 500	–
EB134.R5	Public health impacts of exposure to mercury and mercury compounds: the role of WHO and ministries of public health in the implementation of the Minamata Convention	See document EB134/2014/REC/1	9 030	Minimum 7 years (2014–2020)	2 470	2 470	–
EB134.R6	Traditional medicine	See document EB134/2014/REC/1	26 110	10 years (2014–2023)	5 200	5 200	–
EB134.R7	Strengthening of palliative care as a component of integrated treatment within the continuum of care	See document EB134/2014/REC/1	20 000	Minimum 7 years (2014–2020)	1 000	1 000	–

EB136/33

Resolution/ decision/draft resolution	Title	Report on financial and administrative implications for the Secretariat	Estimated total cost (US\$ 000)	Estimated total duration	Overall financial implications for Programme budget 2014–2015 (US\$ 000)	Costs already included in Programme budget 2014–2015 (US\$ 000)	Costs not included in Programme budget 2014–2015 (US\$ 000)
EB134.R8	Contributing to social and economic development: sustainable action across sectors to improve health and health equity (follow up of the 8th Global Conference on Health Promotion)	See document EB134/2014/REC/1	1 450	3 years (2014–2016)	980	980	–
EB134.R9	Confirmation of amendments to the Financial Rules	N/A					
EB134.R10	Implementation of the International Health Regulations (2005)	See document EB134/2014/REC/1	–	N/A	–	–	–
EB134.R11	Confirmation of amendments to the Staff Rules	See document EB134/2014/REC/1	20	2 years (2014–2015)	20	20	–
EB134.R12	Salaries of staff in ungraded posts and of the Director-General	N/A					
EB134.R13	Combating antimicrobial resistance, including antibiotic resistance	See document EB134/2014/REC/1	9 600	2 years (2014–2015)	9 600	1 800	7 800
EB134.R14	Health intervention and technology assessment in support of universal health coverage	See document EB134/2014/REC/1	28 000	6 years (2014–2019)	13 600	8 600	5 000
EB134.R15	Follow-up of the Recife Political Declaration on Human Resources for Health: renewed commitments towards universal health coverage	See document EB134/2014/REC/1	18 800	4 years (2014–2017)	9 400	9 400	–
EB134.R16	Access to essential medicines	See document EB134/2014/REC/1	18 000	6 years (2014–2019)	8 600	8 600	–
EB134.R17	Regulatory system strengthening for medical products	See document EB134/2014/REC/1	250 000	11 years (2014–2024)	30 000	5 000	25 000
EB134.R18	Hepatitis	See document EB134/2014/REC/1	7 400	“Not time-bound”	3 300	3 300	–
EB134.R19	Access to biotherapeutic products and ensuring quality, safety and efficacy	See document EB134/2014/REC/1	25 000	10 years (2014–2023)	3 000	3 000	–
EB134.R20	Relations with nongovernmental organizations	N/A					
<b>Subtotal</b>			<b>450 510</b>		<b>188 620</b>	<b>149 020</b>	<b>39 600</b>



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EB134(1)	Follow-up to the Political Declaration of the High-level Meeting of the United Nations General Assembly on the Prevention and Control of Non-communicable Diseases	See document EB134/2014/REC/1	300	1 year (2014)	300	300	–
EB134(2)	Maternal, infant and young child nutrition	See document EB134/2014/REC/1	1 870	2 years (2014–2015)	1 870	1 870	–
EB134(3)	WHO reform: methods of work of the governing bodies	N/A					
EB134(4)	WHO reform: strategic resource allocation	N/A					
EB134(5)	Follow-up of the report of the Consultative Expert Working Group on Research and Development: Financing and Coordination – Health research and development demonstration projects	See document EB134/2014/REC/1	700	1 year (2014)	700	700	–
EB134(6)	Addressing the global challenge of violence, in particular against women and girls	See document EB134/2014/REC/1	34 650	5 years (2014–2018)	13 540	13 650	–
<b>Subtotal</b>			<b>37 520</b>		<b>16 410</b>	<b>16 520</b>	<b>–</b>
<b>Total</b>			<b>488 030</b>		<b>205 030</b>	<b>165 540</b>	<b>39 600</b>