



REGIONAL COMMITTEE

Provisional Agenda item 7.2

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9 August 2018

### Programme Budget matters: Programme Budget 2018–2019: Implementation

This working paper provides information on the technical and financial implementation status of the Programme Budget 2018–2019 for the first semester of the biennium. This interim assessment was conducted in line with the Organization's Results-based Management approach and commitment to Member States to conduct six-monthly monitoring, besides the mid-term monitoring and end-of-biennium assessment.

The technical monitoring shows that over 90% of the 1418 Top Tasks across all budget centres are on track to be achieved during the course of the biennium. Activities for Top Tasks that have started or experienced delays are planned in the subsequent semesters. Consistent progress is noted across all Programme Budget categories.

The approved Programme Budget for the WHO South-East Asia Region for the period 2018–2019 is US\$ 344.3 million. Of this, US\$ 288.8 million is the base budget and US\$ 55.5 million is for polio. No specific budget has been approved under the Outbreak and Crisis Response (OCR) category as this is subject to scalability in response to event-driven activities.

The revised (allocated) Programme Budget as on 31 July 2018 is US\$ 393.2 million (including the OCR component). The total distributed resources as on 31 July 2018 are US\$ 202.9 million, which is 52% of the revised (allocated) budget. Implementation (expenditure) stands at US\$ 84.7 million, which is 22% of the allocated budget and 42% of the distributed resources. Utilization of funds (encumbrances plus expenditure) stands at US\$ 115.4 million, which is 29% of the allocated budget and 57% of the distributed resources. As of 31 July 2018, the Regional Office for South-East Asia has the highest percentage utilization against resources as well as the allocated Programme Budget.

The attached Working Paper was presented to the Subcommittee on Policy and Programme Development and Management (SPPDM) for its review and recommendations. The recommendations made by the Subcommittee for consideration by the Seventy-first Session of the Regional Committee are as follows:

#### **Actions by Member States**

- Ensure that monitoring of Direct Financial Cooperation (DFC) implementation and reporting is carried out within the stipulated time.

- Pursue collaborative efforts to mobilize additional resources to achieve full funding of the Programme Budget and achieve the agreed programmatic results.

#### **Actions by WHO**

- Continue working on achieving efficiencies in keeping with value-for-money principles.
- Continue to monitor technical and financial implementation and bolster resource mobilization efforts to ensure adequate funding for the programmes.
- Continue to closely monitor the implementation of the DFCs, including their timely reporting.

This Working Paper with updated financial implementation and the SPPDM recommendations are submitted to the Seventy-first Session of the WHO Regional Committee for South-East Asia for its consideration.

## Introduction

1. The proposed Programme Budget 2018–2019 has been shaped by a dynamic and iterative priority-setting process that started with the bottom–up identification of priorities and costing of results to be delivered in Member States and by the Region as a whole. The 70th World Health Assembly approved the Programme of Work as outlined in the Programme Budget 2018–2019.

## Technical implementation of the Programme Budget 2018–2019

2. Technical implementation of the Programme Budget is continually monitored by the responsible officers of the Budget Centres and updated in the GSM. In addition, at the end of the biennium, a Programme Budget Performance Assessment is conducted. This is a corporate requirement to which all country offices in the South-East Asia (SEA) Region and departments of the Regional Office contribute.

3. To enhance technical reporting in the GSM in terms of completeness and quality, interim technical monitoring of the Programme Budget in the Region is being carried out every six months, i.e. 30 June and 31 December.

