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# **Financing and implementation of the Programme budget 2022–2023 and outlook on financing of the Programme budget 2024–2025**

## **Report by the Director-General**

### **SUMMARY POINTS**

1. The following points are set out in order to provide the Executive Board with a rapid overview of the essential matters covered in this report.

- With the adoption of resolution WHA75.5 (2022), the total Programme budget is US\$ 6726 million for the financial period 2022–2023.
- Including projections, the total Programme budget has a good level of financing (US\$ 7.5 billion), which surpasses the total approved. The apparent full level of financing is explained by two event-driven budget segments: emergency operations and appeals, and polio eradication.
- Base programmes, representing the core work of the Organization, also have good financing levels for this time in the biennium: 81% when projected voluntary contributions are included. When compared with the same period in the biennium 2020–2021, base programmes have received US\$ 596 million or 19% more financing to date (US\$ 3756 million) than in September 2020 (US\$ 3160 million).
- Despite these positive trends, as of 30 September 2022, the base programmes have a funding gap of US\$ 969 million, after including projections of voluntary contributions. The current gap is compounded by the challenge of persisting pockets of poverty – underscoring the urgent need for more sustainable financing.
- At 30%, utilization levels of base programmes are lower than could be expected (38%) at this time in the biennium and this phenomenon is strongly linked with financing levels. Utilization levels are higher than linear levels when compared against available funding.
- Based on experience in previous bienniums, the Secretariat is confident that, with the support of its Member States and other stakeholders, it will be able to fill this gap with increased mobilization efforts for more timely and flexible funds.

2. In May 2022, the Seventy-fifth World Health Assembly adopted resolution WHA75.5, which revised the approved amount of the base programmes segment of the Programme budget 2022–2023, as adopted in resolution WHA74.3 (2021). Through resolution WHA75.5, the total Programme budget

now stands at US\$ 6726 million for the financial period 2022–2023, comprising a base programmes segment (US\$ 4968.4 million), a polio eradication segment (US\$ 558.3 million), a special programmes segment (Special Programme for Research and Training in Tropical Diseases, the Special Programme of Research, Development and Research Training in Human Reproduction, and the Pandemic Influenza Preparedness Framework) (US\$ 199.3 million), and an emergency operations and appeals segment (US\$ 1000.0 million).<sup>1</sup>

3. The segment for emergency operations and appeals (US\$ 1000.0 million), which are event-driven in nature, has an estimated budget amount that can be increased as necessary. To complement the information on updated needs related to this segment, in 2022 WHO launched for the first time the WHO Global Health Emergency Appeal (GHEA).<sup>2</sup> This represents better updated figures on country appeals for all Grade 3 emergencies as well as for several Grade 2 emergencies. The overall established funding requirements broken down by major office for 2022 alone are US\$ 2.7 billion. Going forward, the Global Health Emergency Appeal will be published as a corporate product on an annual basis with regular updates for acute onset emergencies and/or the scale-up of existing responses. The launch of the Global Health Emergency Appeal for 2023 is planned for mid to end January 2023.

4. The budget segment for base programmes is to be financed by assessed contributions of US\$ 956.9 million and voluntary contributions of US\$ 4011.5 million. The budget segments for polio eradication, emergency operations and appeals, and the special programmes are being financed from voluntary contributions.

5. Pursuant to the request in resolutions WHA74.3 and WHA75.5, this report describes the overall status of the financing and utilization<sup>3</sup> of the Programme budget 2022–2023 and the progress made in this area as at 30 September 2022. More detailed information on budget levels, financing (including lists of contributors disaggregated by contribution type) and budget implementation can be found on the WHO programme budget web portal,<sup>4</sup> which is now being updated on a monthly basis.

## **OVERALL STATUS OF PROGRAMME BUDGET FINANCING AND UTILIZATION, AS AT 30 SEPTEMBER 2022**

6. The level of financing and utilization of the Programme budget 2022–2023, as at 30 September 2022, by budget segment, is shown in Table 1, and by base programme strategic priority, in Table 2. For information purposes, the original amount of approved Programme budget as contained in resolution WHA74.3 is also included, but all comparisons on financing, utilization and expenditures will be done against the new approved levels as set out in resolution WHA75.5.

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<sup>1</sup> The original amounts adopted in resolution WHA74.3 were US\$ 6121.7 million for the total Programme budget 2022–2023 and US\$ 4364.0 million for the base programmes segment. The polio eradication segment, the special programmes segment and the emergency operations and appeals segment remained unchanged.

<sup>2</sup> WHO Global Health Emergency Appeal (GHEA) for 2022 can be accessed at <https://www.who.int/publications/m/item/who-global-health-emergency-appeal-2022>.

<sup>3</sup> WHO uses two main concepts to define financial implementation of the Programme budget: encumbrances (referred to raising committal documents, but no or partial payments made) and expenditures (payments fully made). During the biennium, WHO uses the term utilization, which refers to adding encumbrances plus expenditures to show the current level of implementation. At the end of any biennium, all committal documents must be converted into expenditures to count towards implementation of the current biennium, therefore implementation must equal expenditures.

<sup>4</sup> WHO programme budget portal [webpage] Geneva: World Health Organization; 2022 (<https://open.who.int>, accessed 1 December 2022).

7. The main change from the previous report presented to Member States on this subject (contained in document A75/27) corresponds to the new approved overall level of the Programme budget 2022–2023 as set out in resolution WHA75.5 (US\$ 6726 million), which represents a 10% increase of the original amount approved in resolution WHA74.3 (US\$ 6122 million). The higher budget level, entirely driven by the revision of the base programmes segment of the Programme budget requested by Member States, brings down the relative levels of financing, utilization and expenditures, particularly for comparisons related to base programmes.

**Table 1. Programme budget 2022–2023 (original and revised) and its financing, including projections and utilization, by segment, as at 30 September 2022<sup>1</sup>**

Segment	Approved Programme budget 2022–2023 (US\$ millions)	Approved revised Programme budget 2022–2023 (US\$ millions)	Financing (US\$ millions)	Financing as % of approved revised budget	Financing including projections (US\$ millions)	Financing including projections as % of approved revised budget	Utilization (US\$ millions)	Utilization as % of approved revised budget	Utilization as % of available financing
Base programmes	4364.0	4968.4	3756.5	76%	3999.8	81%	1488.4	30%	40%
Polio eradication	558.3	558.3	783.8	140%	834.9	150%	476.3	85%	61%
Special programmes	199.3	199.3	223.4	112%	225.0	113%	50.2	25%	22%
Emergency operations and appeals <sup>2</sup>	1000.0	1000.0	2336.9	234%	2464.9	246%	1090.1	109%	47%
<b>Total</b>	<b>6121.70</b>	<b>6726.1</b>	<b>7100.6</b>	<b>106%</b>	<b>7524.5</b>	<b>112%</b>	<b>3105.1</b>	<b>46%</b>	<b>44%</b>

8. Despite the increase in the budget level, the total Programme budget already appears to have a good level of financing (US\$ 7.1 billion), which surpasses the total approved revised budget (US\$ 6.7 billion). The apparent full level of financing is explained by two event-driven budget segments: the emergency operations and appeals segment and the polio eradication segment. At the time of writing this report (24 October 2022), US\$ 2472 million had been allocated to the emergency operations and appeals segment – US\$ 1472 million over the approved budget level – to respond to the needs emerging in light of the pandemic of coronavirus disease (COVID-19) and other emergencies. The budget segment for polio eradication also has a higher budget level than approved and a matching higher level of financing (140% over the approved budget level) corresponding to the current level of polio eradication operations.

9. The funding of the two event-driven segments masks the fact that the base programmes budget segment is the only segment that, at this stage, has less than 100% financing (76%), with a current funding gap of US\$ 1.2 billion.

