
Financial Estimate for the Thirteenth General Programme of Work (2019–2023)

Report by the Director-General

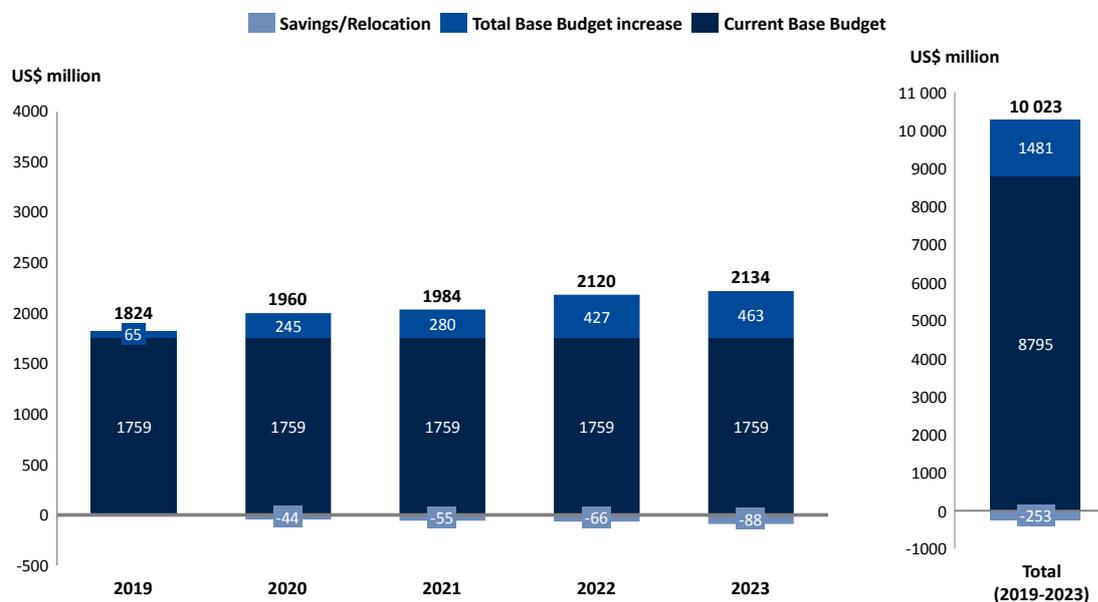
May 2018

1. In its Thirteenth General Programme of Work (GPW13), the World Health Organization is setting forth an ambitious agenda with measurable goals and a strategy to bring the world on track to achieve the health-related Sustainable Development Goals.
2. The world is already falling behind for reaching many of the SDG targets – Universal Health Coverage (UHC) is a notable case in point. To meet the SDG goals WHO will do all it can to support countries. This is what the GPW13 is about.
3. In response to Member States' requests for information, the Secretariat prepared a high level financial estimate for the draft GPW13 for EB142. Member States discussed the estimate and asked the Secretariat to finalize it.¹ At the current rate, the base budget would be US\$ 8.8 billion during the 5 year period of the GPW. The financial estimate presented to EB142 was US\$ 10.8 billion. As noted below, this estimate for the base budget has been decreased to US \$10 billion.
4. The below refined financial estimate amounts to US\$ 14 billion over the five-year period (US\$ 10 billion for the base segment of the budget compared to US\$ 10.8 billion presented at EB142). Based on the approved Programme budget 2018–2019, this represents a US\$ 1.2 billion increase over the five-year period, or an increase of about US\$ 240 million per year (14% over the current base segment of the budget). By way of historical precedent, the 12th General Programme of Work 2014–2019² was the first general programme of work in the Organization's history to include a financial envelope for the duration of the period concerned. It did not, however, provide any further details beyond an indicative figure.

¹ EB142.R2.

² “The general programme of work envisages a broadly constant financial envelope over the period of the general programme of work as a whole on the order of US\$ 12 billion dollars. The envelope will be distributed more or less equally among each of the three bienniums; meaning that roughly US\$ 4 billion will be available each biennium.” (12th General Programme of Work, p. 59).

5. For the Base segment, the financial requirements over the five years of GPW13 are shown below:



6. There are 3 main drivers for the required increase of the Base segment: (i) transition of polio functions to Base segment (US\$ 667 million over 5 years),³ (ii) gradual increases in country capacity (US\$ 397 million) to implement the new priorities of the GPW13 and (iii) strengthening some essential normative functions, particularly in the areas of data and innovation (US\$ 296 million).