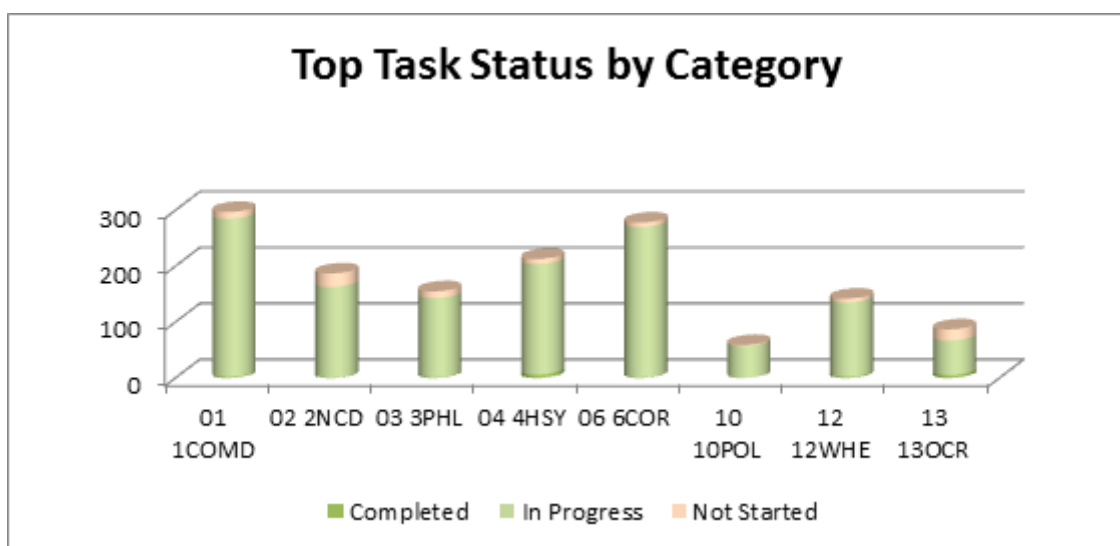
4. Ongoing internal monitoring is also conducted to enable Budget Centres to track programmatic and budget implementation, and identify timely interventions for successful workplan implementation. In this regard, the SEA Region introduced compulsory interim monitoring of the Top Tasks for all the Budget Centres. Currently, with 100% reporting, the Region has achieved total reporting compliance in terms of accomplishing the monitoring/reporting of results at the Top Tasks level. In addition, over 90% of Budget Centres completed and submitted their first six-month monitoring report, documenting key achievements and issues. This demonstrates the commitment of Budget Centres and the Regional Office as a whole to the importance of monitoring and reporting on results.

5. A preliminary analysis of the first six-monthly review of 2018–2019 shows that of the 1418 Top Tasks across the 22 Budget Centres in the SEA Region, 14 (1%) have been completed and 1310 (92.38%) are in progress and expected to be completed during the course of the biennium, while 94 (6.62%) have not yet started.

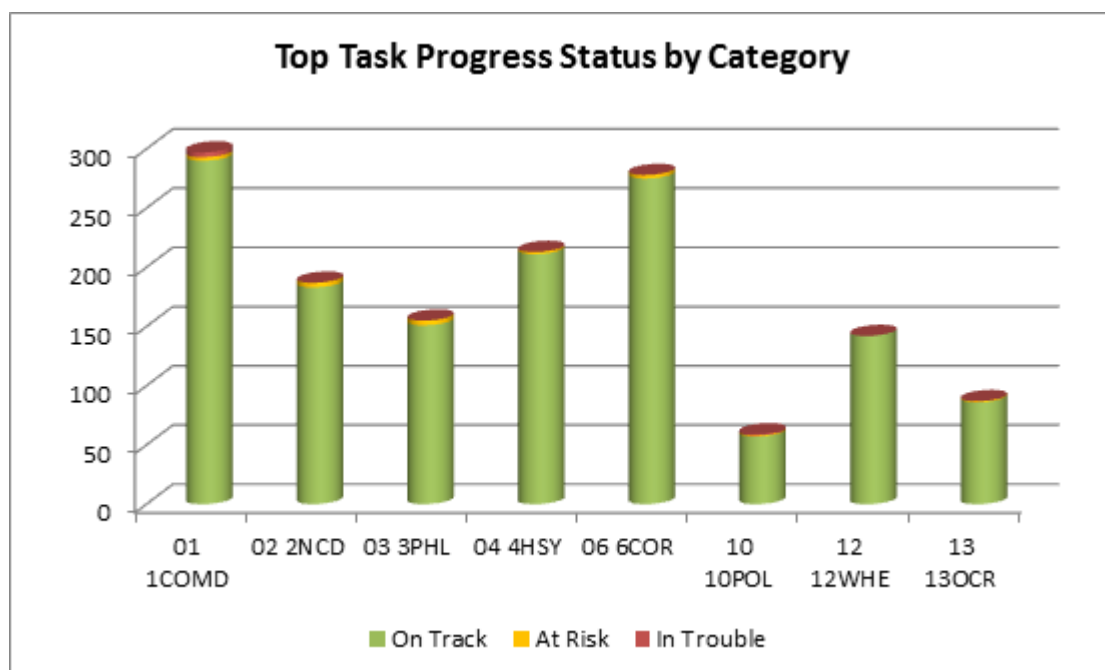
**Table 1. Top Task progress status at regional and country levels, as on 30 June 2018**

