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Provisional Agenda item 9

DEVELOPMENT OF THE PROGRAMME BUDGET 2022–2023

Approach and process

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INTRODUCTION

1. The unabated pandemic of coronavirus disease (COVID-19) is causing unprecedented disruptions in the world, across all regions and countries. This crisis has also affected the development of the programme budget for 2022–2023: under normal circumstances a full first draft Proposed programme budget would have been submitted to the regional committees after having been developed through a rigorous and inclusive bottom-up planning process. However, the opportunity for significant consultations at the country level has been limited in 2020, and the normal process for developing the programme budget could not be followed.

2. Although the Organization is sharply focused on helping the world to battle the pandemic, it is also continuing its work in tackling ongoing and emerging issues that affect the overall health and well-being of people. Similarly, the programme budget development process needs to be resumed within the new context and a pragmatic approach needs to be adopted. The Organization must ensure that the new reality, changing health needs of its Member States and the important lessons learned are reflected in the new budget document. Timelines and consultations with Member States in the process need to be adjusted accordingly.

3. It is irrefutable that the COVID-19 crisis will provide a strong impetus for change which the Organization needs to capture in its programme budget. The development of the programme budget is taking place in a transition period during which WHO is continuing to fight the ongoing pandemic. At the same time, this period offers an opportunity for rethinking the role of WHO in a post-COVID world to one that is better equipped to help the world both to prevent a health crisis of this magnitude from occurring again and to build resilient health systems that protect and promote public health and well-being in order to truly advance towards sustainable development.

PROPOSED GUIDING PRINCIPLES FOR THE PROGRAMME BUDGET

4. The principles below should guide the development of the programme budget, which should:

- be **Member States-driven**, based on needs both in countries and for global health;
- apply as appropriate already-known **lessons learned from the COVID-19** pandemic crisis;
- be **flexible** to take into account emerging information and needs;
- maintain a **rigorous and consultative** process but be **pragmatic** in order to keep WHO operational; and
- be **ambitious** to match the scale of requirements to meet WHO's mission and maximize return on investment in health.

THE PROPOSED APPROACH TO PROGRAMME BUDGET DEVELOPMENT

5. The approach to developing the programme budget for 2022–2023 must take into consideration the need to reflect important changes that are already taking place, and, at the same time, the need to wait for the outcome of the evaluation of global COVID-19 response by the Independent Panel for Pandemic Preparedness and Response. In order to balance these objectives, the Secretariat proposes to maintain a biennial cycle for the programme budget 2022–2023 with the **clear expectation that a revised budget will be submitted to the Health Assembly in May 2022**. With this approach the Secretariat signals its readiness to implement needed changes and respond quickly to the emerging needs of Member States as a result of the

COVID-19 crisis, while recognizing the critical role of the Independent Panel's evaluation in helping Member States to make decisions about the future work of WHO through the programme budget process. Providing the flexibility to change six months into the biennium would allow the Organization to consider the results of the Independent Panel's evaluation, more in-depth information on changing needs and priorities in countries, the investments required and the level of financing that enables it to fully implement the programme budget.

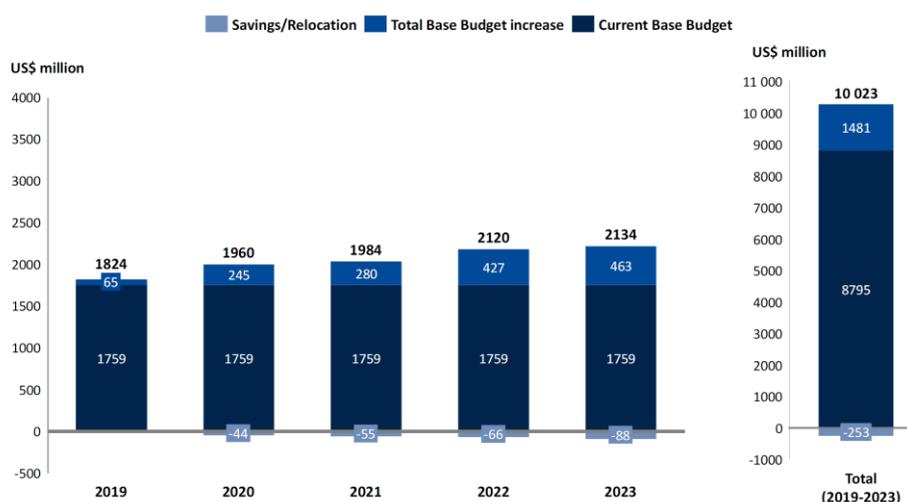
ELEMENTS OF THE DRAFT PROPOSED PROGRAMME BUDGET TO BE PRESENTED TO THE 148TH SESSION OF THE EXECUTIVE BOARD

