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**IMPLEMENTATION OF THE WHO PROGRAMME BUDGET 2012-2013
IN THE AFRICAN REGION**

Report of the Secretariat

Executive Summary

1. This document is a progress report on the implementation of the Programme Budget 2012-2013. It outlines the principles guiding its implementation as well as the existing and anticipated constraints and opportunities during the biennium.
2. The overall WHO Programme Budget for the biennium 2012-2013 adopted by the World Health Assembly is US\$ 3 958 979 000; the African Region was allocated a share of US\$ 1 093 066 000 (28%). This budget is funded through assessed contributions (19%) already available and voluntary contributions (81%) still to be mobilized.
3. The budget for the African Region has been reduced by 13.4% compared to US\$ 1 262 864 000 in 2010-2011, with discrepancies across the 13 Strategic Objectives (SOs). These are also observed in the level of funding of the budget, where the trend in mobilizing the VC component of the budget is particularly slow for some SOs.
4. The reduced Programme Budget allocation and the lower level of funding of the budget imply significant reduction in the level of support to regional priorities and MDG-related programmes such as HIV/AIDS, tuberculosis and malaria; health systems; maternal, newborn and child health; health promotion and primary prevention of diseases including noncommunicable diseases.
5. Strengthening partnerships and collaboration represent opportunities for leveraging technical and financial resources. The WHO Secretariat and Member States should intensify advocacy to mobilize more resources according to Article 50 of the WHO Constitution.
6. The Regional Committee examined the report and provided guidance for future action.

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BACKGROUND

1. The implementation of the Programme Budget 2012-2013 is guided by the Medium-Term Strategic Plan (MTSP) 2008–2013 through which WHO has defined its contribution to the global health agenda as stated in the WHO Eleventh General Programme of Work (GPW). The focus of implementation is on WHO core functions and key priorities as articulated in the milestones of the document ‘Achieving Sustainable Health Development in the African Region: Strategic Directions for WHO 2010–2015’, as well as in WHO Country Cooperation Strategy documents.
2. The principles guiding the implementation of the Programme Budget 2012-2013 include the results-based management approach, decentralization of decision-making and resources, the accountability of both Member States and the WHO Secretariat vis-à-vis Governing Bodies, and the strengthening of partnerships for health in the Region. The implementation of the PB 2012-2013 is also guided by the ongoing WHO reform which addresses, among others, priority setting, enhancing organizational effectiveness and making WHO’s financing more predictable.
3. Taking into account the global financial crisis and the continuing decrease in the biennial budget, mobilizing financial resources and working in collaboration with other partners has become a top priority, in order to respond to country requests within the limits of available resources.
4. This document aims to bring to the attention of Member States the issues, challenges and opportunities surrounding WHO’s delivery of effective support to the implementation of countries’ priority health activities.

ISSUES AND CHALLENGES

The budget profile

5. While the proportion of the overall WHO budget allocated to the African Region for 2012-2013 has remained the same at 28% compared to 2010-2011, the total budget for the African Region has been reduced to US\$ 1 093 066 000, compared to US\$ 1 193 940 000 in 2008-2009 and US\$ 1 262 864 000 in 2010-2011 (Table 1). The budget level was based on the implementation level of the 2008-2009 budget and on projections of income for 2012-2013. The approved PB for 2012-2013 is thus lower than that of 2008-2009 by 8.4% and that of 2010-2011 by 13.4%.
6. With regard to source of financing, 19% of the budget is funded from Assessed Contributions (AC) while 81% is to be mobilized through Voluntary Contributions. These are earmarked for specific programme areas or activities and are often unpredictable regarding availability and timing of disbursement, limiting flexibility in allocation.
7. The distribution of the budget across the 13 Strategic Objectives (SOs) shows a significant reduction in the approved budget in some SOs, compared to the 2010-2011 biennium. Overall changes in budget allocation for SOs range from -2.6% to -71.4%. The SOs with the highest budget decrease are those dealing with nutrition and food safety (-71.4%), health systems (-42.1%), administration and finance (-39.1%), HIV/AIDS, tuberculosis and malaria (-29.2%), child and maternal health (-28.5%) and healthier environment (-22.1%). These reductions will affect activities related to top priorities in the Region, such as health systems strengthening; prevention and control of HIV/AIDS, tuberculosis and malaria; child and maternal health.
8. Reduction in the budget of SO12 which deals with WHO leadership in health as well as partnership and resource mobilization is also of concern. This strategic objective represents areas

that require additional capacity and effectiveness as WHO supports Member States in their stewardship role in a complex international health development arena, especially at country level.