Organization	Top Task status						Top Task progress status			Compliance
	# of Top Tasks	Not started	In progress	Completed	On hold	Cancelled	On track	At risk	In trouble	% Reported
SEA Region Member States	1 084	80	990	14	0	0	1 063	18	3	100%
SEA Regional Office for South-East Asia	334	14	320	0	0	0	332	0	2	100%
<b>Grand total</b>	<b>1 418</b>	<b>94</b>	<b>1 310</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>1 395</b>	<b>18</b>	<b>5</b>	<b>100%</b>

*Fig. 1. Top Task status by category, as on 30 June 2018*



*Fig. 2. Top Task progress status by category, as on 30 June 2018*



## Technical progress highlights

6. From the collaborative work carried out in Member States during the past six months, it is evident that the Region continues to make steady progress in the eight Regional Flagship Areas. WHO has provided support and carried out collaborative activities at the country level to prepare them to reach the SDG3 targets, especially on closing gaps in the unfinished agenda of the MDGs, while advancing towards universal health coverage (UHC) and addressing noncommunicable diseases (NCDs) and their risk factors. Impressive progress has also been made in the areas of maternal and child health.

7. Achieving UHC in the Region is a major focus and a significant number of collaborative activities have taken place at the country level to improve access, financial protection and coverage of health services while strengthening health systems. These activities range from

establishing essential service packages at the country level to training frontline health workers in providing primary care at the field level.

8. WHO has continued to collaborate with Member States in the area of immunization to increase vaccination coverage while maintaining the gains. Member States have made major efforts and taken initiatives to reach the targets of eliminating measles and controlling rubella while maintaining their polio-free status.

9. Substantial progress continues to be made on controlling and preventing AIDS, TB and malaria and eliminating key neglected tropical diseases such as lymphatic filariasis, leishmaniasis and leprosy. A landmark achievement in the semester was the certification of trachoma elimination in Nepal.

10. Member States have taken major policy initiatives in the sphere of controlling risk factors for NCDs by taking legislative measures on tobacco, alcohol, sugar, salt and trans fats, and also made people more active to prevent major NCDs. Two Member States have finalized their strategies for salt reduction and another has announced the elimination of trans fats during this period.

11. WHO has continued to work closely with countries in developing and updating emergency preparedness and response plans and carrying out simulation exercises. Health Emergency Operation Centres (HEOCs) have been established with ministries of health in three countries and WHO provided the necessary support in operationalizing them. WHO continued to support the humanitarian response in Cox's Bazar, Bangladesh with the established WHO Incident Management System.

## **Financial implementation of the Programme Budget as on 31 July 2018**

12. The approved Programme Budget for the WHO SEA Region for the period 2018–2019 is US\$ 344.3 million. Of this, US\$ 288.8 million is the base budget and US\$ 55.5 million for polio. Outbreak and Crisis Response (OCR) and scalable operations are subject to the event-driven nature of the activities concerned and it is not possible to anticipate accurately the budget requirement for specific emergencies. Thus, no specific budget has been approved under the category. Humanitarian response plans and Programme Budget 2018–2019 appeals will be planned, budgeted and financed at the time of responding to events, using emergency planning processes.