6. The Secretariat is preparing a draft Proposed programme budget 2022–2023 for consideration by the Executive Board in January 2021. The draft will contain the following elements.

- The health impacts that the Secretariat committed to delivering to countries in the Thirteenth General Programme of Work, 2019–2023 (GPW13), including an update on the current status and projections.
- An analysis of the emerging needs, including those changes brought about by the COVID-19 crisis, based on known information and lessons learned.
- What WHO will deliver, including those deliverables that respond to changing needs and priorities, and how performance will be measured.
- A budget in line with agreed requirements of the Thirteenth General Programme of Work and taking into account requirements that have emerged since the approval of the current Programme budget. The budget will be presented by Major Office and by Outcome.
- An analysis of the financing requirements both from assessed contributions and voluntary contributions based on available information.

BUDGET ENVELOPE FOR THE PROGRAMME BUDGET 2022–2023

7. An important reference for the draft Proposed programme budget 2022–2023 is the financial requirements estimated for the Thirteenth General Programme of Work for the period 2019–2023, below.¹ This estimate foresaw a Base budget for 2022–2023 of US\$ 4.254 million – a 7.8% increase compared with 2020–2021.



¹ Document EBPBAC28/5 Financial Estimate for the Thirteenth General Programme of Work (2019-2023).

8. As part of the programme budget development process, there are at least three streams of additional budgetary elements that are known to pose an upward trend for the next programme budget. These are:

- **COVID-19** — Emerging and already-known changes triggered by the COVID-19 response, such as: emerging global public health goods; elements of the Access to COVID-19 Tools Accelerator (ACT-Accelerator) that will be integrated back into the Base budget; strengthening and making health systems more resilient; strengthening essential public health and preparedness functions; changes to the country support plans as a result of COVID-19; and boosting critical services and disrupted public health programmes. After the first six months of 2020, the Secretariat took stock of adjustments required for the 2020–2021 biennium and beyond as a result of the COVID-19 crisis. It identified the critical needs of WHO in sustaining and expanding the basis for health in both crisis and non-crisis situations, and these adjustments will inform this budgetary element.
- **WHO transformation** — During the past three years, several initiatives resulted from the transformation process, which required additional resources beyond the approved GPW13 financial envelope, such as establishment of the Science Division, COVID-19 supply chain system, elements of the WHO Academy, Special Programme on Primary Health Care and the Global Action Plan for Healthy Lives and Well-being for All as well as further strengthening of country capacities. Full implementation of these initiatives is expected in 2022–2023, and therefore should be costed and budgeted. The events in the past year already point to the need to put greater emphasis on research and innovation and data and delivery for impact, as well as further strengthening WHO's normative functions to remain at the cutting edge of international development and boosting its support to countries to make an impact.
- **Polio transition** — the WHO Secretariat has launched a process to calculate the financial costs of integrating the essential public health functions in most countries in 2022–2023 currently supported by the Global Polio Eradication Initiative. This costing will constitute WHO's budget for "polio transition" in 2022–2023, which might differ from the one foreseen at the time of the adoption of the Thirteenth General Programme of Work. The final number of countries will depend on the medium-term strategy of the Global Polio Eradication Initiative, which is currently being reviewed by the Global Polio Eradication Initiative Oversight Board given financial challenges, increased requirements and costs and programmatic issues related to COVID-19.

9. These additional elements will be carefully considered, together with the originally planned increases, prioritized, costed and then examined as to whether they can be accommodated within the foreseen 7.8% budget increase. The strategic budget space allocation decisions for technical cooperation at the country level will also be considered and respected.