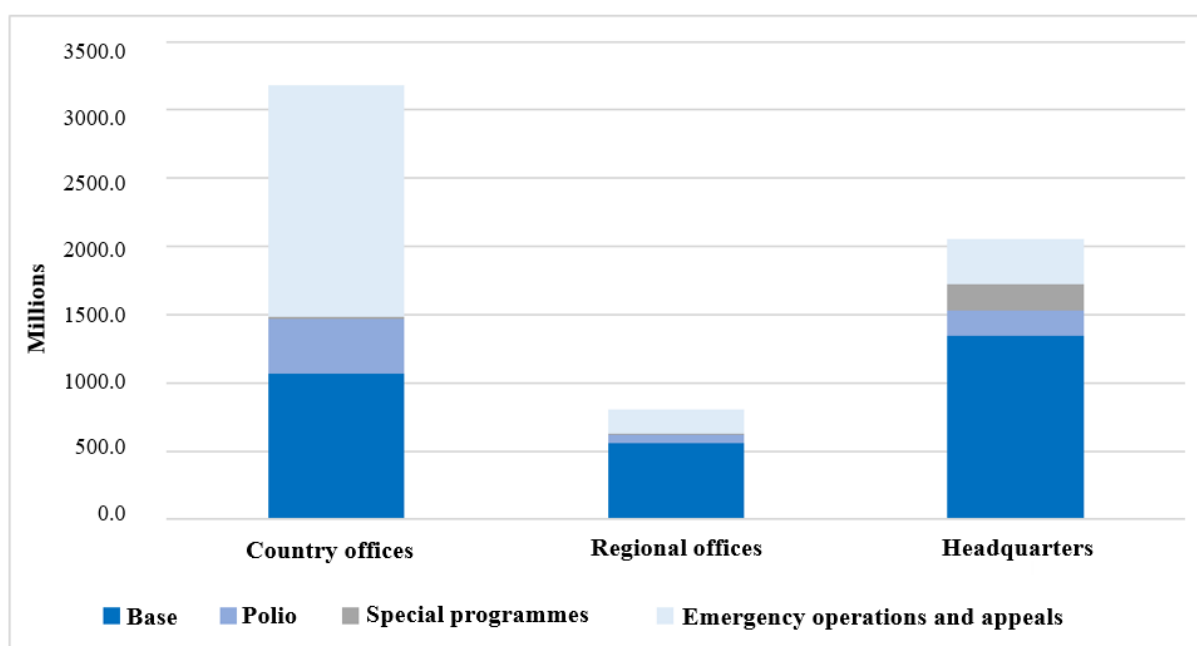
10. The Secretariat remains committed to allocating the maximum amount of resources in a timely manner with emphasis on the regional and country levels. Following that approach, 53% of all funds are already allocated to the country level, 13% to the regional level, and 34% to headquarters. Efforts continue to increase country shares (Fig. 1), and to allocate funds that are still undistributed as soon as possible. Despite our efforts, it is not possible for all funds mobilized by headquarters to be distributed

<sup>1</sup> The totals may not always add up, due to rounding.

<sup>2</sup> The segment for emergency operations and appeals, is event-driven in nature, and its budget (US\$ 1000.0 million) is an estimated amount that is increased as necessary. The current budget allocation for this segment is US\$ 2 471 537 (source: WHO Programme budget web portal).

to the country level; this is dependent on the level of earmarking of such funds and their flexibility to be transferred to different geographical areas.

**Fig. 1. Allocation of the available funding of the Programme budget 2022–2023 by budget segment and functional level, as at 30 September 2022 (US\$ million)<sup>1</sup>**



11. Table 1 also includes projections of voluntary contributions expected to be received with a high degree of certainty (US\$ 423.9 million).<sup>2</sup> Forty-three percent of the projected resources are for the budget segments of polio eradication, special programmes, and emergency operations and appeals. In the case of base programmes, the projections of voluntary contributions (US\$ 234.3 million) bring the funding gap of this segment down to US\$ 969 million.

12. As at 30 September 2022, the overall utilization rate for the total approved revised budget was 46%, and 30% for the base programmes segment. Linear utilization by the third quarter of the biennium is expected to be at around 38%, therefore the utilization levels for the total budget are around the expected utilization rate for this period, largely driven by the operations of the emergency operations and appeals segment. Details of the base programmes budget segment financing and utilization are discussed in the next section.

<sup>1</sup> Excludes undistributed funds which are yet to be allocated to functional level.

<sup>2</sup> In this document as well as on the WHO Programme budget web portal, the future funding pipeline is defined as proposals, which are at advanced stages of development and/or are under negotiation between prospective donors and WHO to finance the Programme budget. They represent a conservative estimate of future funding opportunities that are expected to materialize as revenue streams for the Organization over the course of the biennium.

## DETAILS ON FINANCING AND IMPLEMENTATION OF BASE PROGRAMMES OF THE PROGRAMME BUDGET 2022–2023

### *Base programmes segment financing*

13. Base programmes, representing the core work of the Organization, have a good financing level for this time in the biennium: 76% of the revised Programme budget 2022–2023 for this segment is financed or 81% when projected voluntary contributions are included (Table 2). When compared with the same period in the biennium 2020–2021, base programmes have received US\$ 596 million or 19% more financing to date (US\$ 3756 million) than in September 2020 (US\$ 3160 million). However, the two main challenges for this segment remain similar to the previous biennium:

- **the remaining funding gap:** US\$ 1.2 billion or 24% of the approved budget level (or 19% or US\$ 969 million once projections of voluntary contributions are accounted for) are not currently financed. The gap is higher in the financial period 2022–2023 due to the revision of the Programme budget.
- **pockets of poverty:** even though 76% of the base programmes are financed at the aggregated level, large pockets of poverty remain at the lower, more disaggregated levels, such as major offices and Programme budget outcomes, and even more so at the level of outputs and budget centres. This will be discussed further in this document.

**Table 2. Base Programme budget 2022–2023 (original and revised) and its financing, including projections and utilization, by strategic priority, as at 30 September 2022<sup>1</sup>**

Strategic priority	Approved Programme budget 2022–2023 (US\$ millions)	Approved revised Programme budget 2022–2023 (US\$ millions)	Financing (US\$ millions)	Financing as % of approved revised budget	Financing including projections (US\$ millions)	Financing including projections as % of approved revised budget	Utilization (US\$ millions)	Utilization as % of approved revised budget	Utilization as % of available financing
1. One billion more people benefiting from universal health coverage	1839.9	1929.6	1515.0	79%	1585.0	82%	665.1	34%	44%
2. One billion more people better protected from health emergencies	845.9	1250.5	561.9	45%	585.3	47%	288.3	23%	51%
3. One billion more people enjoying better health and well-being	424.9	455.2	229.4	50%	237.9	52%	113.0	25%	49%
4. More effective and efficient WHO providing better support to countries	1253.4	1333.1	899.0	67%	904.8	68%	422.0	32%	47%
Undistributed <sup>2</sup>			551.2		686.7				
<b>Total</b>	<b>4364.0</b>	<b>4968.4</b>	<b>3756.5</b>	<b>76%</b>	<b>3999.8</b>	<b>81%</b>	<b>1488.4</b>	<b>30%</b>	<b>40%</b>

<sup>1</sup> The totals may not always add up, due to rounding.

<sup>2</sup> Undistributed amounts require additional information before being assigned to any strategic priority.

