



***Interim Financial Report***

**Action Programme  
on  
Essential Drugs**

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**Interim Financial Report  
of the Biennium 1998-1999**

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Geneva  
February 1999



World Health Organization  
Geneva



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# 1. Introduction

This interim financial report of the 1998–1999 biennium focuses on the financial implementation of the *Programme Plan and Budget for 1998–1999*<sup>1</sup> which was adopted by the tenth meeting of the Action Programme on Essential Drugs (DAP) Management Advisory Committee in March 1998. It is based on data available as at 31 December 1998. At the time of preparing the report they were still subject to final end-of-year adjustments. It is not anticipated that these adjustments will have a material effect on the figures in this report. This financial report is not the subject of a separate audit since the end of biennium figures are extracted from the audited WHO financial report.

Since the new Director-General took office in July 1998, headquarters programmes have been grouped into nine operational clusters. Within the Health Technology and Pharmaceuticals (HTP) cluster, the work of DAP and most components of the Division of Drug Management and Policies (DMP), have been combined into a single WHO medicines department—the Department of Essential Drugs and Other Medicines (EDM). Essential Drugs and Other Medicines did not begin to operate as a single department until early 1999. Therefore, this report covers 1998 financial implementation for only the Action Programme on Essential Drugs. It complements the *Interim Report of the Biennium 1998–1999*<sup>2</sup>, which describes programmatic implementation of planned DAP activities during 1998.

## 2. Budget

The *Programme Plan and Budget for 1998–1999* was approved at the tenth Management Advisory Committee (MAC) meeting in March 1998 in the amount of US\$ 22.0 million. This budget reflected the increase in unspecified extrabudgetary funding received by the Programme in 1996–1997 and the favourable financial picture presented in the *DAP Financial Report of the Biennium 1996–1997* (DAP/MAC(10)/98.5).

The budget approved by the MAC represented a “level contributions budget” which could be fully funded with unspecified extrabudgetary income of exactly the same amount actually received by DAP in 1996–1997 combined with WHO regular budget income authorized for 1998–1999, specified extrabudgetary income expected from existing agreements, and carry-over funds from income received in 1996–1997.

This *Interim Financial Report* therefore relates to the *Programme Plan and Budget for 1998–1999* and the budget total of US\$ 22.0 million. (The approved programme budget for 1996–1997 was US\$ 19.3 million). The breakdown by programme area is as follows: country programme development 60% (1996–1997: 66%), policy and

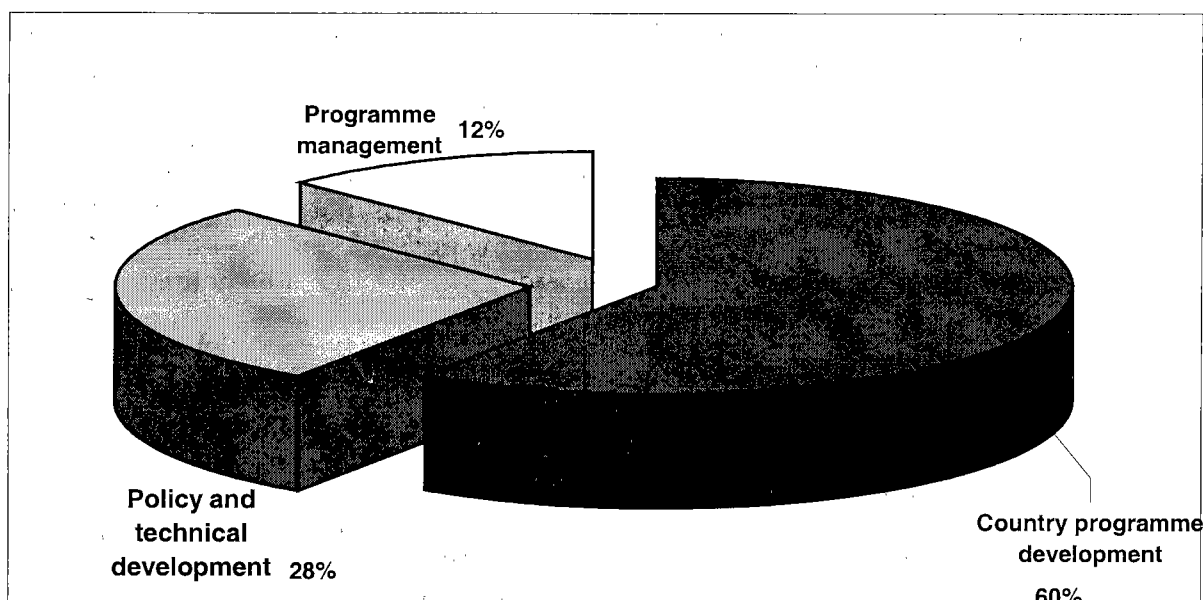
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<sup>1</sup> Document DAP/MAC(10)/98.9.