13. The revised (allocated) Programme Budget as on 31 July 2018 is US\$ 393.2 million (including the OCR component). The total distributed resources as on 31 July 2018 are US\$ 202.9 million which is 52% of the revised (allocated) budget. Implementation (expenditure) stands at US\$ 84.7 million, which is 22% of the allocated budget and 42% of the distributed resources. Utilization of funds (encumbrances plus expenditure) stands at US\$ 115.4 million, which is 29% of the allocated budget and 57% of the distributed resources. As of 31 July 2018, the Regional Office has the highest percentage utilization against resources as well as against allocated Programme Budget (Table 2).

**Table 2: Programme Budget implementation summary – 31 July 2018**

Level	Approved PB	Allocated PB	Distributed Resources	Implementation (Expenditure)	Utilization (Exp. + Enc.)	Balance Available	%Utilization vs Allocated PB	% Utilization vs Resources
CO	230.0	275.8	154.0	64.0	89.7	64.3	33%	58%
RO	114.3	117.5	48.8	20.7	25.7	23.2	22%	53%
<b>Grand Total</b>	<b>344.3</b>	<b>393.2</b>	<b>202.9</b>	<b>84.7</b>	<b>115.4</b>	<b>87.5</b>	<b>29%</b>	<b>57%</b>

14. Table 3 below shows a comparison of the allocated budget, funding situation, implementation rate and unspent funds as at the end of July 2016 vis-à-vis July 2018. As displayed, the combination of fewer available resources and higher allocated budget has resulted in an 18% increase in the funding gap at the end of July 2018 as compared to July 2016.

**Table 3: Comparison: funding and implementation status in July 2016 and July 2018 (in US\$ million)**

Level	Allocated PB	Distributed resources	Implementation (expenditure)	Utilization (exp. + enc.)	Funding gap	%Utilization vs allocated budget	%Utilization vs resources
<b>July 2016</b>	367.3	206.5	86.9	116.3	160.8	32%	56%
<b>July 2018</b>	393.2	202.9	84.7	115.4	190.3	29%	57%
<b>Variation</b>	7%	-2%	-3%	-1%	18%		

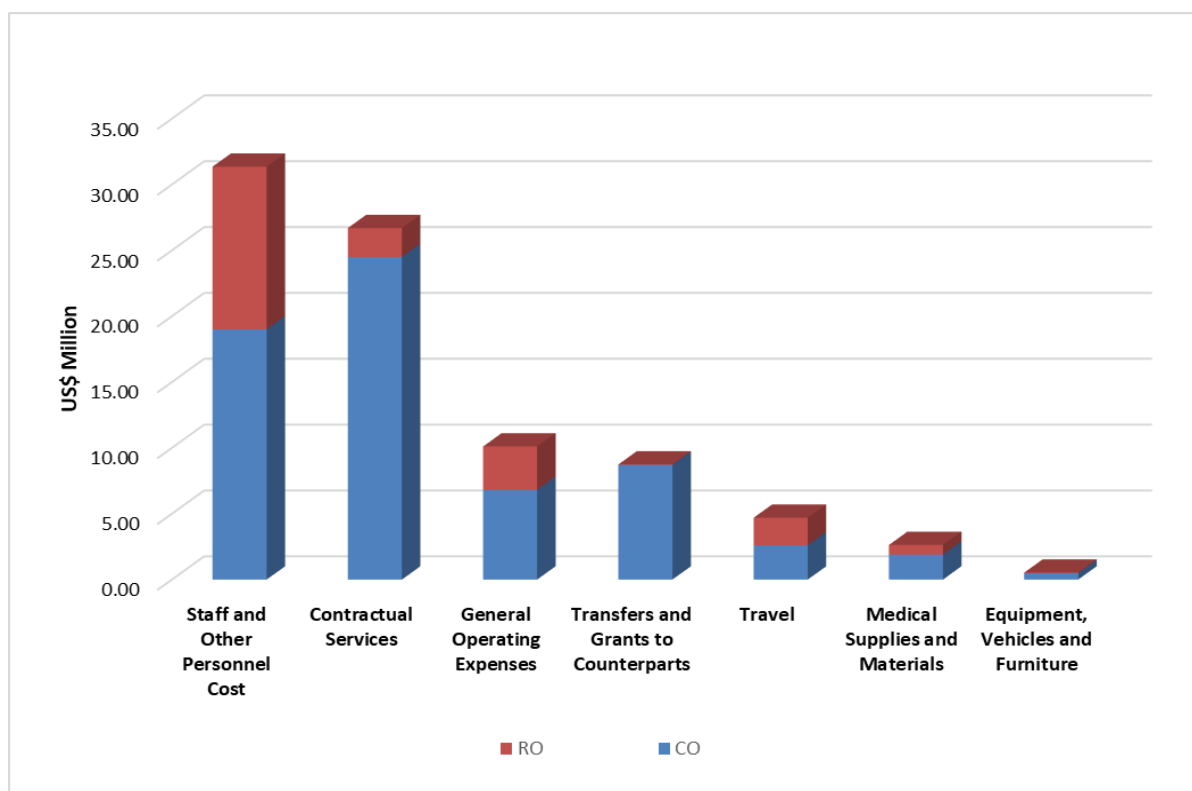
15. Full funding of the Programme Budget requires a combination of the right levels of financing from assessed contributions and voluntary contributions. The new financing model of the Organization aims to achieve a fully funded Programme Budget that is realistic and driven by the priorities and expected outputs agreed to by Member States.