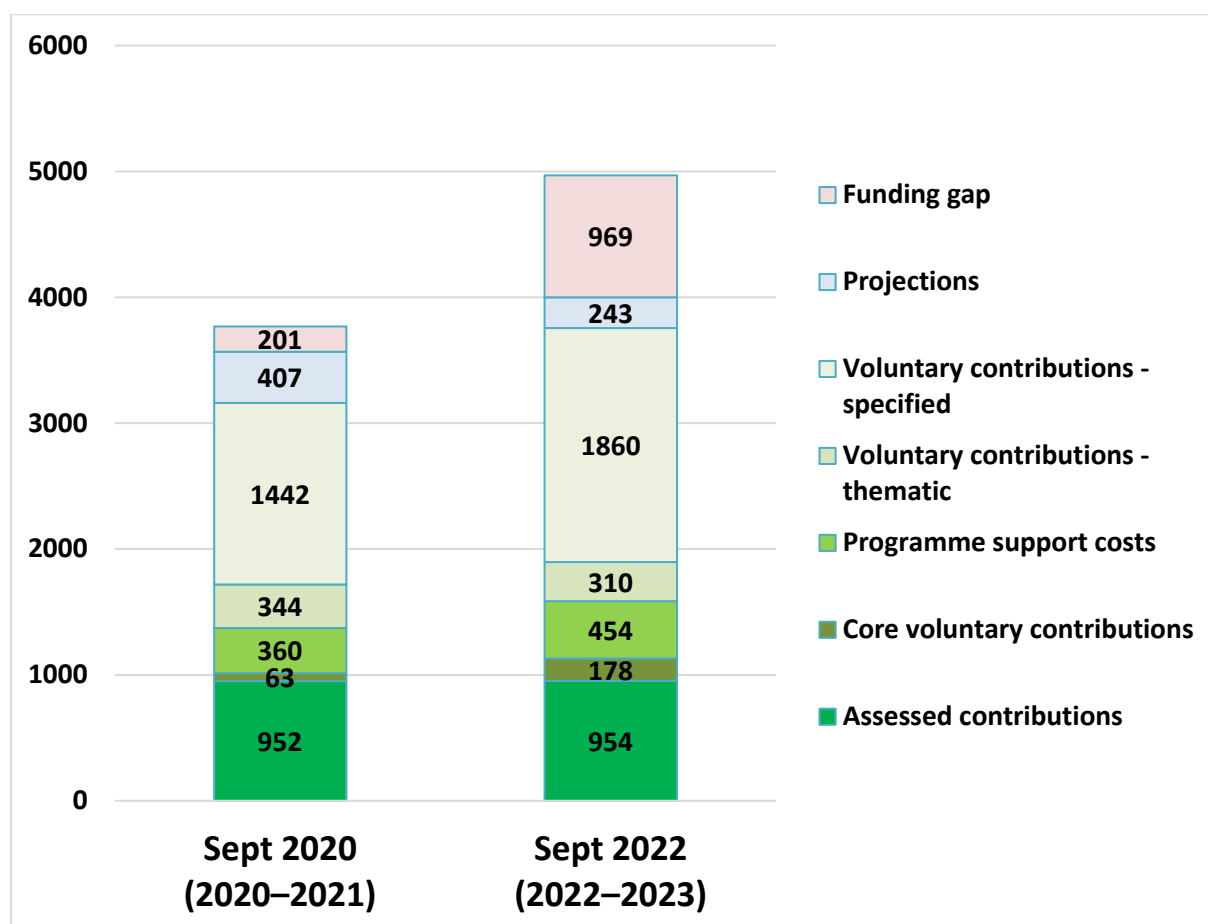
14. Table 2 provides further detail on levels of base programmes financing and implementation by strategic priority. Strategic priority 1 (One billion more people benefiting from universal health coverage) continues to be the best funded of all strategic priorities. This strategic priority comprises most of the disease-specific and health systems programmes, which traditionally attract more voluntary contributions. Strategic priority 3 (One billion more people enjoying better health and well-being), the strategic priority with the smallest budget, continues to experience a low level of financing similar to that recorded in the last biennium, even when projections are included. Strategic priority 4 (More effective and efficient WHO providing better support to countries) mostly corresponds to enabling functions, and financing for this priority comes largely from flexible funds.

15. Of the four strategic priorities, strategic priority 2 (One billion more people better protected from health emergencies), mostly comprising the work of the WHO Health Emergencies Programme in preparedness, prevention and response, is the least funded relative to the approved revised budget. This strategic priority was the recipient of the highest component allocation of the budget increase (US\$ 404.6 million), requested by Member States to ensure that the lessons learned and the platforms set up during the pandemic are sustained, to ensure that we are better prepared for the next pandemic. Yet there are almost no further resources projected in the pipeline. To optimize resources received for use at the country level, the Secretariat, when permitted by conditions of agreements, leverages the short-term financing received in the emergencies operations and appeals segment to further actions that benefit Member States in the longer term, thus supporting the core deliverables of its base programmes.

16. The US\$ 3756 million currently available for implementation across base programmes consist of flexible funds (assessed contributions, programme support costs, core voluntary contributions), thematic voluntary contributions, and specified voluntary contributions (Fig. 2). Flexible funds expected for the biennium have been fully accounted for in Figure 2 and therefore the entirety of the funding gap (US\$ 969 million) is expected to be funded by voluntary contributions (either thematic or specified) that are yet to be mobilized. In the current biennium (Fig. 2), the base programmes have reached financing levels equivalent to the total base budget for the biennium 2020–2021, and the funding gap corresponds to the level of the budget increase adopted for the biennium 2022–2023 by resolutions WHA74.3 and WHA75.5. Except for thematic contributions, all types of funds demonstrate a higher absolute level than the same period last biennium. In the case of thematic contributions, several donor Member States have chosen to opt for more flexible voluntary contributions, so there has been a reduction of thematic funds in favour of core voluntary contributions.

17. As can be seen in Figure 2, core voluntary contributions have grown to US\$ 178 million as at 30 September 2022 from US\$ 63 million as at 30 September 2020. The key contributors are Belgium, France, Germany, Ireland and the United Kingdom of Great Britain and Northern Ireland. Core voluntary contributions are the most valued in terms of flexibility of voluntary contributions and the steady increase biennium on biennium has allowed for more catalytic funding across the major offices, especially in underfunded areas. The Secretariat acknowledges and appreciates this effort from Member States, while it encourages them to continue increasing their contributions in thematic or core voluntary contributions, which are more flexible and predictable.

**Fig. 2. Base budget segment financing by main type of funds as at 30 September of each biennium, including projections, (US\$ million)<sup>1</sup>**



18. The challenge is still how to manage the current situation, in which a large majority of the base budget segment is expected to be financed from specified voluntary contributions. At this stage, even when projections are accounted for, there is still a funding gap of US\$ 969 million. While the experience of the Secretariat is positive in terms of resource mobilization in the second year of each biennium, this still requires negotiation and resource mobilization; the late arrival of funds and the resource mobilization efforts will both result in less time available for technical cooperation activities and for the implementation of planned deliverables in the biennium 2022–2023. All major offices are also currently revising their projections to make sure that the information is duly included in WHO's Contributor Engagement System (CEM). This system was launched in the biennium 2021–2022 in a phased approach across the Organization. It allows WHO to track in real time all future voluntary funding to the Programme budget and plays an instrumental role in the coordination of all resource mobilization efforts across the Organization.