7. In addition, the financial estimate for GPW13 also includes a 5% commitment (in the final year, with a ramp up) for efficiency and economy savings of US\$ 253 million. The Secretariat has already begun work to implement this target⁴ along with progress on the implementation of the Value for Money strategy (see Annex). In parallel, the Secretariat is also revamping resource mobilization efforts and is already beginning to see modest results this year (A71/30).

8. The Secretariat has already indicated that it is not seeking an adjustment to the Programme budget 2018–2019, which has been approved and is being implemented; any adjustments will be made within the Director-General's existing authority. Development of the draft programme budget 2020–2021 will begin now: as part of the new planning and budgeting process, strategic level budget by Major Offices with preliminary budget envelopes will be discussed at the regional committee meetings

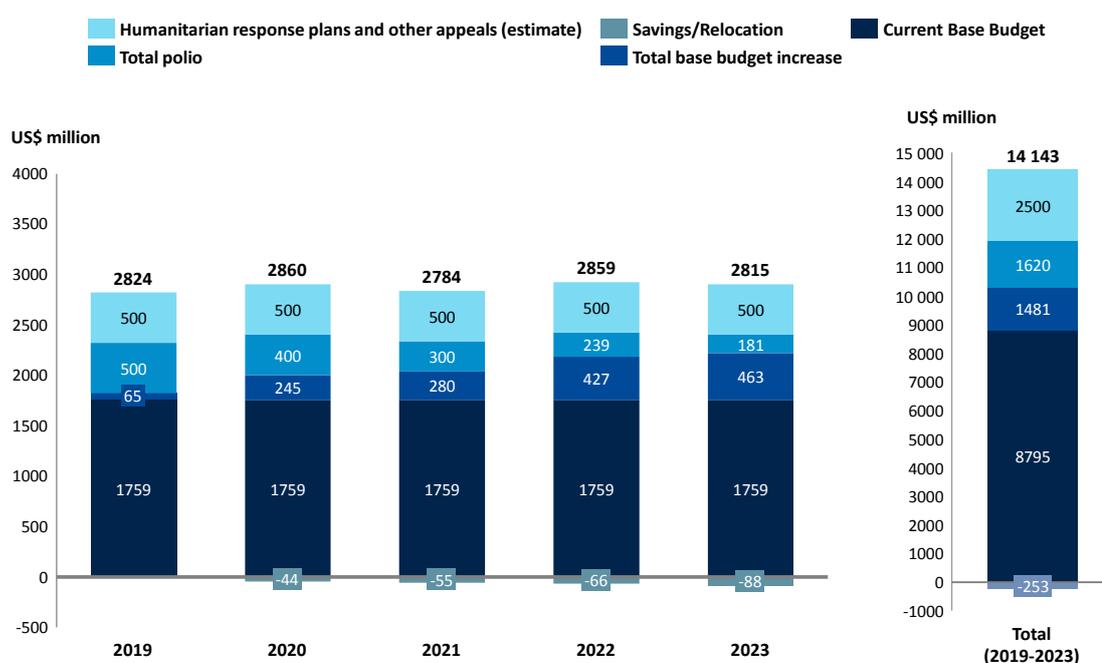
³ This increase is in line with the Seventieth World Health Assembly decision WHA70(9) on poliomyelitis: polio transition planning, in which the Director-General was requested, inter alia, to develop a strategic action plan on polio transition by the end of 2017, to be submitted for consideration by the Seventy-first World Health Assembly, through the Executive Board at its 142nd session. The request specified the clear identification of the capacities and assets, especially at country level, that are required to sustain progress in other programmatic areas and to maintain a polio-free world after eradication. (WHA71/9).

⁴ Some concrete examples: e.g. a new, more restrictive travel policy was adopted; closer scrutiny and better coordination of WHO meetings are on the way; vacancies in HQ have been reviewed with a view to strengthen country capacities, where appropriate.

in 2018, before a finalized draft Programme Budget 2020–2021 will be presented at EB144 in January 2019 and the Seventy-second World Health Assembly in May 2019. The resolution for GPW 13 notes: “... approval of the Thirteenth General Programme of Work, 2019–2023 does not imply approval of the financial estimate ...”