<sup>2</sup> Document WHO/HTP/EDM/MAC(11)/99.4.

technical development 28% (1996–1997: 19%), and programme management 12% (1996–1997: 15%) (see Figure 1).

**Figure 1. DAP programme budget by programme area for the biennium 1998–1999**



**Table 1. Budget summary 1998–1999 and obligations for 1998**

	1996–1997		1998–1999		1998	Impl. rate %
	Actual Obligations US\$ 000	%	Budget US\$ 000	%	Obligations US\$ 000	
<b>Programme areas of work</b>						
Country programme development	10,007	60	13,082	60	7,401	57
Policy and technical development	4,188	25	6,169	28	2,426	39
Programme management	2,481	15	2,754	12	2,051	74
	16,676	100	22,005	100	11,878	54
<b>Analysis by type of funding</b>						
Unspecified	7,309	44	12,676	57	6,121	48
Specified	7,872	47	7,420	34	4,860	65
Regular Budget	1,495	9	1,909	9	897	47
	16,676	100	22,005	100	11,878	54

"Impl. rate" refers to implementation rate, i.e. obligations against budget.

The budget analysis by type of funding in Table 1 above shows that the unspecified part of the budget is 57%, which is higher than the actual level of 44% in 1996–1997. As a result, specified extrabudgetary funds represent only 34% of the overall budget (compared to 47% of the overall obligated amount in 1996–1997).

The regular budget for 1998–1999 of US\$ 1.9 million contains an “unspecified” component of US\$ 0.6 million for activities and a “specified” component for staff costs of US\$ 1.3 million.

The current balance between country programme development, policy and technical development, and programme management is the direct result of the 1997 *WHO Essential Drugs Strategy*.<sup>3</sup> It reflects the anticipated impact of more efficient country support resulting from a more focused approach and integrated planning with Regional Offices. It also reflects the increased emphasis on global policy and technical development work. Current priorities in this area are: (1) focusing on policy impact, which includes stronger monitoring and evaluation; (2) increasing access to drugs in the context of political, social and economic change; (3) broadening efforts in rational drug use; and (4) putting regulatory and quality assurance standards into practice.<sup>4</sup>

### 3. Obligations (implementation)

Obligations incurred during the first half of the biennium amounted to US\$ 11.9 million (54% implementation). Midway through the biennium, the overall implementation rate expected would be 50%. Traditionally, the rate for the first year of the biennium is lower than that of the second year. Thus, with an overall implementation rate of 54% against the budget for 1998–1999, the Programme is well on target regarding implementation of the plan and budget for the biennium.

#### 3.1 Country programme development

Country programme development obligations totalled US\$ 7.4 million (57% implementation) compared to US\$ 13.1 million in the budget (Table 1). Country programme development obligations using unspecified funds totalled US\$ 2.7 million in 1998 (47% implementation) which nearly equals the obligations of US\$ 2.8 million using unspecified funds for the entire 1996–1997 biennium (see Section 7.2). The substantially higher expenditure of unspecified funds for country programme development reflects both the higher 1998–1999 budget approved by the MAC and a higher implementation rate.