FINANCING OF THE PROGRAMME BUDGET 2022–2023

10. Resolution WHA73.1 on COVID-19 response calls for "sustainable funding to WHO to ensure that the Organization can fully respond to public health needs".¹

11. The COVID-19 pandemic has shown that the economic impact of a global health crisis can reach a scale previously unimaginable. According to estimates the 2-year loss to global GDP due to COVID-19 may reach US\$ 9 trillion, or US\$ 375 billion per month.¹

¹ OP7.15, resolution WHA73.1 on COVID-19 response.

12. The call for sustainable funding in resolution WHA73.1 recognized fully the need to ensure that future funding would be sufficiently sustainable for the Base segment to support the world to be prepared for any future crisis and to build health systems which would resist unforeseen shocks.

13. In order to comply with the resolution, options for more sustainable financing of the Programme budget will be developed for the 148th session of the Executive Board. The Thirteenth General Programme of Work was supported by WHO's first Investment case for donors, and this will be refreshed in parallel with the development of the Programme budget 2022–2023, in particular to reflect the issues around the scale and nature of the financing required by WHO in the aftermath of the COVID-19 pandemic, and into the future.

EXTENSION OF THE THIRTEENTH GENERAL PROGRAMME OF WORK FROM 2023 TO 2025

14. The Thirteenth General Programme of Work provides for the possibility of extension to 2025 in order to align it with United Nations planning cycles.² COVID-19 has presented a further reason for the efficiency and effectiveness of operational activities at the country level to support countries towards achievement of the Member States to consider this extension. As noted in the High-Level Political Forum in summer 2020, the "Decade of Action" on the Sustainable Development Goals has become a "decade of recovery."

15. The triple billion targets and the underlying indices have served as important and useful goal-posts for the operationalization of the Sustainable Development Goals. The triple billion targets were established by Member States in the Thirteenth General Programme of Work and implemented through the Programme budget 2020–2021 and results framework measurements. As noted above, the world was off track to meet the triple billion targets and the underlying Sustainable Development Goals before COVID-19, and the pandemic has made the situation much worse.

16. The strategic direction provided by the Thirteenth General Programme of Work will be more relevant than ever in a post-COVID world, as countries seek to get back on track towards the 2030 Sustainable Development Goals. However, more time will be needed for countries to meet the triple billion targets of the Thirteenth General Programme of Work and those of the underlying Sustainable Development Goals, and for the Secretariat to intensify the transformative initiatives to support countries to do so. Although current estimates do not support a perfect picture in 2025 in relation to these targets, Member States, supported by the Secretariat, are more likely to be on track to reach the Sustainable Development Goals within five years, as opposed to three years. Getting on track over a 5-year period is not only a function of what WHO measures, but also what Member States, the Secretariat and partners do. Given the devastation resulting from the COVID-19 crisis, a 5-year window gives all stakeholders, working together, a more realistic time-frame to rise to the challenge.

¹ <https://www.project-syndicate.org/commentary/covid19-vaccine-global-diversified-portfolio-by-susan-athey-et-al-2020-05?barrier=accesspaylog> and IMF estimate.

² "WHO is committed to supporting the United Nations Secretary-General's proposal to work as "one UN" to improve the efficiency and effectiveness of operational activities at the country level to support countries towards achievement of the SDGs. WHO will engage as part of United Nations country teams within the Resident Coordinator system and strengthen their health capacity, while recognizing its constitutional mandate to act as the directing and coordinating authority on international health work. WHO recognizes the option in 2023, subject to satisfactory progress, of extending GPW 13 to 2025, thereby aligning WHO's strategic planning cycle with that of the wider United Nations family."

Therefore, it is proposed that the Thirteenth General Programme of Work be extended by two years to 2025.

ENGAGEMENT OF MEMBER STATES IN THE DEVELOPMENT OF THE PROGRAMME BUDGET

17. It is recognized that the COVID-19 crisis will redefine needs and priorities in all countries, what the world requires from WHO and how it will be enabled to respond to these needs in the future. Member States are engaged in different discussions focused on these ends. There are two crucial objectives of Member States engagement in the programme budget development process. One is to establish the priorities that shape the programme budget, a process that normally starts at the country level. The other is to ensure that Member States are driving the development of the programme budget, ensuring that the needs and priorities of Member States are being addressed.