16. Tables A1 and A2 in Annexure I show the status of implementation by Budget Centre and category, respectively, for Member States of the SEA Region and the Regional Office as a whole.

17. The total funds available to the Region as on 31 July 2018 are US\$ 210.5 million, of which US\$ 135.3 million is from Specified Voluntary Contributions. US\$ 202.9 million has been distributed to Member States and the Regional Office in the ratio of 76:24 approximately. Of the total distributed resources, US\$ 58.7 million is allocated for staff costs and US\$ 144.2 million for activities. The overall implementation (expenditure) rate against distributed resources is 42%, i.e. US\$ 84.7 million (37% for staff costs and 63% for activities).

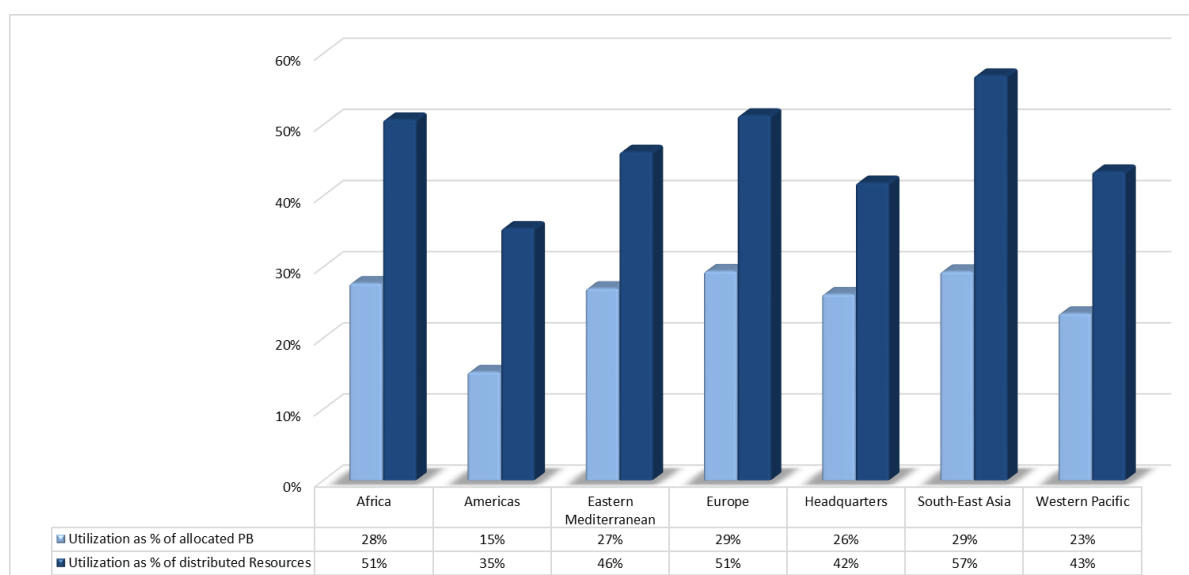
18. Graph 1 reflects the Programme Budget expenses by “expenditure type” as on 31 July 2018. The main components of the total expenditure of US\$ 84.7 million are “staff and other personnel costs” (37%), “contractual services” (31%), “general operating expenses” (12%) and the balance 20% for other activities.

