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PROPOSED PROGRAMME AND BUDGET ESTIMATES FOR 1970

Background Information

Supplementary to the information provided in the introduction to the programme and budget document (WPR/RC19/2), the Regional Director has the honour to present this paper in order to provide more detailed information about the main sources from which the activities of the Region are financed and the methods of computation of the budget estimates, together with some observations on the 1969 revised budget figures and the figures for 1970.

1 GENERAL PRINCIPLES AND PROCEDURES

1.1 Main sources of funds

1.1.1 Regular funds

Two years ahead of the year of implementation, the Director-General informs the Regional Director of the amount (termed "allocation") within which the regional programme under the regular budget should be planned. Based on this tentative allocation, the Regional Director plans his programme in consultation with governments. Projects which can be accommodated within this allocation are included in the proposed regional programme and budget estimates and presented to the Regional Committee for review and recommendations to the Director-General. Projects for which funds are not expected to be available are placed in a Supplementary List. During the year preceding the year of implementation,

/the Director-General ...

the Director-General submits his programme and budget estimates to the Executive Board for review and recommendations and then to the World Health Assembly for approval. After the World Health Assembly action, the Director-General allocates the approved funds accordingly.

1.1.2 United Nations Development Programme

On 1 January 1966 the Expanded Programme of Technical Assistance of the United Nations (EPTA) and the United Nations Special Fund (UNSF), which are described below, were combined to form the United Nations Development Programme (UNDP). However, the special characteristics and operations of EPTA and UNSF, as well as the two separate funds, have been maintained in the UNDP, and, as hitherto, contributions may be pledged to the two programmes separately. The sources of funds are voluntary contributions made by governments.

The World Health Organization participates in the UNDP under the authorities given to the Director-General and to the Executive Board by the World Health Assembly.

1.1.2.1 Technical Assistance component of the UNDP (UNDP/TA)

WHO is responsible for the health aspects of general economic development programmes undertaken under the UNDP/TA. The technical aspects of the proposed projects are negotiated between governments and the Regional Office.

A new system of continuous project budgeting is being introduced on 1 January 1969. The present biennial budgeting system is to be discontinued at the end of 1968.

In accordance with the new system, governments receiving technical assistance from the UNDP have been given target figures, or "ceilings", for 1969 and the three ensuing years within which figures they may request assistance for each of the years 1969 through 1972. In addition, governments may request new projects as and when the need arises provided that their annual target figures are not exceeded.

/The projects ...

The projects for the years 1969 and 1970 shown in the programme and budget document (WPR/RC19/2) are based either on government requests to the UNDP or information from health ministries that they are recommending the projects concerned to the government's co-ordinating council, which is the body charged with the responsibility of requesting projects from UNDP funds.

1.1.2.2 Special Fund component of the UNDP (UNDP/SF)

WHO, acting as an executing and participating agency of the UNDP/SF or as a co-operating agency for other executing and participating agencies' projects, takes care of the health aspects of these pre-investment study and survey projects. Governments may request new projects as and when the need arises. There are no country targets restricting the total amount of requests in favour of a country at this time.

1.2 Composition of the regular budget

1.2.1 The Regional Office covers the cost of the staff, their duty travel, public information and hospitality, together with their associated common service costs. These are the costs applicable to the directing, co-ordinating and administrative functions carried out under the authority of the Director-General through the Regional Director for the field activities of the Region. The details of these costs are set out on pages 3-8 inclusive of document WPR/RC19/2.

1.2.2 Field Activities cover the costs of the staff, their duty travel together with the associated common service costs of the regional advisers and the WHO representatives, along with the costs of project staff, consultants, fellowships, supplies and other costs of the country and inter-country programmes of the Region. The details of these costs are set out on pages 9-257 inclusive of document WPR/RC19/2.

1.3 Computation of the regular budget estimates

1.3.1 Filled posts

All filled posts have been costed in accordance with the actual entitlements of the incumbents, except that provision for terminal

/emoluments ...

emoluments has been included in the cost estimates on the basis of percentages determined by experience.

1.3.2 Vacant posts

Vacant posts have been costed on the assumption that they will be filled at the base step of the salary scale for the grade concerned, and related costs that represent percentages of the salaries, such as contributions to the pension fund and staff insurance, have been computed likewise. Other entitlements have been computed on averages based on actual expenditure over a five-year period.

1.3.3 Delays in filling new posts

A deduction is made from the total estimates equivalent to four months' delay in filling each new professional post. The average delay period of four months for all professional posts is based on past experience.

1.4 Computation of the UNDP/TA estimates

For 1969 and onwards, posts and fellowships are costed on the basis of pro forma (or standard) costs which have been set by the UNDP. These pro forma costs are being applied to all UNDP projects including those being administered by WHO. Supplies and equipment, however, continue to be costed on an estimated actual cost basis. Savings accruing from the application of pro forma costs for posts and fellowships will revert to the country's allocation.

