

Overview of financial situation: Programme budget 2018–2019

Report by the Director-General

1. In May 2017, the Seventieth World Health Assembly adopted resolution WHA70.5, approving a total Programme budget of US\$ 4421.5 million for the financial period 2018–2019, comprising a base programme component (US\$ 3400.3 million) and a component on both polio eradication and the special programmes – namely, the Special Programme for Research and Training in Tropical Diseases, and the Special Programme of Research, Development and Research Training in Human Reproduction – (US\$ 1021.2 million).
2. Humanitarian response plans and other appeals, covered in previous programme budgets under the programme area “Outbreak and crisis response”, being event-driven, did not have a predetermined budget at the time of approval of the Programme budget 2018–2019. As at 31 March 2019, based on the level of operations, US\$ 1303.3 million of the budget has been allocated to the segment on humanitarian response plans and other appeals.
3. The budget segment for base programmes is financed by US\$ 956.9 million in assessed contributions and US\$ 2443.4 million in voluntary contributions. Work on polio eradication, humanitarian response plans and other appeals, and the special programmes is being financed predominantly from voluntary contributions.
4. Pursuant to requests in resolution WHA70.5, this report describes the overall status of the financing of the Programme budget 2018–2019 and the progress made towards improving the financing, including planned measures to tackle remaining challenges.

OVERALL FINANCING STATUS IN THE BIENNIUM 2018–2019 (AS AT 31 MARCH 2019)

5. The level of financing of the Programme budget 2018–2019 as at 31 March 2019 is shown in Table 1.

Table 1. Programme budget 2018–2019 and its financing, including projections, by segment as at 31 March 2019

Segment	Approved Programme budget 2018–2019 (US\$ millions)	Financing (US\$ millions)	Percentage of approved budget	Expenditure (US\$ millions)	Percentage of approved budget
Base programmes	3 400.3	3 500.3	103%	1 712.2	50%
Polio	902.8	1 212.7	134%	580.8	64%
Humanitarian response plans and other appeals		1 188.8		602.8	
Special programmes	118.4	165.7	140%	52.9	45%
Grand total	4 421.5	6 067.5		2 948.7	

6. The financing shown in Table 1 includes US\$ 602 million in projected voluntary contributions. Excluding projections but accounting for funds currently undistributed to either major office or category, available funding for the base programmes in 2018–2019 stands at 94%, which corresponds to an 8% increase in financing of the Programme budget compared with the last report to the Executive Board.¹

7. Although this percentage is the same for both current and previous bienniums (94%),² the available funding for the current biennium is higher in absolute terms because of the larger base programme budget for 2018–2019.

8. As shown in Tables 2 and 3, although the level of current base budget financing of the overall budget is high and more voluntary contributions are in the pipeline, financing of the base Programme budget remains uneven; projected voluntary contributions will not even out the situation.

9. At the end of the first quarter of 2019, all major offices except the Americas had more than 80% of their approved base Programme budget financed, with headquarters and the South-East Asian Region being best financed (Table 2). Once projected voluntary contributions have materialized, the European Region will also have close to 100% of its base programmes financed.

10. Category 1 (Communicable diseases) and category 4 (Health systems) are currently the best funded categories (Table 3); their financing will further improve and will surpass 100% of approved base Programme budget financing when projections are considered. Category 2 (Noncommunicable diseases) and category E (WHO Health Emergencies Programme) are the least funded categories and will remain so even when all projections have materialized.

¹ Document EB144/43.

² Available at <http://open.who.int/2016–17/budget-and-financing/summary> (accessed 5 May 2019).

Table 2. Base Programme budget 2018–2019 and its financing, including projections, by major office as at 31 March 2019

Major offices	Approved Programme budget 2018–2019 (US\$ million)	Financing (US\$ million)	Percentage of approved budget	Financing including projections (US\$ million)	Percentage of approved budget	Expenditure (US\$ million)	Percentage of approved budget	Percentage of financing
Africa	834.1	673.8	81%	686.1	82%	392.9	47%	58%
The Americas	190.1	129.1	68%	129.1	68%	72.7	38%	56%
South-East Asia	288.8	285.1	99%	285.3	99%	144.1	50%	51%
Europe	256.4	224.0	87%	250.5	98%	131.9	51%	59%
Eastern Mediterranean	336.0	301.5	90%	304.2	91%	155.7	46%	52%
Western Pacific	281.3	245.0	87%	245.0	87%	126.9	45%	52%
Headquarters	1 213.6	1 261.8	104%	1 368.6	113%	688.0	57%	55%
Undistributed		63.4		231.5				
Grand total	3 400.3	3 183.5	94%	3 500.3	103%	1 712.2	50%	54%

Table 3. Base Programme budget 2018–2019 and its financing, including projections, by category as at 31 March 2019