As can be seen in Section 7.4, implementation rates exceed 50% in all but two of the six WHO regions. Rates are highest for the African and European regions. In both regions high implementation rates are explained in part by large specified projects that have been funded and implemented more rapidly than anticipated in the 1998–1999 programme plan. Implementation was lowest in the Eastern Mediterranean Region.<sup>5</sup>

<sup>3</sup> Document DAP/MAC(9)/97.4.

<sup>4</sup> See *Interim Report of the Biennium 1998–1999* (WHO/HTP/EDM/MAC(11)/99.4).

<sup>5</sup> For a discussion of EMRO implementation see Section 1.2 of the *Interim Report of the Biennium 1998–1999* (WHO/HTP/EDM/MAC(11)/99.4).

Overall, the high implementation rate for country programme development reflects:

- Implementation of large specified projects at or beyond the level anticipated for 1998–1999.
- Greater integration of planning, monitoring and implementation between DAP and the six regional offices.<sup>6</sup>
- The benefits of having specific regional focal points among the DAP country programme development staff.
- The emphasis on achieving greater effectiveness in a smaller number of countries.

### 3.2 Policy and technical development

Policy and technical development obligations totalled US\$ 2.4 million (39% implementation), compared to US\$ 6.2 million in the budget (Table 1). Implementation was highest in the areas of rational drug use (52%), health economics and drugs financing (47%), and drug regulation and quality assurance (47%). It was lowest in the areas of national drug policy methods and monitoring (32%), access, drug management and supply strategies (38%), and information and advocacy (30%). (See Section 7.5 for implementation rates for specific areas of policy and technical development.)

For each of the three areas with high implementation rates, a coordinator was in place throughout the year to plan and manage the work. Additionally, each area has strong WHO collaborating centres, well-established regional or international networks, or other cooperative arrangements which have facilitated programme implementation.

For the three remaining areas, it is anticipated that the filling of current vacancies, combined with implementation of activities initiated during 1998, will ensure that implementation increases during 1999.

Additionally, DAP support for Roll Back Malaria, Integrated Management of Childhood Illnesses, and access to other problem-specific drugs is being channelled via the area of drug management and supply strategies. Increased commitment in this area will contribute to a higher financial implementation rate for policy and technical development during 1999.

### 3.3 Obligations by type of funding

Within the overall obligations for 1998, obligations using unspecified funds amounted to US\$ 6.1 million (48% implementation), compared to US\$ 12.7 million in the budget (Table 1). Specified funded obligations totalled US\$ 4.9 million against a budgeted figure of US\$ 7.4 million (65% implementation).

Obligations funded by regular budget in 1998 mounted to US\$ 0.9 million compared to the budget figure of US\$ 1.9 million (47% implementation). The relatively low implementation rate for the regular budget primarily reflects the

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<sup>6</sup> See Section 1.2 in the *Interim Report of the Biennium 1998–1999* (WHO/HTP/EDM/MAC(11)/99.4).

effects of delayed recruitment due to frozen posts. During the year 1998, out of four regular budget staff posts, two posts have been frozen/stalled and the administrative post has been transferred to the Management Support Unit. It is expected that the two frozen/stalled posts will be released in 1999 and staff recruited against these posts.

## 4. Income and Resources

The 1998–1999 budget of US\$ 22.0 million is being financed from the following sources:

- specified and unspecified extrabudgetary contributions during 1998–1999 from donor countries, United Nations organizations and agencies, and other contributors;
- the World Health Organization (WHO) regular budget; and
- the balance brought forward from the previous biennium 1996–1997.