1.5 Computation of the UNDP/SF estimates

For the original estimates, pro forma costs set by the UNDP are used for posts and fellowships. Supplies and equipment and sub-contractor costs are based on estimated actual costs. As posts are filled and fellowship details set, actual costs are used in the budget estimates.

2 SPECIFIC COMMENTS ON THE PROPOSED REGULAR PROGRAMME AND BUDGET ESTIMATES

2.1 The revised 1969 figures

No changes have occurred in the presentation of the revised 1969 figures compared with those shown in last year's programme and budget document. The major subject headings shown in summary form with totals for each heading are set out on pages 1 and 2 of the document and are also unchanged from last year's document.

For 1969 one main transfer of funds has been proposed to the Director-General. It is proposed to transfer \$70 325 from the field activities section of the budget to that of the regional office. This sum is made up of \$43 514 for general service staff salary increases, \$6732 for an international staff post adjustment revision upwards, \$10 593 to cover increased requirements following changes among the staff filling international posts in the Regional Office and a contingency provision of \$9486 for the Regional Office's part of the cost of possibly having to replace the roof of the regional office building. In connexion with this latter item it should be noted that the roof has now seen ten years of life which in tropical conditions is considered to be the life span of a roof. It has therefore been considered prudent to provide for this eventuality. The other \$10 514 required for the replacement of the roof (the total for this item is \$20 000) is recorded under the common service costs of regional advisers.

The \$43 514 increase for general service staff salaries deserves special mention.

A general service salary survey was carried out in late 1967 and early 1968. This survey showed an unexpected and marked upward trend in Manila's "best employers" service conditions, which is the United Nations basis for setting general service salary rates. The survey results led to salary revisions of as high as 33-1/3% in the lowest grades of the scale. The increases over the scale then tapered off through 25%, 16%, etc. to 5% in the highest grades of the scale.

/The previous ...

The previous survey in 1965 did not show a marked upward trend but rather a gradual curve. The resulting change in salary scales was implemented on 1 February 1968 necessitating a transfer of \$24 000 in favour of the Regional Office early in 1968.

For 1969, the above-described increases in regional office costs have been set off in the field activities section of the budget by equivalent reductions in project costs, more especially in the provisions for fellowships which are undercosted. These shortfalls in funds are expected to be made up from the various fellowships which are not taken up because candidates are not designated in time for programmes to be arranged before the funds lapse. The total amount involved, \$70 325, represents 1.65% of the field activities section of the budget or 1.45% of the Region's total regular budget for 1969.

Apart from the above proposed transfer of funds between sections and cost increases of a similar type affecting the regional advisers' estimates, a number of programme changes in the field activities section are reflected in the revised 1969 figures. These changes follow government requests arising from programme priorities and needs having changed since the preparation of the original 1969 programme and budget estimates either during the planning or implementation stages. These changes have accordingly affected the allocation of the field activities budget estimates under major subject headings. Finally, an additional post in public health administration, with associated secretary, has been added starting in 1968.

2.2 The 1970 figures

As for the revised 1969 figures discussed above, no changes have occurred in the presentation of the 1970 figures compared with 1969. The major subject headings set out in summary form appear on pages 1 and 2 of the document under review, WPR/RC19/2.

The total regular budget for 1970 amounts to \$5 301 600 which is an increase of \$446 000 over that of 1969. This is a percentage

/increase of ...

increase of 9.2%. This compares with an increase of \$463 600, or 10.6%, between 1968 and 1969. In this connexion it should be noted that the Region's allocation for malaria has remained unchanged for the three years 1968, 1969 and 1970 and thus the whole of the increase for 1969 over 1968 and for 1970 over 1969 has been available for major subject headings other than malaria, less that required for the Regional Office.

For 1970, of the total regular budget amounting to \$5 301 600, 87.1% (\$4 618 330) has been allocated to field activities and 12.9% (\$683 270) to the regional office. These percentages compare with 87.7% and 12.3% respectively for 1969. As is noted on page 3 of document WPR/RC19/2 under "Personnel", the increased percentage for the regional office's share of the total budget for 1970 is in part accounted for by the addition of a translator/revisor and associated secretary to the regional office strength.

In considering regional office costs it must be borne in mind that apart from the regular budget, the budget funds provided by the UNDP are also directed, co-ordinated and administered by the Regional Office. When these funds are added to the regular field activities funds, the percentages of regional office costs to the totals are 10.9% and 9.8% for 1970 and 1969, respectively.

The field activities sector covering regional advisers, WHO representatives and country and inter-country projects are described in detail in document WPR/RC19/2, pages 9-257 inclusive. The choice of projects has been governed by the general programme of work approved by the Regional Committee and the World Health Assembly taking into account the needs of continuing projects and the priorities set by governments.