Report of the Working Group on Strategic Budget Space Allocation

January 21-23, 2015
Background

- The Working Group on Strategic Budget Space Allocation was established in line with the Executive Board’s decision made during its 134th session.

- At the twentieth meeting of the Programme, Budget and Administration Committee (PBAC), the Working Group presented its initial deliberations on scope, principles and criteria for a new strategic resource allocation methodology.

- The Executive Board, having considered the recommendation of the PBAC:
  - decided on an exceptional basis to maintain the current membership of the Working Group on Strategic Budget Space Allocation, namely, Belgium, Cameroon, Egypt, Malaysia, Maldives and Mexico;
  - requested that the Programme, Budget and Administration Committee report to the Executive Board at its 136th session on the outcome of the deliberations of the Working Group on Strategic Budget Space Allocation.

- At the Sixty-seventh World Health Assembly in May 2014, Member States agreed that more analysis and in-depth discussion were needed, and endorsed the road map towards the development of a proposed strategic budget space allocation methodology to be considered by the Executive Board in January 2015.
Second Face to Face Meeting of WG

- The Working Group on Strategic Budget Space Allocation held its second face-to-face meeting on 12 and 13 November 2014.
- Feedback from discussions on strategic budget space allocation held during recent regional committees advised the deliberations of the Working Group over the course of the two-day meeting.
- The report (EB136/35) outlines the outcome of the Working Group’s deliberations and elaborates on the methodology it is proposing for consideration by the Executive Board.
Recommendations from the Working Group

- The Working Group agreed with the current breakdown of the segments and the guiding principles previously set out for this exercise.

- It emphasized that the proposed methodology would be a prototype, to be evaluated and improved, as needed.

- The proportion of budget space allocation amongst the segments should be revisited in the future in the context of ongoing WHO reforms.

- It should be flexible to allow for allocation and re-allocation of budget space, and should be based on the best available data.
Recommendations of the Working Group
Segments 4-2

- Segment 4 – Response to emergency events such as outbreak and crisis response:
  - The funding for polio should continue as per the Polio Eradication and Endgame Strategic Plan.
  - Consideration should be given to the creation of a global revolving fund to address international health emergencies, and of regional emergency funds to address emergencies within regions.

- Segment 3 – Administration and management:
  - The current approach to budget space allocation for administration and management should be maintained until the Reform process is completed.
  - Consideration should also be given to institutionalizing cost-efficiency measures within the Organization and regular reporting to Governing Bodies on cost-efficiency measures and any savings achieved via the Programme, Budget and Administration Committee.

- Segment 2 – Provision of global and regional public goods:
  - Budget space allocation for the provision of global and regional public goods should continue to follow current practice.
  - Based on governing body resolutions and international commitments, priorities as outlined in the General Programme of Work, and in conformity with other WHO Reform initiatives.
Recommendations of the Working Group
Segment 1

- Segment 1 – Technical cooperation at country level.
  - Two-step approach was suggested:
    - The first step: determine the aggregated budget space allocation at the regional level.
    - The second step: allocate budget space to support technical cooperation at the country level of work.

- To determine the aggregated budget space allocation at the regional level:
  - the Working Group considered a number of models with different formulations of indicators, and the advantages and disadvantages of each indicator based on criteria such as the quality, stability and availability of data.

- The Working Group members were in favour of a composite model (V):
  - Consisting of indicators: GDP per capita PPP $; births in the presence of skilled attendance; DPT3 vaccine coverage; total DALYs; and population density.
  - This model yields increases in budget space allocation for some regions and reductions for other regions.

- A transition period for the implementation of the proposed model by limiting the shift in the budget space allocation to no more than 2% per biennium, using the 2014/15 regional budget allocations as the starting point, was recommended.
## Results from composite models

<table>
<thead>
<tr>
<th>Model 1(B) - included indicators:</th>
<th>Composite Model 3 (T) - included indicators:</th>
<th>Composite Model 4 (U) - included indicators:</th>
<th>Composite Model 5 (V) - included indicators:</th>
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<tbody>
<tr>
<td>GDP per capita PPP $</td>
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<td>Life expectancy</td>
<td>Births in the presence of skilled attendants</td>
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<td>Births in the presence of skilled attendants</td>
<td>DPT3 vaccine coverage</td>
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<td>DPT3 vaccine coverage</td>
<td>DALYs– CD+Maternal+Perinatal+Nutrition</td>
<td>DALYs– NCD+Injuries</td>
<td>DALYs– NCD+Injuries</td>
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<td>Total DALYs</td>
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<td>Price level</td>
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<tr>
<th>WHO region</th>
<th>Planned Budget 2014-15</th>
<th>Average from 2006 Validation Mechanism</th>
<th>Model 1(B)</th>
<th>Composite Model 2 (S)</th>
<th>Composite Model 3 (T)</th>
<th>Composite Model 4 (U)</th>
<th>Composite Model 5 (V)</th>
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<td>47.67%</td>
<td>42.53%</td>
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General Recommendations from WG

The Working Group recommends:

- Strengthening WHO’s results-based management by moving from resource-based to results-based planning and budgeting.

- Making the catalogue of resolutions used for planning the 2016-17 biennium available to the PBAC in order to improve understanding of segment 2.

- Advancing governance reform, in particular finalizing the definition of the roles and responsibilities of the three levels of the Organization, recognizing that both the strategic budget space allocation methodology and the programme budget serve to fulfill the Organization’s mission.
THANK YOU