19. The Secretariat continues to use its most flexible funds to help address funding gaps across the base programmes, but the level of such flexible funding is still insufficient to cover all existing funding gaps (Fig. 3a and 3b). Figures 3a and 3b highlight how thematic funding has become a welcome source

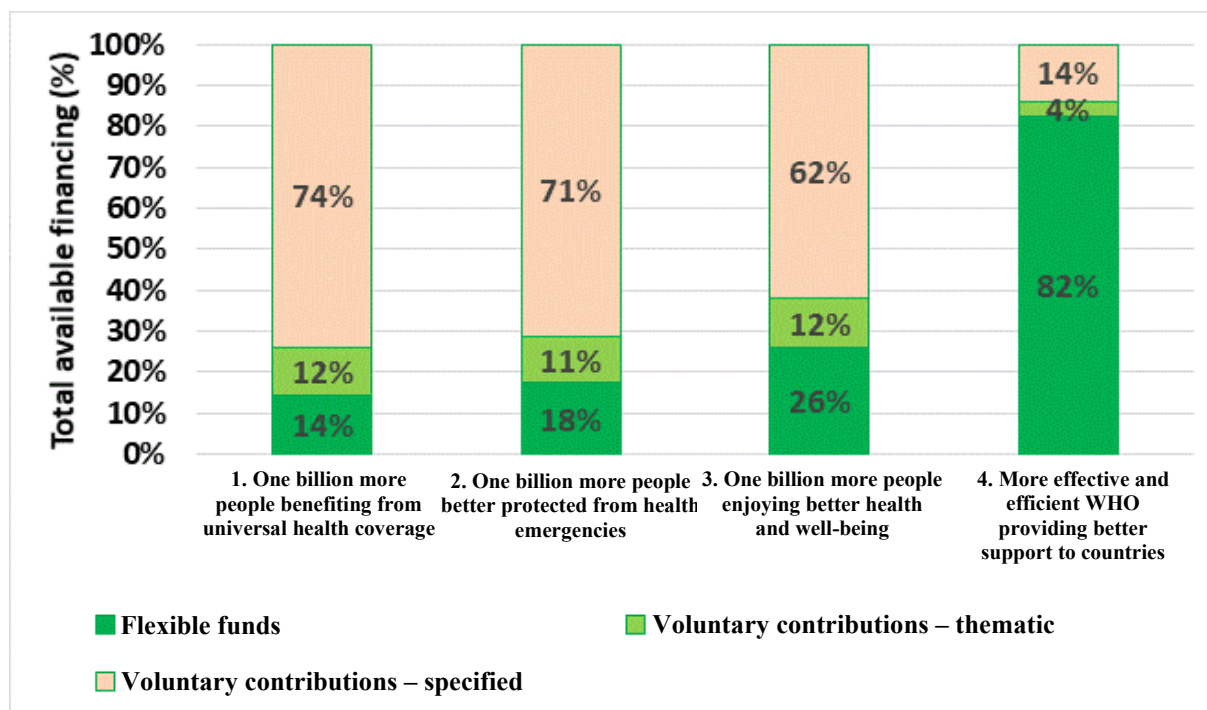
<sup>1</sup> The difference between total assessed contributions (US\$ 956.9 million) and the amounts reflected in the graphs are due to the allocation of this type of funds to other segments of the Programme budget.

of funding, which is allowing the Organization to inject more flexible funding where it is needed, while maintaining alignment with higher level donor priorities and thus having a catalytic impact on achieving the results expected by the Member States.

20. As shown in Figure 3a, all three technical strategic priorities (strategic priorities 1–3) depend heavily on specified voluntary contributions: over 60% of their available funding, and as high as 74% for one strategic priority, come from specified sources. Such high dependence on specified voluntary contributions results in unequal funding of major offices and of the Programme budget results within each strategic priority, as specified funds cannot be redistributed towards areas of greater need – that is, pockets of poverty.

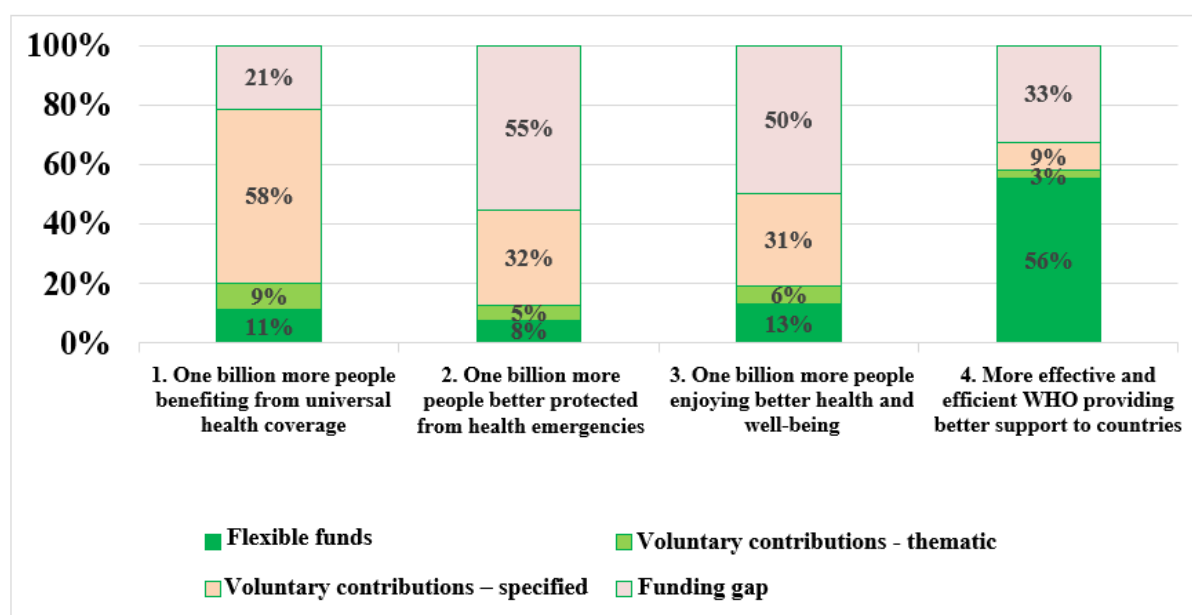
21. As seen in Figure 3b, flexible funding covers only a small share of the approved budget of strategic priorities 1–3. In the case of strategic priority 1, flexible or thematic funds finance 20% of the total budget, and these funds represent 26% of its total funding, as this priority traditionally receives considerably more financing from specified voluntary contributions. The budget for strategic priority 3 is only 50% funded, of which 19% comes from flexible or thematic funding. The funding gap for this strategic priority is unlikely to be fully financed given that it is less attractive to donors (Fig. 3a) and in light of the insufficient level of flexible funding across the Organization. In the case of strategic priority 2, the recent budget revision approved in resolution WHA75.5 increased the budget level by 48% (as opposed to 5% and 7% budget increases for strategic priorities 1 and 3, respectively), thus reducing its relative level of financing and significantly increasing the current funding gap.

**Fig. 3a. Financing of base programmes strategic priorities by type of funds, as at 30 September 2022 (as a share of available funding by strategic priority)**





**Fig. 3b. Funding gap and financing of base programmes strategic priorities by type of funds, as at 30 September 2022 (as a share of approved revised budget by strategic priority)**



22. Figure 4 shows the level of financing by major office and outcome (the “heatmap”) for the first nine months of 2022–2023. The following have to be considered in the interpretation of Figure 4.

- The heatmap is based on the approved budget by outcome, as per the revision of the Programme budget 2022–2023 by resolution WHA75.5. This affected in particular outcomes under strategic priority 2, which received 67% of the budget increase, and are historically the least financed.
- Similarly, 77% of the total budget revision (US\$ 464 million) was for activities at the regional and country levels. As this budget increase is yet to be funded, this immediately had an impact on the current level of financing of all regional offices (the higher budget means a lower current percentage of financing).
- As of 30 September 2022, every major office has received more funding in absolute terms than in the same period two years ago. The Western Pacific Region has received 11% (or US\$ 18 million) more funding than for the same period two years ago, and all other major offices received between 28% and 41% more than this same period in the last biennium. However, this increase in financing received by each major office has not been able to keep pace with the respective increases in their approved budget for the period 2022–2023 (77% of the Programme budget 2022–2023 increase benefited regional offices and country offices.)
- The Secretariat recently released the second tranche of flexible funds, which brings the current overall release to 87% of the projected flexible funds to be allocated for the biennium, in order to ensure their timely and strategic utilization. Major offices are currently in the process of allocating those resources, so they are not fully reflected in Figure 4.