18. There will be a continued need for multiple engagements with Member States to ensure that future programme budgets are relevant and match the scale of the expectations from WHO.

19. Some of these consultations will be important for identifying changing priorities and areas of emphasis which help to shape the programme budget. Normally, the programme budget employs a bottom-up process that considers needs and priorities in every country. Elaborate processes for country consultations and prioritization used in developing previous programme budgets may not be feasible in many regions due to the COVID-19 situation and the tight time-frame. Therefore, using a unified and high-level strategic approach, all regions will ensure that country needs and priorities are identified to drive the programme budget.

20. The Secretariat will make use of different opportunities and platforms for further engagement with Member States at multiple points during the programme budget development process, below. More detailed steps on Member State engagement are elaborated in the next section.

- **Programme, Budget and Administration Committee meeting (21-23 October 2020) and the resumed Seventy-third World Health Assembly (November 2020)**

During these meetings, the Secretariat will present progress on the development of the programme budget and discuss major issues affecting the programme budget content. These discussions will allow Member States to see how the Secretariat has incorporated the feedback from the regional consultations to date and to provide any further comments to inform the preparation of the draft Proposed programme budget 2022–2023 before its submission to the Executive Board at its 148th session.

- **Use of regional consultation platforms**

Regions will use available consultation platforms to provide for closer review of the proposed programme budget and offer guidance to the Secretariat. Through this mechanism they could also give additional strategic guidance on regional needs, priorities and strategies as an input into the programme budget.

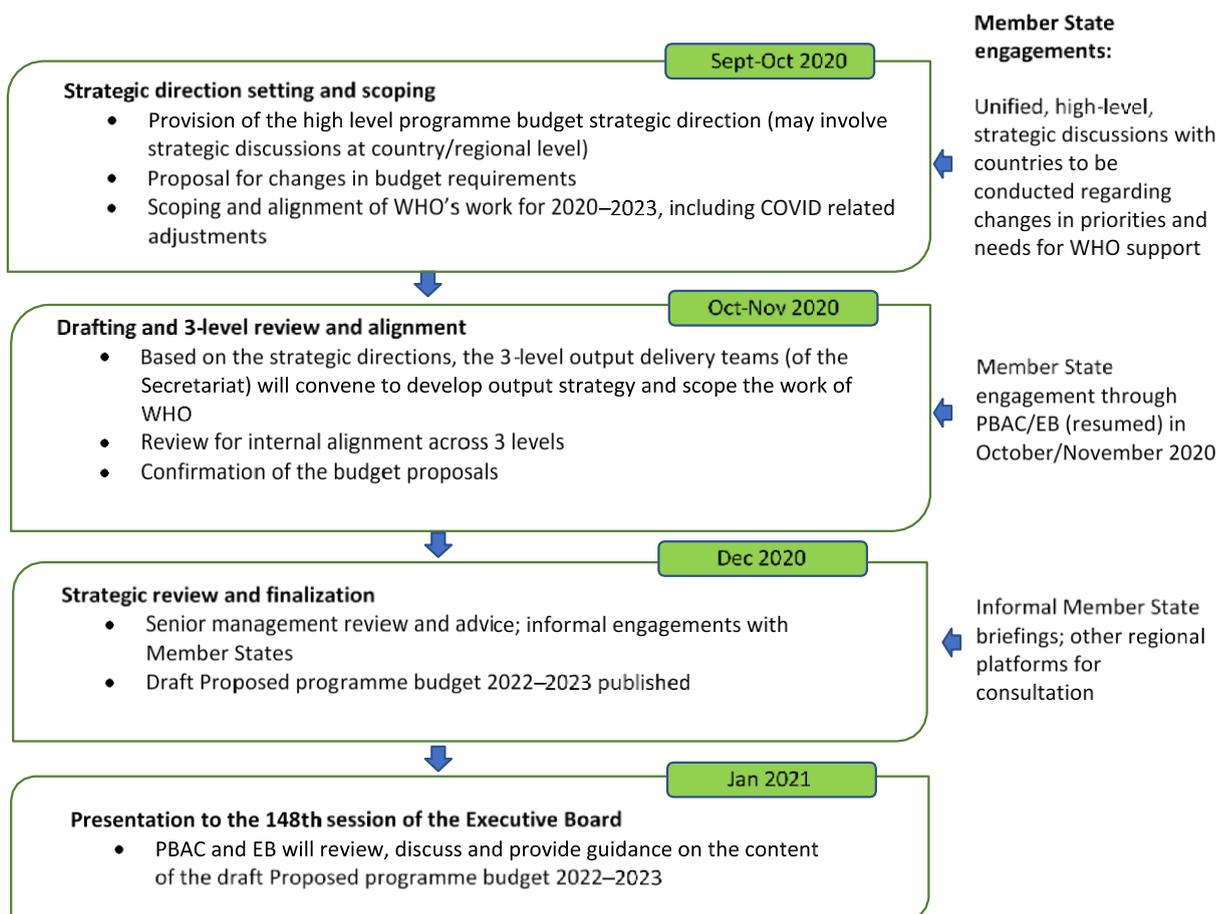
- **Informal Member State briefings using other platforms**