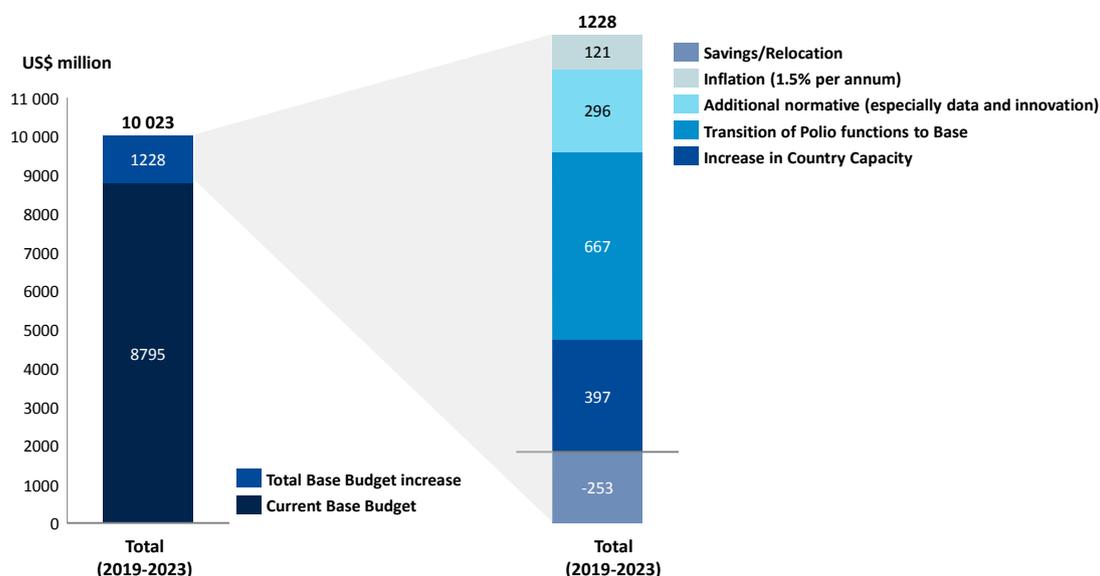
9. For the Programme budget 2020–2021 onwards, a programme budget with three segments is proposed, namely: a base segment, polio operations and humanitarian response plans, and acute appeals. The latter segment replaces outbreak and crisis response; the Global Polio Eradication Initiative will continue until eradication is certified.⁵ For the purposes of this report, the funding tables show post-certification costs in 2022 and 2023 for vaccine stockpile and supplemental immunization activities needed to keep the world polio-free.

10. The estimated total financial needs for this five-year period total US\$ 14.14 billion, with a base budget of US\$ 10.02 billion. An additional US\$ 2.5 billion is needed at the country level for humanitarian response plans and other appeals and US\$ 1.62 billion for polio operations (as reflected in figure 2 below).



⁵ The polio estimates in this report are subject to revision as circumstances warrant.

What will additional investments buy?



11. **Transition of essential polio functions to the Base Segment.** “Mainstreaming” certain essential polio functions accounts for more than half of the proposed increase. Most of the US\$ 667 million is concentrated in 19 countries in Africa, South-East Asia and the Eastern Mediterranean. The Global Polio Eradication Initiative (GPEI) has scaled down funding for most non-polio-endemic countries between 2016–2019. As GPEI funding beyond 2019 is uncertain, it is prudent for countries to make plans to maintain essential functions that are largely GPEI supported. Hence a draft strategic action plan on polio transition has been developed with detailed information from each polio priority transition country and nonpriority countries on the essential polio functions that need to be sustained for the period 2019–2023 – especially, surveillance and laboratories, and some core capacity to respond to possible outbreaks. These functions have contributed extensively to other programme areas in countries, and therefore investing in these essential functions is critical to: (a) sustain a polio-free world after certification of eradication and closure of GPEI, (b) strengthen immunization systems, including vaccine-preventable disease surveillance, and help achieve the GVAP targets, and (c) strengthen country capacity for prevention, detection and response to disease outbreaks, including IHR implementation. The impact of maintaining these essential functions goes beyond the directly affected countries. Vaccine-preventable and other communicable disease outbreaks constitute a vast majority of health emergency events that the WHO Health Emergencies Programme responds to.