- While the overall distribution of flexible funds by major office is decided by the Director-General in consultation with the Global Policy Group, the allocation of flexible funds within each major office by outcome is delegated to each Regional Director, who, on the basis of regional needs, assesses and distributes their share of flexible funds according to regional or country priorities and determines the availability of other sources of funds.
- The comparison of heatmaps across the two bienniums for outcomes under strategic priority 3 is not fully adequate, as the scope of the outcomes under this priority changed between the two bienniums; the data are therefore not fully comparable.
- A further US\$ 0.69 billion from all sources of funds, including projections, are yet to be allocated towards base programmes across all levels of the Organization, which will improve some of the figures below. The subsequent receipt of voluntary contributions may also trigger the strategic transfer of more flexible funds towards lesser funded outcomes.
- Following the development and approval of prioritized technical implementation plans, the Resource Allocation Committee<sup>1</sup> has just released the first tranche of thematic funds to specific outputs, which are also in the process of being allocated.

**Fig. 4. Level of Programme budget financing (base segment) by major office and outcome<sup>2</sup>**

**Programme budget financing for 2020–2021 (30 September 2020)**

Strategic Priority	Africa	The Americas	South-East Asia	Europe	Eastern Mediterranean	Western Pacific	Headquarters	Total
1.1	60%	40%	70%	74%	89%	72%	127%	82%
1.2	33%	46%	43%	54%	28%	63%	56%	44%
1.3	84%	32%	38%	46%	60%	46%	112%	85%
2.1	34%	57%	21%	49%	21%	46%	52%	38%
2.2	56%	24%	38%	30%	70%	28%	36%	46%
2.3	55%	5%	18%	22%	55%	39%	40%	41%
3.1	47%	33%	71%	54%	35%	48%	153%	82%
3.2	10%	15%	44%	99%	34%	48%	60%	41%
3.3	11%	5%	42%	47%	24%	27%	24%	21%
4.1	38%	31%	46%	43%	20%	42%	73%	54%
4.2	33%	58%	39%	48%	38%	48%	69%	50%
4.3	74%	42%	47%	74%	41%	52%	57%	57%
<b>Total</b>	50%	31%	50%	58%	54%	54%	81%	60%

<sup>1</sup> In 2020, the Secretariat established the Resource Allocation Committee to improve the distribution of funds across the three levels of the Organization. While it is expected that this mechanism will improve the timeliness and equity of resource distribution, its impact will only be as great as the extent of the funds that can be distributed through it.

<sup>2</sup> Funds need to be fully distributed to the lower levels of major office and outcome in order to be considered part of the heatmap. In the case of the biennium 2022–2023, the charts exclude undistributed funding (which includes fully undistributed funding) at the budget segment level or major office of US\$ 551.2 million and funds distributed to the strategic priority level but not to the outcome level to the amount of US\$ 217.6 million plus funding projections.

**Programme budget financing for 2022–2023 (30 September 2022)**

Strategic Priority	Africa	The Americas	South-East Asia	Europe	Eastern Mediterranean	Western Pacific	Headquarters	Total
1.1	58%	32%	60%	74%	84%	63%	132%	79%
1.2	31%	32%	32%	69%	27%	32%	109%	52%
1.3	50%	20%	53%	38%	85%	38%	125%	82%
2.1	34%	15%	18%	42%	19%	26%	56%	33%
2.2	101%	10%	34%	30%	24%	10%	122%	75%
2.3	32%	16%	21%	27%	33%	22%	47%	35%
3.1	19%	41%	49%	45%	43%	38%	122%	56%
3.2	17%	15%	41%	114%	32%	42%	111%	54%
3.3	19%	12%	46%	53%	23%	42%	64%	43%
4.1	28%	27%	38%	95%	10%	27%	50%	38%
4.2	49%	89%	67%	69%	78%	70%	68%	65%
4.3	54%	59%	62%	50%	50%	58%	45%	51%
<b>Total</b>	49%	30%	52%	63%	48%	46%	86%	60%

23. While considering the elements above, the heatmap is an alert mechanism for the Secretariat and Member States to assess financing of the Programme budget at a glance, including chronically underfunded areas. It also allows WHO senior management to continuously explore ways and mechanisms to improve financing across the levels of the Organization, which show clear trends that must be considered. When assessing the heatmap, the Secretariat has to consider the many factors at play (similar to the ones outlined in the previous paragraph) but also determine whether there are managerial actions that can be taken to positively improve the allocation of resources. However, in a situation where the larger part of the Programme budget is funded by highly specified voluntary contributions, managerial actions are limited and can only enact limited change.

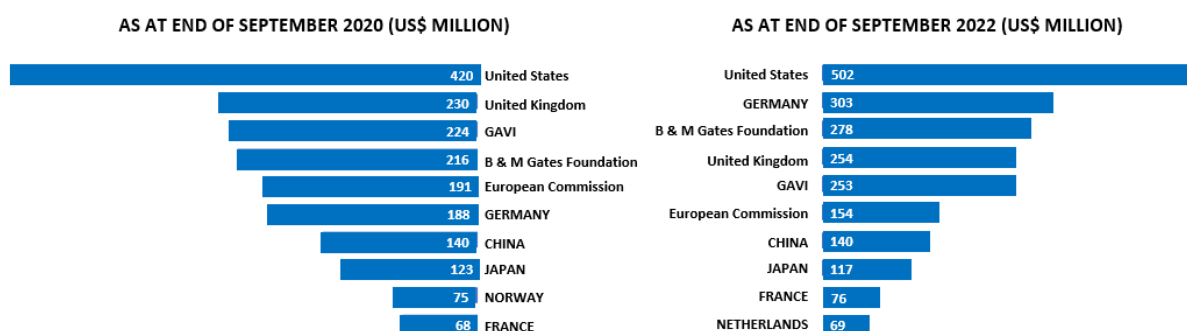
24. Of note is the fact that the minimum financing levels evident in the heatmap of 2020–2021 have slightly improved in 2022–2023. For example, overall, four outcomes as opposed to seven in the previous biennium are currently financed at 50% or less. And the minimum financing level in any major office for any given outcome is 10%, as opposed to 5% two years ago. While still small, this improvement demonstrates the efforts made to improve the financing across all programmatic outcomes, and to focus on the current pockets of poverty. It is expected that with the allocation of the second release of flexible funds, plus the thematic funding recently allocated by the Resource Allocation Committee, the most underfunded priorities will continue to be supported across all major offices. One final release of flexible funds and a small second year release of thematic funds are also expected early next year.

25. As part of the efforts to improve the distribution of funds across the three levels of the Organization, the Resource Allocation Committee, established in 2020, has been functioning successfully, and recently released its first year of funding towards specific outputs for the biennium 2022–2023, following the development of plans that were discussed and prioritized by the Output Delivery Teams networks. The main challenge faced by this mechanism has been the decrease in the amount of thematic funds received in 2022 and expected for 2023, which has somewhat reduced its anticipated impact. Plans are in place to assess large specified voluntary contributions and determine whether at least some of the funding can be redistributed through the Resource Allocation Committee mechanism, while considering the major challenge that highly earmarked funds usually cannot be considered for equitable distribution across the three levels and outputs.