Categories	Approved Programme budget 2018–2019 (US\$ million)	Financing (US\$ million)	Percentage of approved budget	Financing including projections (US\$ million)	Percentage of approved budget	Expenditure (US\$ million)	Percentage of approved budget	Percentage of financing
1. Communicable diseases	805.4	838.5	104%	908.9	113%	442.8	55%	53%
2. Noncommunicable diseases	351.4	277.8	79%	299.6	85%	145.8	41%	52%
3. Promoting health through the life course	384.3	312.1	81%	335.6	87%	169.0	44%	54%
4. Health systems	589.5	576.2	98%	616.4	105%	313.4	53%	54%
E. Health Emergencies Programme	554.2	425.7	77%	470.6	85%	241.8	44%	57%
6. Corporate services/enabling functions	715.5	625.9	87%	631.7	88%	399.4	56%	64%
Undistributed		127.3		237.5				
Grand total	3 400.3	3 183.5	94%	3 500.3	103%	1 712.2	50%	54%

11. Although financing with flexible funds continues to be insufficient to allow for a more equal financing of major offices, categories and programme areas, document A72/INF./5, entitled “Voluntary contributions by fund and by contributor 2018”, shows improved financing of the core voluntary contributions account and voluntary contributions – core funding in 2018 as compared to 2017. Voluntary contributions – core funding includes funding earmarked for purposes within the Programme

budget and is considered to be designated or of a medium level of flexibility. This funding, which is also referred to as thematic and strategic engagement funding, has been negotiated at a corporate level to meet the strategic needs of contributors and WHO, thus providing more effective and efficient earmarked funding to WHO.

12. This improved financing outlook is also reflected in the fact that the categories which are traditionally lower funded and highly dependent on flexible funds (such as noncommunicable diseases and the WHO Health Emergencies Programme) are better financed in 2018–2019 than they were at the same time in the previous biennium.

13. Further details of the implementation of the Programme budget 2018–2019 by categories, including financial implementation, can be found in document A72/35 and on the WHO Programme budget web portal (<http://open.who.int/2018-19/home>).

PROGRAMME BUDGET 2018–2019 – UPDATE ON IMPLEMENTATION

14. As at 31 March 2019, the implementation rate for the base programme segment was 50% (see Table 1), which is lower than expected for this time in the biennium. Implementation of the approved base Programme budget is low across all major offices, with headquarters and the European Region being closer on target in implementing the approved Programme budget. Category 1 (communicable diseases) and category 6 (corporate services/enabling areas) have the highest implementation rate of all categories.

15. Although there is a certain level of variability in implementation rates of the approved base budget among major offices (Table 2), the implementation of available financing is quite consistent and more on target for all offices, indicating that implementation plans are aligned with available and projected funding. It is, however, strongly recognized that implementation needs to be strengthened in order to reach a higher level of base Programme budget implementation; accordingly, measures to address that issue are being discussed by the senior management of the Organization.

16. The implementation levels for the polio and special programmes budget segments increased by 21% and 17%, respectively, compared to the levels reported to the Executive Board at its 144th session,¹ with polio programme implementation being fully on target at this point in the biennium.

PROGRESS IN IMPROVING THE FINANCING

17. In 2018, the Secretariat laid solid foundations for the new resource mobilization and partnership strategy for 2019–2023. This work included the launch of the WHO investment case for 2019–2023² and the related advocacy plan, coordinated engagement plans for new and existing donors, the creation of a strategic external relations approach with an integrated resource mobilization function and a review of business processes.

18. It is envisaged that a new resource mobilization and partnership strategy will improve the quality of funding, increase funding potential at country level and strengthen resource coordination by streamlining grant management and the systematic capture of future funding opportunities. Targets have

¹ Document EB144/43.

² WHO. A healthier humanity: the WHO investment case for 2019-2023. Geneva: World Health Organization; 2018 (<http://apps.who.int/iris/bitstream/handle/10665/274710/WHO-DGO-CRM-18.2-eng.pdf>, accessed 27 November 2018).

been set for each segment and, if these are met, WHO will be on track to mobilize all the funds required to finance its Thirteenth General Programme of Work, 2019–2023 (GPW 13).

19. WHO initiated its outreach under the GPW 13 strategy through the launch of its first Inaugural Partners Forum, hosted by Sweden on 9 and 10 April 2019. The Partners Forum aimed to increase financing by:

- (a) establishing thematic funding windows based on the outcome level of the GPW 13 results framework;
- (b) providing earmarked resources in line with the requirements of the Programme budget to address underfunded areas;
- (c) elevating the level of earmarking to programme area level in order to support WHO in instituting an internal coordination system for the clearance of proposals;
- (d) supporting WHO in broadening its sources of funding support through implementation of the Organization's resource mobilization strategy.

20. The Partners Forum aimed to create:

- (a) an energized, committed and diverse community of partners to support WHO in securing the resources necessary to deliver GPW 13;
- (b) a shared understanding of how to improve the effective financing of WHO, with an emphasis on predictability and flexibility;
- (c) enhanced trust and confidence in WHO's transformed, impactful and value for money approach.

21. In short, these measures aim to improve the financing of the WHO Programme budget in line with GPW 13 expectations.

ACTION BY THE HEALTH ASSEMBLY

22. The Health Assembly is invited to note the report and to provide further guidance.

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