In the development of previous programme budgets, additional less formal platforms for consultation were used, including briefings with Member States in the regions and in Geneva. The opportunity to provide Member State briefings using virtual platforms will help to ensure that Member States are sufficiently engaged and able to monitor the progress of

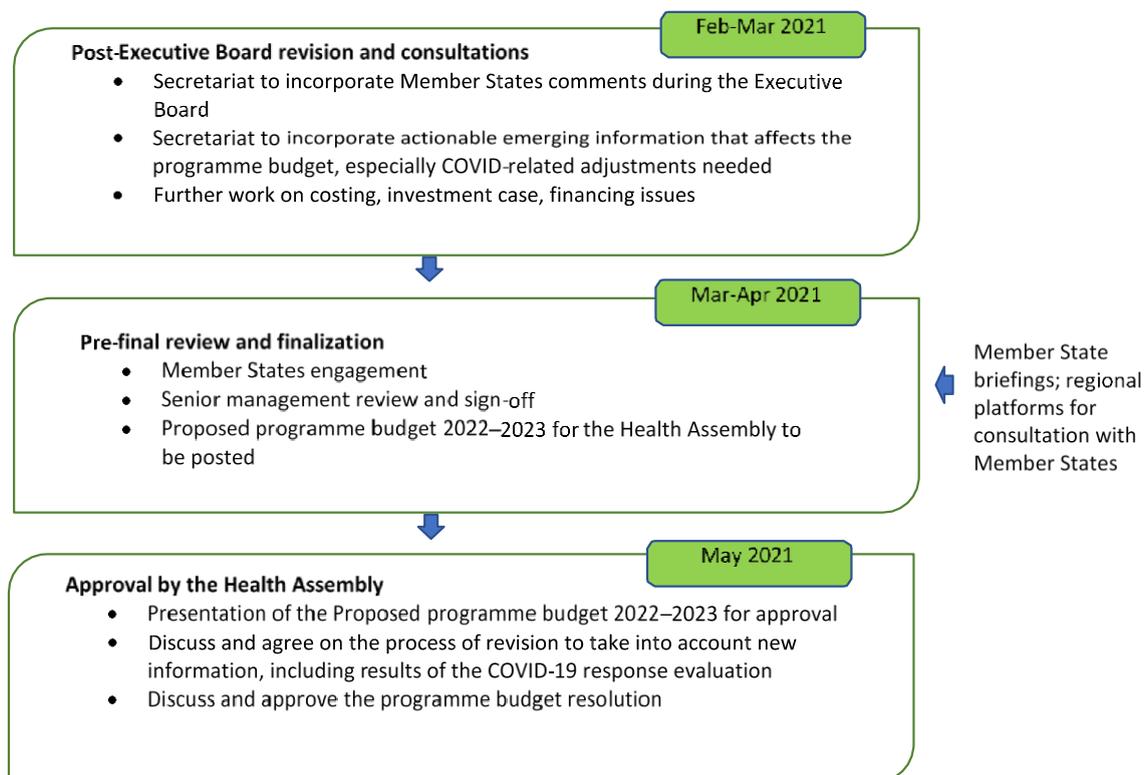
discussions on the development of the programme budget. This could be done virtually once a month or provide a platform for online consultations.