26. Annex 1 presents a more detailed breakdown of the approved budget, its financing and implementation levels by outcome within each strategic priority and Annex 2 presents details by major office.

27. The level of financing achieved so far has only been possible thanks to the generosity of Member States and other stakeholders. Together, the top 10 donors – including seven Member States – have contributed 57% (US\$ 2.1 billion) of the total financing for the base programmes segment to date (Fig. 5). The Secretariat greatly appreciates this commitment towards WHO and notes the importance of maintaining and increasing the flexibility and predictability of the funds allocated to the Organization, and to strengthening the financing of the Organization’s core work as approved in WHO’s base programmes. At the same time this funding pattern also highlights the vulnerability of WHO operations, with a heavy reliance on a small number of top donors.

**Fig. 5. Top contributors to the base programmes budget segment: comparison between 2020–2021 and 2022–2023**



### *Base programmes segment utilization*

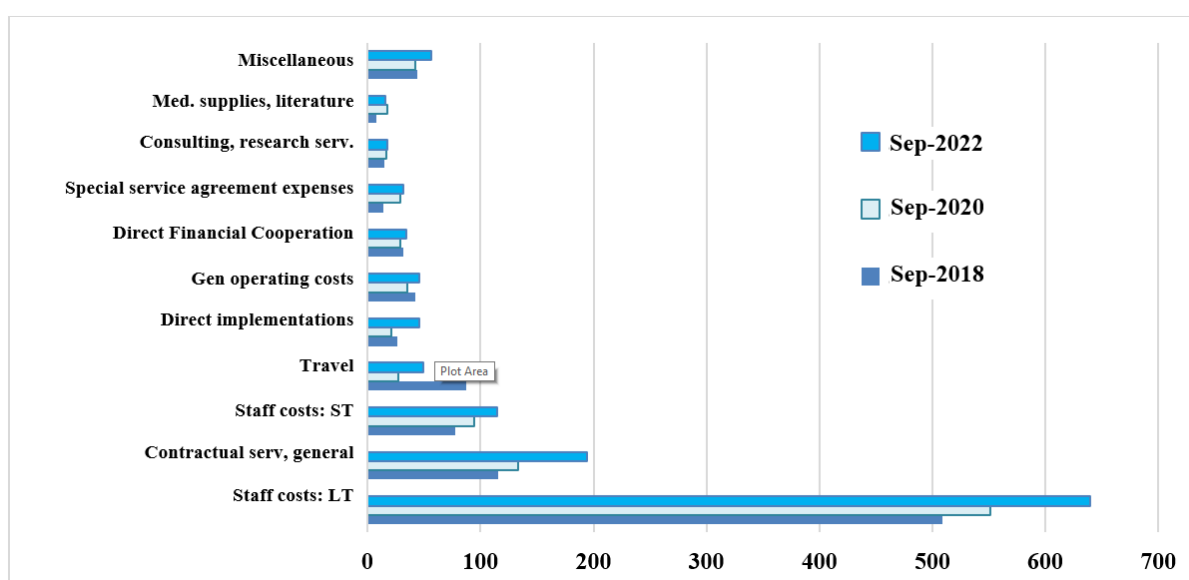
28. Linear utilization by the third quarter of the biennium is expected to be at around 38%. As at 30 September 2022, the utilization rate for the base programmes segment was 30%. A utilization rate lower than the linear rate may indicate a stronger linkage between budget utilization levels and existing levels of financing: strategic priorities 2 and 3 have utilized around 50% of their existing funding, while strategic priority 1 has utilized 44% of available funds (Table 2).

29. Uncertainty around future funding to cover the remaining gap has an impact on current implementation levels due to the late arrival of funds. In particular, this will likely force those programmes that are not expecting additional funding to be conservative in the use of their existing resources, and for those that are able to do so, to redouble their efforts towards resource mobilization, driving them away from their technical activities. Both could have an immediate effect to slow implementation. Once again, this highlights and calls for increasing levels of flexible and sustainable financing for the WHO Programme budget.

30. Figure 6 presents, for base programmes, the top 10 types of expenditures the Organization has incurred as at 30 September in the last three bienniums. Similar information, with higher level of detail

by geographical location, output and type of expense is also published on a monthly basis at WHO programme budget web portal.<sup>1</sup>

**Fig. 6. Base programmes, comparison of expenditures by type, across three bienniums (US\$ million)**



31. In line with the increased budget and the corresponding tasks and requirements, the largest expenditure component of the Organization is related to staff salaries. As of September 2018, salaries for staff with a long-term contract with WHO (Fig. 6, staff costs: LT) amounted to US\$ 508 million for the first nine months of the biennium, while in September 2022, salaries corresponded to US\$ 639 million for the same period. While all three levels of the Organization grew, we are starting to see a shift: in 2018, salaries at headquarters represented 46% of total staff salaries, while regional and country office levels represented 25% and 29%, respectively; whereas in 2022, salaries at headquarters represented 43.4% of the total, while regional and country office levels increased to 26.2% and 30.4% respectively.

32. The increase in short-term staff costs (Fig. 6, staff costs: ST) and contractual costs (Fig. 6, contractual serv, general) is also related to the changing environment, given the travel restrictions and other COVID-19 pandemic related measures that have been in place, in addition to the extra technical demands posed by the response to the COVID-19 pandemic. Travel expenditures, on the other hand, have started to increase again with respect to the same period in 2020, as the travel restrictions related to the pandemic are being eased, but not to the previous levels seen in 2018. This also reflects the increasing usage of alternative modalities (virtual meetings), whenever feasible and appropriate.

<sup>1</sup> WHO programme budget portal [webpage] Geneva: World Health Organization; 2022 (<https://open.who.int>, accessed 1 December 2022).

## FINANCING OUTLOOK OF THE PROGRAMME BUDGET 2024–2025

33. “A healthy return”,<sup>1</sup> the investment case for a sustainably financed WHO, highlights the catalytic nature of investing in WHO: funds invested in WHO are used to support Member States in tackling health issues. With this, the ability to finance the Programme budget 2024–2025 will determine whether WHO’s Secretariat and its Member States can collectively achieve the triple billion targets set out in WHO’s Thirteenth General Programme of Work, 2019–2025. In working towards this common goal, the investment case highlights the substantial quantifiable return on investment in WHO: estimates stand at US\$ 35 return for every US\$ 1 invested.

34. Specific financing objectives for the Thirteenth General Programme of Work include increasing country capacity by improving funding quality, that is, enhancing flexibility and predictability, and aligning financing to WHO’s programme budget results. These objectives will need to be operationalized through improved sustainable financing.

35. In this regard, the Secretariat welcomes the decision on sustainable financing adopted by the Seventy-fifth World Health Assembly,<sup>2</sup> which aims to improve WHO’s ability to make an impact where it is most needed, at the country and regional levels. The increase in assessed contributions by 20% over the levels for the 2022–2023 financial period is a key driver in improving the projected financing of the 2024–2025 programme budget. Continued increases in core voluntary contributions and thematic funding are crucial to give the Secretariat the means to ensure sufficient financing across all areas, including those that are underfunded.

36. Beyond volume and flexibility, the predictability and timeliness of financing is crucial. Providing appropriate financing of WHO’s Programme budget early in the biennium is key to ensure timely implementation. For this reason, and although it is still early in the process, the Secretariat is monitoring future available financing as part of the development of the draft Proposed programme budget for 2024–2025. The analysis presented below is indicative of estimated financing levels at the time of writing and will be updated throughout the budget development process.