9. A few strategic objectives, namely SO11 on medical products and technologies, SO7 on the social and economic determinants of health and SO1 on communicable diseases, have an increase in budgetary allocation of 31.3%, 26.5% and 14.1% respectively. A breakdown of SO1 budget by programmes or Organization-Wide Expected Results reveals the very significant level of allocation to Polio eradication, constituting 77% of the SO1 budget and funded through Special Programmes and Collaborative Arrangements (SPA).

Level of funding of the budget

10. The income available as at the end of September 2012 is US\$ 755.12 million, which represents 699% of the budget approved by World Health Assembly (Table 2a). The AC component of the available funding is US\$ 203.28 million (27%) and the VC is US\$ 551.84 million (73%). While the AC approved budget has been disbursed, the trend of the mobilization of the VC component of the budget is slow.

11. Only 62% of the approved VC budget of US\$ 883 466 000 has so far been funded. Four Strategic Objectives (SOs) have received less than 50% of their respective approved VC budgets. These are respectively: Medical products and technologies (SO11) - 31%; HIV/AIDS, tuberculosis and malaria (SO2) - 34%; Social and economic determinants of health (SO7) - 41%; and Health systems strengthening (SO10) - 48%. Overall, a total of 10 SOs have mobilized less than the average of 62% of the VC budget approved by the World Health Assembly (Table 2b).

12. This low VC funding trend is of particular concern to the African Region for the following reasons: (i) Many of the affected SOs are priority programme areas; (ii) The lowly-funded SOs are those already experiencing a decrease in their budget allocations over the last two bienniums; (iii) Should this trends continue for these priority SOs (i.e. reduced PB allocations and lower funding), it could have serious implications on WHO's ability to effectively address the health needs and priorities of Member States in the Region.

13. Projection of income, based on the average monthly awards received during the last biennium and the flow of awards for the first nine months of 2012-2013, shows that only 90% of the 2012-2013 budget approved by the World Health Assembly is likely to be funded (Annex 3).

Challenges

14. The big challenge for the African Region is to adjust and mitigate the impact of a severe budget shortfall on priority programmes such as health systems; HIV/AIDS, tuberculosis and malaria; maternal, neonatal and child health; health promotion and primary prevention including for noncommunicable diseases. These are areas in need of increased technical cooperation with countries in the Region.

15. The experience of implementing the Programme Budget 2010-2011 provided valuable lessons on reducing the level of ambition and managing anticipated budgetary constraints in the development of the 2012-2013 biennial plans. The challenge is to realistically focus on the highest priorities while sustaining the effectiveness of technical cooperation with countries.

16. Given the fact that the current global financial crisis is likely to continue for some time, the projected income for the Organization as a whole for the biennium is less than 100% of the total budget allocation. Thus, another challenge for WHO in the Region is to intensely explore and mobilize regional, national and local resources through innovative ways, in order to cover regional priorities.

17. The budget shortfall has negative implications for staff capacity and morale, due to measures that the Organization has had to take to reduce the number of staff, through abolition of posts and severance of staff working in some priority programmes. The challenge here is to sustain the performance, productivity and morale of remaining staff working in the affected programmes.

OPPORTUNITIES AND RECOMMENDATIONS

18. In the context of ongoing WHO reforms, the Regional Office will pursue efforts to strengthen partnerships, which represent new opportunities for leveraging technical and financial resources for effective implementation of the Programme Budget 2012-2013. Furthermore, collaboration with the African Union and regional economic communities will be strengthened for synergistic action. The Paris Declaration on Aid Effectiveness, the Accra Plan of Action and the Harmonization for Health in Africa partnership (HHA) constitute additional opportunities to mobilize more capacity and resources.