**Graph 1: Programme Budget expenses by type, 2018–2019 (as on 31 July 2018)  
(figures in US\$ million)**



19. Table A3 (Annexure 2) and Graph 2 below reflect Programme Budget implementation across all major WHO offices. As of 31 July 2018, the Regional Office has the highest percentage utilization against resources as well as against allocated Programme Budget.

**Graph 2: Programme Budget implementation by major office (as on 31 July 2018)**



## Resource mobilization efforts

20. The Director-General, during his address to Member States at the Seventieth Session of the Regional Committee held at Maldives, mentioned innovative methods of resource mobilization. These include support to other countries of the Region by self-sufficient countries.

21. During the discussions, the Regional Committee was informed that, under a new approach, resource mobilization would be centralized and Member States would be encouraged to proactively engage with partners and peers to advocate for and mobilize resources for high-impact priorities of the global public health agenda.

22. In order to deliver on strategic governance and strengthen partnerships, WHO would focus on: countries at the centre; value for money; workforce excellence; re-engineering data architecture; fostering innovation; strengthening health diplomacy, resource mobilization and communications; strategic cooperation; promoting policy coherence; strengthening and expanding partnerships; fit-for-purpose administration and management.

23. With the adoption of the Framework of Engagement with Non-State Actors, there is now greater scope for deepening engagements with new and potential stakeholders interested in the health sector, such as private entities, philanthropic foundations, nongovernmental organizations (NGOs) and academic institutions in Member States.

24. The work of strengthening external relations is ongoing. The following steps are being taken to improve the financing of the Organization.

- A financing campaign, including an investment case to be launched, speaking of the “triple billion” plan as a hugely ambitious, but achievable, five-year strategic plan and calling for upfront contributions to provide programme viability, allowing for improved planning and more certain outcomes;
- Coordination of engagement with donors through a stronger alignment of resource mobilization across the Organization;
- Enhanced systems to ensure that the Organization is clearer in its Organization-wide goals on resources, especially in priority countries;
- Resource mobilization efforts focused on raising funds for WHO Priority Areas and requesting higher levels of flexibility;
- More extensive outreach with new contributors;
- Providing more transparency through reporting both on results and financing through the Programme Budget web portal and other reports.

25. WHO continues to provide guidance and support to Member States on strengthening resource mobilization. The Regional Resource Mobilization Management System (RMMS) tool has greatly enhanced capacity to project incomes/budget space and process agreements/awards at regional and country levels. Further efforts at coordinated resource mobilization, strategic use of flexible funding and greater transparency achieved through the Programme Budget web portal should help the Organization achieve a fully financed Programme Budget 2018–2019.

26. The finalization and roll-out of Global Engagement Management (GEM), which is an advanced version of the RMMS, will provide an Organization-wide platform integrated with the GSM and will allow sharing of contributor profiles, contributor intelligence and engagement experience/learning. The analytical capacity for resource mobilization at the global/regional/country level would be strengthened by the use of this standardized tool across all levels, clusters and Budget Centres.



27. The transformed external relations (EXR) function is based on a “One-Organization – One Purpose” approach and is being undertaken in concert with all parts of the Organization to drive policy, advocacy and financial impact. Although coordinated resource mobilization would be centralized through an Organization-wide investment case, country offices are being encouraged to continue to proactively engage with Member States, partners and peers to advocate and mobilize resources for high-impact priorities of the country/regional public health agenda. The Regional Office and country offices are collaborating to make the investment case to existing and potential contributors, including through donor visibility and product development in country/regional Flagship Areas.

28. Through a transformed budgeting process and by improving dialogue with contributors and donors, WHO will strive to broaden the donor base and increase funding flexibility in order to provide resources for strategic priorities agreed at the global, regional and country levels.