12. **Increase in Country Capacity.** A process of the functional reviews of country offices is underway or will be initiated in all regions. Based on a preliminary needs analysis, an increase in country office capacity is needed to bolster technical capacity both in countries and in subregional arrangements. Priority areas to address where capacity is often lacking include: (i) strengthening capacity for emergency and outbreak preparedness including multi-sector investments in prevention, preparedness, and resilience building against known and potential hazards; (ii) health governance,

capacity for multisector convening and engagement; (iii) increasing and building regulatory capacity; (iv) strengthening information and evidence for policies, strategies and performance measurement towards, among other things, SDG attainment. In addition, inadequate security of Country Offices needs to be addressed as this is hindering the effectiveness of WHO's response to emergency needs.

13. **Innovation and data.** The investment in data and innovation will bring greater capacity strengthening in countries on data, a greater emphasis on primary data collection through a new World Health Survey, and a more unified and consolidated approach to data within WHO. On innovation, the funds will help to create an innovation hub which will work to strengthen a culture of innovation throughout the Organization as well as work with partners and countries to scale in a sustainable manner the most promising innovations to accelerate achievement of GPW13 goals.

14. If it is to deliver the GPW13 impact, WHO needs an appropriate additional investment. According to the draft WHO Investment Case (currently being finalized pending approval of GPW 13 at WHA), well-targeted expenditure from 2019–2023 would save 29 million lives, while adding more than 100 million healthy years of life. To reach these targets, WHO's estimated funding requirement during these five years should rise to US\$ 14.14 billion, including an increase of US\$ 1.23 billion (14%) in the base budget. This presents a unique return on investment.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

15. The Committee is invited to take note of this report.

ANNEX

PROGRESS ON THE IMPLEMENTATION OF THE VALUE FOR MONEY STRATEGY

WHO management has been working on a plan to operationalize its VFM framework that was presented to EB in January 2018 (EB142/7: Better value, better health: Strategy and implementation plan for value for money in WHO). Initiatives undertaken and planned until now are summarized in this annex.

1. A WHO Investment Case is being finalized and will be published after the World Health Assembly.
2. The WHO Web portal has been substantially revamped: now not only showing how money is raised and spent (fulfilling IATI standards), but there is a detailed summary of achievements (both by programme areas and for the first time by countries as well). In addition, 166 outcome and output indicators from the Programme Budget 2016-2017 are tracked and reported. These significant reports and improvements lay the ground work for any meaningful discussion on VFM in WHO.
3. DFC (Direct Financial Cooperation grants to Member States), and Grants to other entities such as NGOs have been identified as areas where VFM needs be documented and evidenced more clearly. A new policy requirement is being formulated that obliges all DFC and Grant proposals to have as part of mandatory documentation a justification on how the proposed grant represents good VFM. A standard template with questions on VFM is being developed that will need to be uploaded to the ERP system when initiating requests for new DFCs and Grants. Timeline: policy and SOPs by end June 2018.
4. WHO and The Global Fund are working together on harmonizing their VFM approach, including common terminology and concepts. A workshop on this is planned with WHO, Global Fund, GAVI and the World Bank later this year.
5. A section on VFM, including a newly developed VFM toolkit, is being included in WHO's new Procurement training programme. This new Procurement Training will be rolled out in the second half of 2018 and will include certification upon completion, which in turn will be a mandatory requirement before staff will be able to initiate procurement of both goods and services.
6. As part of change management, an introductory video on what VFM means for WHO is being developed. This short video will be linked to the procurement training mentioned above and will also be a part of WHO's induction training for all new staff. The video will be available in the second half of 2018.
7. A targeted two-day VFM workshop/training course is being designed for WHO programme staff. This workshop will be led by an external facilitator with experience in training NGOs working in international development and health. The workshop will initially be offered to staff in EMRO/Syria country office and selected HQ staff, and the first sessions will take place in August – October 2018. The training will later be made available for staff in other parts of the Organization.

8. Value for money comprises cost-effectiveness, cost efficiency and economy. Cost effectiveness can only be calculated if effectiveness is measured: measuring impact is a major shift in GPW 13. Moreover, efficiency and economy is now included, for the first time, as an explicit target in the financial estimate.

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