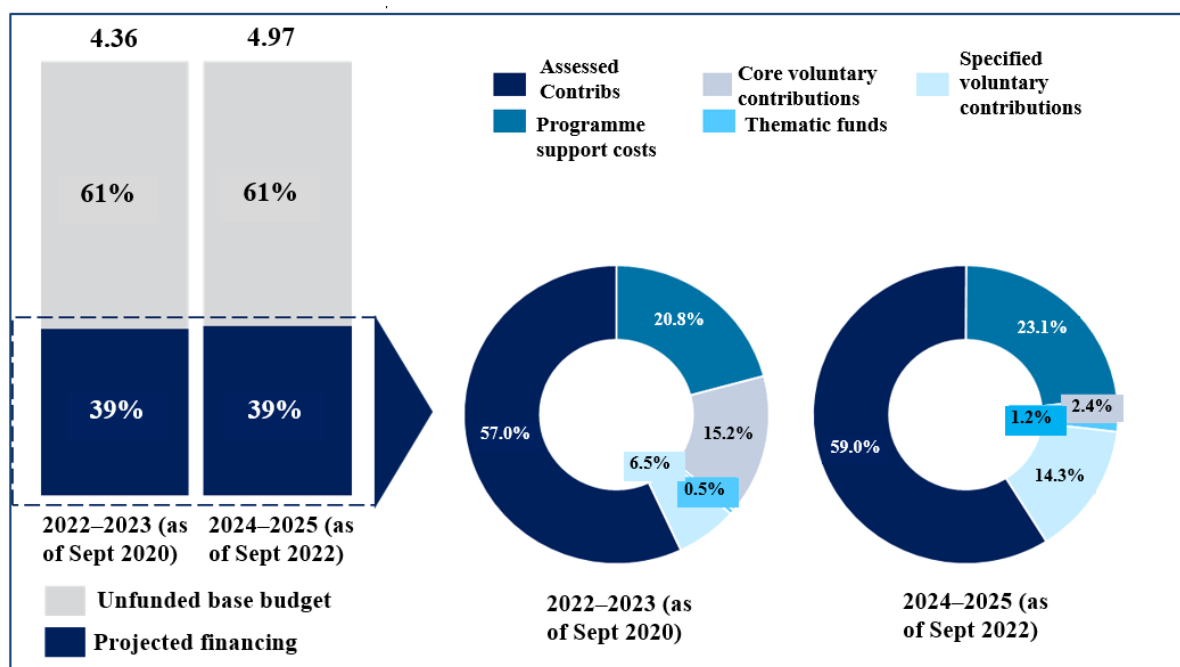
37. As at the end of September 2022, projected available financing for the programme budget 2024–2025 stood at US\$ 2055 million, US\$ 1947 million of which is for the base segment. This represents 39% of the base segment of the draft Proposed programme budget 2024–2025. These levels are similar to what was projected for programme budget 2022–2023 in September 2020 (Fig. 7).

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<sup>1</sup> Available at <https://www.who.int/about/funding/invest-in-who/investment-case-2.0#:~:text=The%20cost%20of%20WHO%20in,trillion%20and%20US%24%201.46%20trillion> (accessed 25 November 2022).

<sup>2</sup> Decision WHA75(9).

**Fig. 7. Comparison of level of projected financing for the base budget segment for 2024–2025 with similar point in the biennium 2022–2023**



38. A more detailed look at the composition of this funding, however, shows a different pattern of funding. Currently, projected financing largely consists of assessed contributions from Member States (US\$ 1148 million, or 59% of projected financing), driven by the expected 20% increase in assessed contributions mentioned above. Other sources of flexible funds are core voluntary contributions and projected programme support costs allocations. Together, they make up 84.5% of projected financing for the biennium 2024–2025. This number was 93% at a similar point in time in the last biennium. This indicates lower levels of predictability and flexibility as we head into the next biennium: projections currently foresee higher levels of specified voluntary contributions, while core voluntary contributions make up just over 2% of the current projections for 2024–2025.<sup>1</sup>

39. The projections will evolve throughout the remainder of the current biennium and usually the financing pattern will evolve more clearly towards the end of 2023.

40. The Secretariat looks forward to continuing to engage with donors through strategic dialogues, technical meetings and briefings to inform on WHO funding needs, WHO's normative and standard-setting work and on the impact of WHO's work in countries.

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

41. The Executive Board is invited to note the report and, in light of ongoing discussions, to reflect whether the report responds, in content and level of detail, to the expectations of Member States.

<sup>1</sup> Projections are conservative estimates of future financing. For core voluntary contributions, they include only contributions for which multi-year agreements going into the biennium 2024–2025 are already signed. They do not include funding from traditional contributors of core voluntary contributions for which no agreement has yet been signed.

## ANNEX 1

## REVISED BASE PROGRAMME BUDGET 2022–2023 AND ITS FINANCING, INCLUDING PROJECTIONS, EXPENDITURE AND UTILIZATION, BY OUTCOME, AS AT 30 SEPTEMBER 2022<sup>a,b</sup> (US\$ MILLIONS OR %)

Strategic priority/outcome	Approved revised Programme budget 2022–2023	Financing	Financing as % of approved revised budget	Financing including projections	Financing including projections as % of approved revised budget	Utilization	Utilization as % of approved revised budget	Expenditure	Expenditure as % of approved revised budget	Utilization as % of available financing
<b>1. One billion more people benefiting from universal health coverage</b>										
1.1. Improved access to quality essential health services	1 491.1	1 175.2	79%	1 223.1	82%	546.6	37%	429.1	29%	47%
1.2. Reduced number of people suffering financial hardships	113.9	58.9	52%	59.4	52%	26.1	23%	21.6	19%	44%
1.3. Improved access to essential medicines vaccines diagnostics and devices for primary health care	324.5	268.2	83%	289.3	89%	92.4	28%	76.7	24%	34%
Undistributed		12.7		13.2						
<b>Subtotal 1</b>	<b>1 929.6</b>	<b>1 515.0</b>	<b>79%</b>	<b>1 585.0</b>	<b>82%</b>	<b>665.1</b>	<b>34%</b>	<b>527.4</b>	<b>27%</b>	<b>44%</b>
<b>2. One billion more people better protected from health emergencies</b>										
2.1. Countries prepared for health emergencies	431.8	144.5	33%	145.3	34%	84.5	20%	74.5	17%	59%
2.2. Epidemics and pandemics prevented	311.7	235.2	75%	238.0	76%	95.3	31%	82.5	26%	41%
2.3. Health emergencies rapidly detected and responded to	507.0	176.6	35%	177.3	35%	108.4	21%	90.7	18%	61%
Undistributed		5.7		24.7						
<b>Subtotal 2</b>	<b>1 250.5</b>	<b>561.9</b>	<b>45%</b>	<b>585.3</b>	<b>47%</b>	<b>288.3</b>	<b>23%</b>	<b>247.8</b>	<b>20%</b>	<b>51%</b>
<b>3. One billion more people enjoying better health and well-being</b>										
3.1. Determinants of health addressed	108.6	60.8	56%	61.0	56%	33.1	31%	27.9	26%	55%
3.2. Risk factors reduced through multisectoral action	171.5	92.8	54%	95.5	56%	42.6	25%	35.2	21%	46%
3.3. Healthy settings and Health in All Policies promoted	175.2	75.7	43%	81.3	46%	37.2	21%	30.6	17%	49%
Undistributed		0.1		0.1						
<b>Subtotal 3</b>	<b>455.2</b>	<b>229.4</b>	<b>50%</b>	<b>237.9</b>	<b>52%</b>	<b>113.0</b>	<b>25%</b>	<b>93.7</b>	<b>21%</b>	<b>49%</b>
<b>4. More effective and efficient WHO providing better support to countries</b>										
4.1. Strengthened country capacity in data and innovation	402.0	152.8	38%	158.7	39%	87.2	22%	73.3	18%	57%
4.2. Strengthened leadership governance and advocacy for health	532.4	345.0	65%	345.0	65%	180.6	34%	167.2	31%	52%
4.3. Financial human and administrative resources managed in an efficient effective results-oriented and transparent manner	398.7	401.1	101%	401.1	101%	154.2	39%	134.8	34%	38%
Undistributed										
<b>Subtotal 4</b>	<b>1 333.1</b>	<b>899.0</b>	<b>67%</b>	<b>904.8</b>	<b>68%</b>	<b>422.0</b>	<b>32%</b>	<b>375.3</b>	<b>28%</b>	<b>47%</b>
<b>Undistributed</b>		551.2		686.7						
<b>Total</b>	<b>4 968.4</b>	<b>3 756.5</b>	<b>76%</b>	<b>3 999.8</b>	<b>81%</b>	<b>1 488.4</b>	<b>30%</b>	<b>1 244.2</b>	<b>25%</b>	<b>40%</b>

<sup>a</sup> The row and column totals may not always add up, due to rounding.