**Table 2. Summary interim financial statement for 1998–1999**

	1996–1997 Actual US\$	1998–1999 Budget US\$	1998 Actual US\$
Opening balances 1 January	9,911,105	12,889,000	12,849,875 <sup>(a)</sup>
Income	19,653,786	17,882,000	9,454,234
Total resources	29,564,891	30,771,000	22,304,109
<b>Actual obligations</b>	<b>16,675,978</b>	<b>22,005,000</b>	<b>11,878,806</b>
<b>Closing balances 31 December</b>	<b>12,888,913<sup>(b)</sup></b>	<b>8,766,000</b>	<b>10,425,503</b>

<sup>(a)</sup> Please note that the **opening balance of 1 January 1998 is the final actual amount** as reflected in the WHO final financial statements.

<sup>(b)</sup> The actual closing balance as of 31 December 1997 was based on provisional data as of 15 February 1998, pending final closure of accounts by WHO.

Total income received in 1998 amounted to US\$ 9.5 million (Table 2). This consisted of US\$ 4.3 million of unspecified extrabudgetary contributions (45%), US\$ 3.8 million of specified extrabudgetary contributions and US\$ 1.4 million from WHO regular budget funds (Table 3).

**Table 3. Summary of income received in 1998 and required during 1999**

Type of funding:	1996–1997	1998–1999	31 Dec. 1998	1999
	Income Received <sup>(a)</sup> US\$ 000	Budgeted Income <sup>(b)</sup> US\$ 000	Actual Income <sup>(c)</sup> US\$ 000	Required Income US\$ 000
Unspecified extrabudgetary	9,558	9,558	4,259	5,299
Specified extrabudgetary	8,528	6,415	3,774	2,641
Regular budget	1,568	1,909	1,421	488
<b>Total</b>	<b>19,654</b>	<b>17,882</b>	<b>9,454</b>	<b>8,428</b>

(a) From Section 8.4, *Financial Report of the Biennium 1996–1997*.

(b) From Section 8.2, *Programme Plan and Budget 1998–1999*.

(c) From Section 8.2, *Interim Financial Report 1998–1999*.

The budgeted unspecified extrabudgetary income approved by the MAC for 1998–1999 was US\$ 9.6 million, which was exactly equivalent to the actual unspecified extrabudgetary income received during 1996–1997 (see Table 3, above). This reflects the principle established by the MAC that anticipated funding should be based on the actual level of funds received in the previous biennium.

Unspecified extrabudgetary income received in 1998 amounted to US\$ 4.3 million, which is 45% of the budgeted amount of US\$ 9.6 million. Unspecified extrabudgetary income currently funds 45% of country programme development work, 79% of policy and technical development work, and 70% of programme management costs (see Section 7.2). Thus, unspecified funds are essential to fund global research projects; to develop policy guidelines and training materials; to publish and disseminate global advocacy materials such as the *Essential Drugs Monitor*; to respond flexibly to country needs following support criteria developed by the Programme; and as a vital source of immediate start-up funding for new programmes in developing countries.

The unspecified extrabudgetary income required during 1999 to fully fund the 1998–1999 DAP programme plan and budget is US\$ 5.3 million (Table 3). If the same level of unspecified funding is received in 1999 as was received in 1998 (i.e. roughly US\$ 4.3 million), then total unspecified income for the biennium will be around US\$ 8.5 million. This represents a shortfall in unspecified income of approximately US\$ 1.0 million, or about 10% of the total budgeted unspecified income. It is anticipated that perhaps 40% of this shortfall will be funded by firm pledges of specified funds (see Section 9.1) for activities that, in the *Programme Plan and Budget for 1998–1999*, were expected to be paid for with unspecified funding. The net shortfall in unspecified funds is therefore estimated to be US\$ 0.6 million.

Specified extrabudgetary income received in 1998 amounted to US\$ 3.8 million, which is 59% of the budgeted amount of US\$ 6.4 million. It is anticipated that the specified portion of the 1998–1999 budget will be fully funded. Specified extrabudgetary funds are called in on an ongoing basis against various donor agreements. During 1998, implementation continued on a number of project agreements initiated in previous years. In addition, a number of new agreements

were entered into in 1998 for which implementation has started. Nearly 90% of specified funds are for country programme development work. New cross-cluster and collaborative projects on antimicrobial resistance and access to HIV/AIDS-related drugs are examples of initiatives that are providing modest amounts of specified funding for policy and technical development work.