## Annexure 1

**Table A1: Programme Budget 2018–2019: Budget, planned cost, resources and Budget utilization by country (as on 31 July 2018, in US\$ million)**

BC	Allocated PB	Planned cost	Distributed resources	Implementation (exp.)	Utilization (exp. + enc.)	Balance available	% Utilization vs allocated PB	% Utilization vs resources
Bangladesh	47.4	38.4	30.9	11.4	14.6	16.2	31%	47%
Bhutan	5.0	4.7	1.9	0.8	1.0	0.8	20%	54%
India	86.2	85.6	57.4	24.4	37.9	19.4	44%	66%
Indonesia	27.0	24.4	15.9	5.4	7.7	8.3	28%	48%
DPR Korea	14.3	13.5	5.9	2.5	3.4	2.5	24%	58%
Maldives	4.0	4.0	2.1	1.3	1.4	0.7	36%	68%
Myanmar	33.7	32.1	13.0	6.1	8.3	4.6	25%	64%
Nepal	21.2	20.4	9.3	3.6	4.8	4.5	23%	52%
Sri Lanka	7.4	7.4	4.0	1.9	2.3	1.7	31%	58%
Thailand	12.6	12.3	6.5	3.3	4.5	2.0	36%	69%
Timor-Leste	9.8	9.7	7.2	3.1	3.7	3.5	38%	51%
CO Reserve	7.1	0.0	0.0	0.0	0.0	0.0	0%	0%
<b>Total CO</b>	<b>275.8</b>	<b>252.5</b>	<b>154.0</b>	<b>64.0</b>	<b>89.7</b>	<b>64.3</b>	<b>33%</b>	<b>58%</b>
Total RO	117.5	97.5	48.8	20.7	25.7	23.2	22%	53%
<b>Grand total</b>	<b>393.2</b>	<b>350.1</b>	<b>202.9</b>	<b>84.7</b>	<b>115.4</b>	<b>87.5</b>	<b>29%</b>	<b>57%</b>

**Table A2: Programme Budget 2018–2019: Budget, resources and fund utilization by category (as on 31 July 2018, in US\$ million)**

Category	Allocated PB	Planned cost	Distributed resources	Implementation (exp.)	Utilization (exp. + enc.)	Balance available	% Utilization vs allocated PB	% Utilization vs resources
01. Communicable diseases	105.3	97.8	72.7	26.0	38.4	34.3	36%	53%
02. Noncommunicable diseases	26.6	24.8	12.5	4.8	7.5	5.0	28%	60%
03. Promoting health through the life-course	28.1	24.5	12.9	4.2	5.0	7.9	18%	39%
04. Health systems	55.8	53.1	28.2	9.8	12.0	16.2	22%	43%
06. Corporate services/ enabling functions	61.4	56.0	27.0	14.0	17.0	10.0	28%	63%
10. Polio eradication	55.5	53.7	24.9	15.3	21.6	3.3	39%	87%
12. WHO's Health Emergencies Programme	29.5	27.3	13.4	5.2	7.1	6.3	24%	53%
13. Outbreak, Crisis Response & Scalable Operations (OCR)	31.1	12.8	11.3	5.5	6.7	4.6	22%	59%
<b>Grand total</b>	<b>393.2</b>	<b>350.1</b>	<b>202.9</b>	<b>84.7</b>	<b>115.4</b>	<b>87.5</b>	<b>29%</b>	<b>57%</b>

## Annexure 2

**Table A3: Programme Budget implementation by major office  
(as on 31 July 2018, in US\$ million)**

Major Office	Allocated Programme Budget	Distributed resources	Encumbrance	Expenditure	Utilization	Utilization as % of allocated PB	Utilization as % of funding available
Africa	1 326.3	724.6	54.0	313.4	367.4	28%	51%
Americas	189.8	81.6	6.0	22.9	28.9	15%	35%
Eastern Mediterranean	1 390.5	812.5	107.7	267.4	375.1	27%	46%
Europe	342.3	196.3	18.2	82.5	100.7	29%	51%
Headquarters	1 532.0	958.3	57.3	343.5	400.9	26%	42%
South-East Asia	393.2	202.9	30.7	84.7	115.4	29%	57%
Western Pacific	289.5	156.5	11.0	56.9	67.9	23%	43%