19. The management of the financial crisis has prompted the Regional Director to introduce efficiency measures to generate savings and compensate for some of the budget shortfalls. This approach needs to be pursued and applied by each of the country offices, Inter-country Support Teams and Regional Office Clusters.

20. The availability of the new Global Management System (GSM) offers the opportunity of regular and real time monitoring of the implementation of the programme budget. Such monitoring should be intensified as well as the ongoing adjustments made in the light of income flows, while continuing to focus on delivering on the 2010-2015 Strategic Directions.

21. The WHO Secretariat and Member States should intensify advocacy to mobilize more resources according to Article 50 of the WHO Constitution, which allows Member States to allocate additional funding to the Region, using innovative mechanisms, in order to fill funding gaps.

22. The Regional Committee examined the report and provided guidance for future action.

Annex 1**Table 1: Programme Budget 2012-2013: budget decrease as compared to PB 2010-2011**
(in US\$ 000s)

SO	SO short titles	2010-2011	2012-2013	% Change
1	Communicable diseases	424 120	484 082	14.1%
2	HIV, TB & Malaria	208 208	147 467	-29.2%
3	Noncommunicable conditions	19 444	18 948	-2.6%
4	Child, Maternal health	107 735	77 084	-28.5%
5	Emergencies & disasters	98 782	91 271	-7.6%
6	Risk factors for health	23 943	20 286	-15.3%
7	Determinants of health	8495	10 746	26.5%
8	Healthier environment	16 335	12 719	-22.1%
9	Nutrition & food safety	37 182	10 633	-71.4%
10	Health systems & services	124 035	71 791	-42.1%
11	Medical products	19 663	25 823	31.3%
12	WHO leadership	49 735	45 968	-7.6%
13	Enabling functions	125 187	76 248	-39.1%
Total		1 262 864	1 093 066	-13.4%

Annex 2

Table 2: Level of funding of the Budget Approved by the World Health Assembly for Programme Budget 2012-2013 as of 30 September 2012 (US\$ 000)

Table 2a: All Funds	SO	WHA Approved PB	Available Awards	% Funding of WHA Approved PB	% of Funding Gap
	01	484 082	374 432	77%	23%
	02	147 467	57 223	39%	61%
	03	18 948	14 946	79%	21%
	04	77 084	50 803	66%	34%
	05	91 271	55 121	60%	40%
	06	20 286	15 776	78%	22%
	07	10 746	7928	74%	26%
	08	12 719	9300	73%	27%
	09	10 633	10 700	101%	27%
	10	71 791	47 319	66%	34%
	11	25 823	12 339	48%	52%
	12	45 968	41 310	90%	10%
	13	76 248	57 919	76%	24%
Grand Total		1 093 066	755 118	69%	31%

Table 2b: VC Funds	SO	WHA Approved PB	Available Awards	% Funding of WHA Approved PB	% of Funding Gap
	01	463 263	354 259	76%	24%
	02	135 782	45 898	34%	66%
	03	7881	4221	54%	46%
	04	56 023	30 388	54%	46%
	05	86 971	50 953	59%	41%
	06	8936	4775	53%	47%
	07	4417	1794	41%	59%
	08	6646	3417	51%	49%
	09	4845	5089	105%	42%
	10	45 977	22 154	48%	52%
	11	19 219	5939	31%	69%
	12	9194	5679	62%	38%
	13	34 312	17 271	50%	50%
Grand Total		883 466	551 839	62%	38%

Table 2b: AC Funds	SO	WHA Approved PB	Available Awards	% Funding of WHA Approved PB	% of Funding Gap
	01	20 819	20 173	97%	3%
	02	11 685	11 325	97%	3%
	03	11 067	10 725	97%	3%
	04	21 061	20 415	97%	3%
	05	4300	4168	97%	3%
	06	11 350	11 001	97%	3%
	07	6329	6134	97%	3%
	08	6073	5883	97%	3%
	09	5788	5611	97%	3%
	10	25 814	25 165	97%	3%
	11	6 604	6400	97%	3%
	12	36 774	35 631	97%	3%
	13	41 936	40 648	97%	3%
Grand Total		209 600	203 279	97%	3%

Annex 3

Figure 1: Projected Level of Funding for the 2012-2013 Budget Approved by World Health Assembly