HIGH-LEVEL STEPS AND TIMELINE

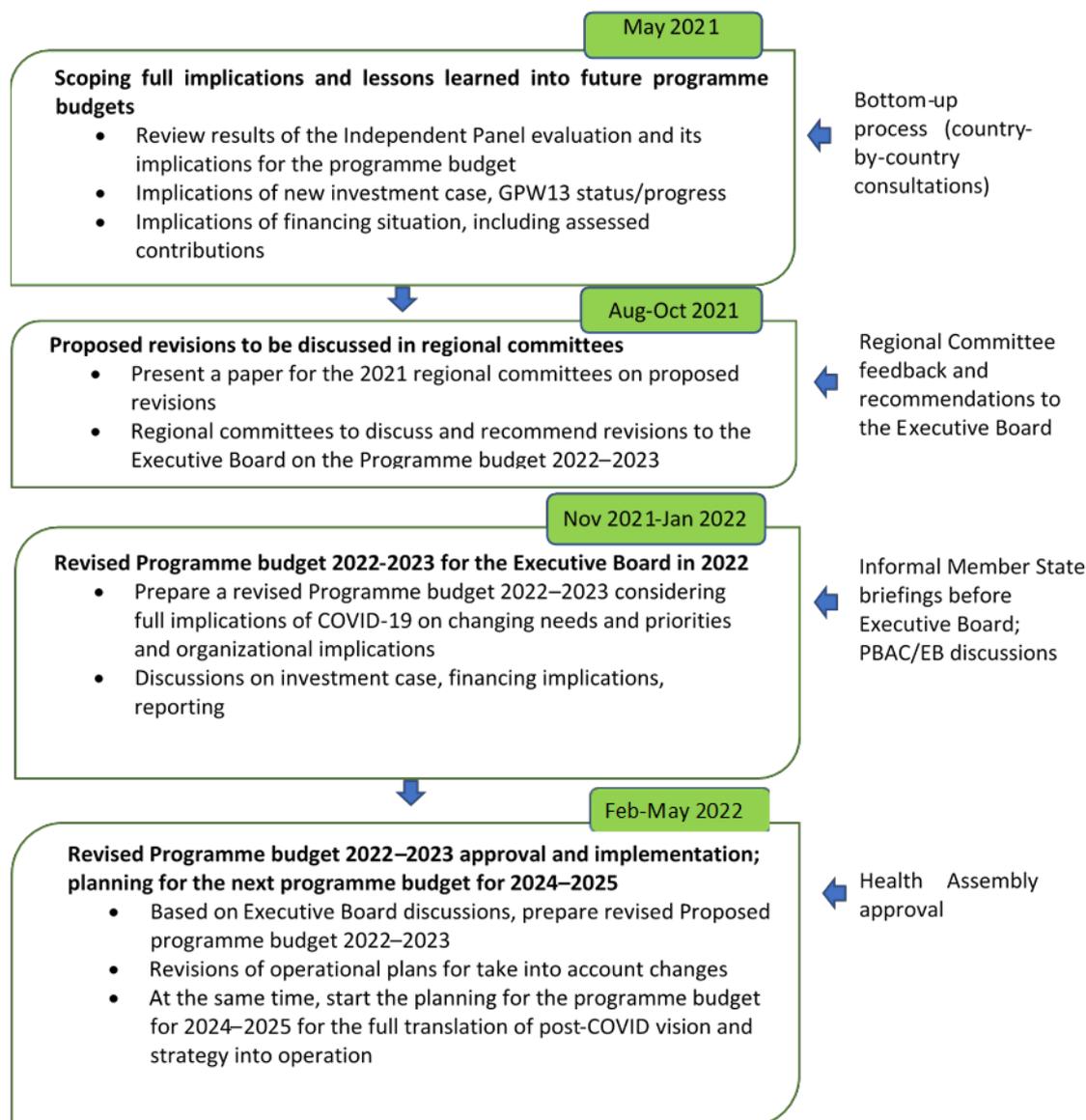
Draft Proposed programme budget version for the Executive Board (January 2021)



Proposed programme budget version for approval by the Health Assembly (May 2021)



Proposed mid-term revision of the Programme budget 2022–2023



21. The Regional Committee is invited to consider the proposed approach in the development of the Programme Budget 2020–2023 and provide guidance.