So far in this biennium, the Programme has received US\$ 1.4 million from the WHO regular budget out of the total figure of US\$ 1.9 million included in the 1998–1999 budget. Owing to WHO restructuring and the current WHO financial position, it is anticipated that only a portion of the remaining balance of US\$ 0.5 million will be released during 1999. In addition to the regular budget funds received by DAP, regular budget funding is also received by the six WHO Regional Offices for essential drugs activities.

DAP sustained its close working relationships with donors during 1998. One additional donor provided funding to the Programme in 1998 and at least one new donor has indicated plans to begin funding in 1999.

## 5. Detailed Financial Statements

The detailed financial statements in Sections 7 to 9 of this report provide information classified by the Programme's areas of work, by region, and by type of funding. Detailed information is also presented on income and resources.

## 6. Conclusion

The Programme is on target for financial implementation of the *Programme Plan and Budget for 1998–1999*. Financial implementation in 1998 was considerably more advanced than at a similar point in the 1996–1997 biennium, both in relative and absolute terms. This reflects the higher 1998–1999 budget approved by the Management Advisory Committee, the availability of sufficient funds to support the budget, and an expanded programme implementation capacity.

Implementation of country programmes is slightly ahead of plan, while work in policy and technical development is somewhat behind schedule in three of the six policy and technical development areas. However, with the anticipated filling of vacant and stalled posts, it is expected that the 1998–1999 plan and budget will be fully implemented.

Total Programme income is also in line with the programme plan and budget for 1998–1999. A somewhat higher amount of specified extrabudgetary income has been received than anticipated for this point in the biennium. However, a lower amount of unspecified extrabudgetary income has been received than anticipated by the 1998–1999 budget. If 1999 unspecified contributions are equivalent to 1998 contributions, and if some activities planned with unspecified funds are supported by new specified funds (see Section 4 above), a net shortfall of about US\$ 0.6 million can be anticipated.

The 1998–1999 DAP programme plan was developed in coordination with the former DMP and relevant parts of the plan have been implemented through close collaboration between DAP and DMP staff. Therefore, the creation of the Department of Essential Drugs and Other Medicines is not expected to significantly affect financial implementation of WHO work presented in the *DAP Programme Plan and Budget for 1998–1999*.

The work of the new Essential Drugs and Other Medicines Department has been divided among four teams: (1) Policy, access and rational use; (2) Quality, safety and regulation of medicines; (3) Country drug action programme; and (4) Traditional medicine.<sup>7</sup> During the first half of 1999 these four teams will be reviewing work in their areas of responsibility and developing plans for the 2000–2001 biennium. Through this effort, the programmatic and budgetary effects of creating one WHO medicines department, of increased collaboration within WHO, and of WHO priorities for essential drugs and other medicines, should become clearer.

On behalf of the countries, organizations, and individuals which the Programme is serving, we would like to express our gratitude to the donors for their continuing strong support. We hope that this report will provide assurance that funds entrusted to DAP are used in a responsible and cost-effective manner, and really do make a difference. We should also like to thank our partners in the developing countries for their continued confidence. Finally, we should like to thank the ever increasing number of individuals, universities, nongovernmental, professional organizations and other bodies who form part of the global commitment to helping to save lives and improve health by making essential drugs more accessible, by promoting better use of all medicines, and by working to assure drug quality.

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<sup>7</sup> See *Interim Report of the Biennium 1998–1999* (WHO/HTP/EDM/MAC(11)/99.4).