<sup>b</sup> Includes undistributed funds and funding projections, which at this stage cannot be disaggregated to outcome.



ANNEX 2

**REVISED PROGRAMME BUDGET 2022–2023 AND ITS FINANCING, INCLUDING PROJECTIONS, EXPENDITURE AND UTILIZATION, BY MAJOR OFFICE AND BUDGET SEGMENT, AS AT 30 SEPTEMBER 2022<sup>a</sup> (US\$ MILLIONS OR %)**

Major office	Approved revised Programme budget 2022–2023	Financing	Financing as % of approved revised budget	Financing including projections	Financing including projections as % of approved revised budget	Utilization	Utilization as % of approved revised budget	Expenditure	Expenditure as % of approved revised budget	Utilization as % of available financing
<b>Africa</b>	<b>1 649.0</b>	<b>1 413.1</b>	<b>86%</b>	<b>1 435.3</b>	<b>87%</b>	<b>789.5</b>	<b>48%</b>	<b>642.1</b>	<b>39%</b>	<b>56%</b>
Base	1 307.9	665.7	51%	673.7	52%	350.5	27%	306.0	23%	53%
Polio eradication	63.5	234.2	369%	234.2	369%	165.9	261%	147.9	233%	71%
Special programmes	3.6	7.5	209%	7.5	209%	3.2	89%	3.0	84%	43%
Emergency operations and appeals	274.0	505.6	185%	519.9	190%	269.9	99%	185.3	68%	53%
<b>The Americas</b>	<b>309.4</b>	<b>151.9</b>	<b>49%</b>	<b>152.4</b>	<b>49%</b>	<b>98.4</b>	<b>32%</b>	<b>75.2</b>	<b>24%</b>	<b>65%</b>
Base	292.1	87.4	30%	87.9	30%	59.6	20%	52.6	18%	68%
Polio eradication	–	0.2	0%	0.2	0%	0.1	0%	0.1	0%	54%
Special programmes	4.3	3.9	90%	3.9	90%	0.9	22%	0.7	15%	24%
Emergency operations and appeals	13.0	60.5	465%	60.5	465%	37.8	291%	22.0	169%	63%
<b>Eastern Mediterranean</b>	<b>1 135.2</b>	<b>1 365.8</b>	<b>120%</b>	<b>1 467.1</b>	<b>129%</b>	<b>701.7</b>	<b>62%</b>	<b>489.2</b>	<b>43%</b>	<b>51%</b>
Base	609.8	302.3	50%	302.7	50%	136.7	22%	104.9	17%	45%
Polio eradication	187.6	232.6	124%	244.7	130%	154.4	82%	128.0	68%	66%
Special programmes	3.8	4.5	117%	4.5	117%	2.2	57%	1.7	43%	48%
Emergency operations and appeals	334.0	826.5	247%	915.1	274%	408.4	122%	254.6	76%	49%
<b>Europe</b>	<b>469.8</b>	<b>533.8</b>	<b>114%</b>	<b>562.0</b>	<b>120%</b>	<b>256.1</b>	<b>55%</b>	<b>184.1</b>	<b>39%</b>	<b>48%</b>
Base	360.7	232.5	64%	239.3	66%	107.3	30%	92.3	26%	46%
Polio eradication	–	1.0	0%	1.0	0%	0.4	0%	0.4	0%	44%
Special programmes	4.1	3.3	80%	3.3	80%	1.1	27%	0.9	22%	34%
Emergency operations and appeals	105.0	297.0	283%	318.4	303%	147.2	140%	90.5	86%	50%

Major office	Approved revised Programme budget 2022–2023	Financing	Financing as % of approved revised budget	Financing including projections	Financing including projections as % of approved revised budget	Utilization	Utilization as % of approved revised budget	Expenditure	Expenditure as % of approved revised budget	Utilization as % of available financing
<b>South-East Asia</b>	<b>530.2</b>	<b>422.5</b>	<b>80%</b>	<b>448.7</b>	<b>85%</b>	<b>217.4</b>	<b>41%</b>	<b>155.7</b>	<b>29%</b>	<b>51%</b>
Base	480.3	299.9	62%	322.5	67%	143.2	30%	109.2	23%	48%
Polio eradication	–	0.0	0%	0.0	0%	–	0%	–	0%	0%
Special programmes	3.9	4.2	110%	4.2	110%	1.8	46%	1.3	35%	42%
Emergency operations and appeals	46.0	118.3	257%	121.9	265%	72.4	157%	45.2	98%	61%
<b>Western Pacific</b>	<b>425.0</b>	<b>268.7</b>	<b>63%</b>	<b>269.7</b>	<b>63%</b>	<b>126.6</b>	<b>30%</b>	<b>95.1</b>	<b>22%</b>	<b>47%</b>
Base	403.2	194.7	48%	195.6	49%	89.2	22%	72.2	18%	46%
Polio eradication	0.4	0.1	23%	0.1	23%	–	0%	–	0%	0%
Special programmes	3.4	3.2	93%	3.2	93%	1.0	30%	0.8	24%	33%
Emergency operations and appeals	18.0	70.8	393%	70.8	393%	36.4	202%	22.1	123%	51%
<b>Headquarters</b>	<b>2 207.4</b>	<b>2 060.7</b>	<b>93%</b>	<b>2 170.2</b>	<b>98%</b>	<b>915.6</b>	<b>41%</b>	<b>713.1</b>	<b>32%</b>	<b>44%</b>
Base	1 514.3	1 344.9	89%	1 413.7	93%	601.9	40%	507.1	33%	45%
Polio eradication	306.8	187.8	61%	226.8	74%	155.6	51%	96.2	31%	83%
Special programmes	176.3	196.9	112%	198.6	113%	40.1	23%	30.3	17%	20%
Emergency operations and appeals	210.0	331.1	158%	331.2	158%	118.0	56%	79.5	38%	36%
<b>Undistributed funds<sup>b</sup></b>	<b>–</b>	<b>884.0</b>		<b>1 019.3</b>		<b>–</b>		<b>–</b>		
Base		629.0		764.3						
Polio eradication		127.9		127.9						
Emergency operations and appeals		127.1		127.1						
<b>Total</b>	<b>6 726.06</b>	<b>7 100.6</b>	<b>106%</b>	<b>7 524.5</b>	<b>112%</b>	<b>3 105.1</b>	<b>46%</b>	<b>2 354.5</b>	<b>35%</b>	<b>44%</b>

<sup>a</sup> The totals may not always add up, due to rounding.

<sup>b</sup> Includes undistributed funds, which includes funds that are distributed at budget segment level but not below, plus funds that are distributed at major office level but not below, plus funds that are either missing distribution at major office or outcome levels.