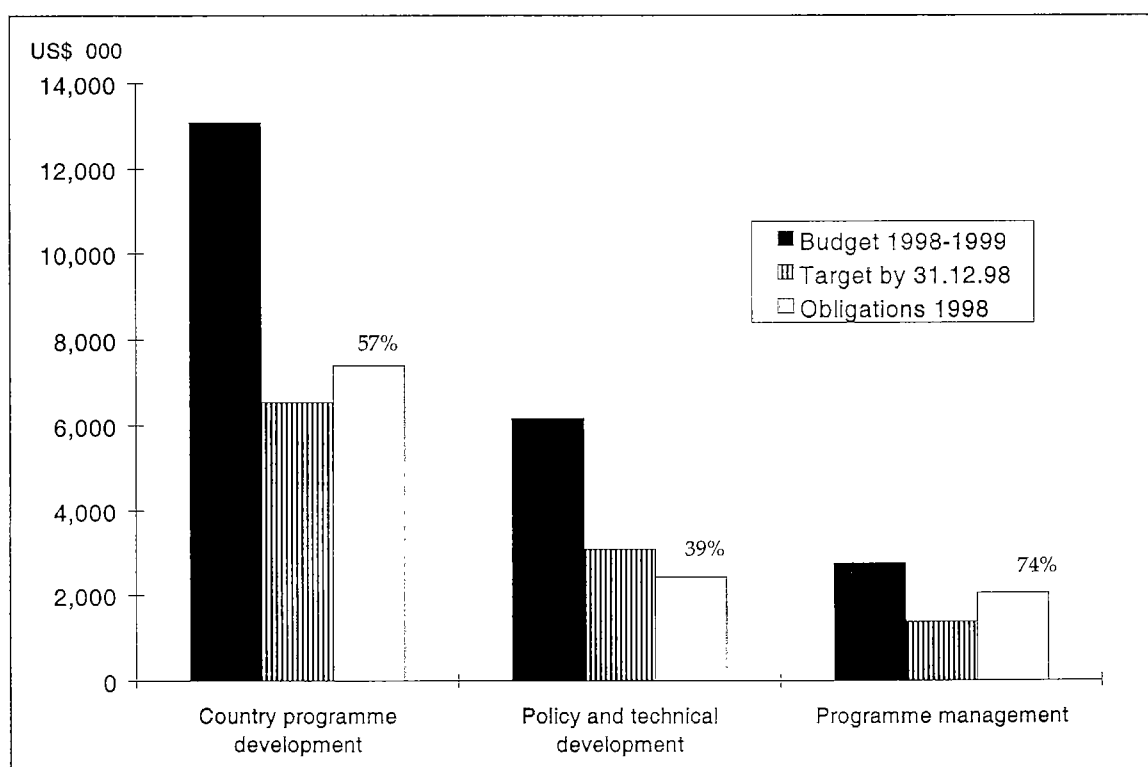
## 7. Implementation of Budget 1998–1999

### 7.1 Obligations for 1998: compared to budget by programme areas of work

	1996-1997		1998-1999		1998		
	Actual	% of	Budget	% of	Actual	% of	Impl.
	Obligations	Total			Obligations	Total	
	US\$ 000		US\$ 000		US\$ 000		
Country programme development	10,007	60	13,082	60	7,401	62	57
Policy and technical development	4,188	25	6,169	28	2,426	21	39
Programme management	2,481	15	2,754	12	2,051	17	74
<b>Total</b>	<b>16,676</b>	<b>100</b>	<b>22,005</b>	<b>100</b>	<b>11,878</b>	<b>100</b>	<b>54</b>

\* "Impl. rate" refers to implementation rate, i.e. obligations against budget.

Figure 2. Actual obligations by programme areas of work compared to budget



## 7.2 Obligations for 1998: compared to budget by programme area of work and by type of funding

	1996-1997		1998-1999		1998		
	Actual	% of		% of	Actual	% of total	
	Obligations	Total	Budget	Total	Obligations	and Impl. rate	
	US\$ 000	%	US\$ 000	%	US\$ 000		
<b>Country programme development</b>				60		62	
Unspecified	2,781	28	5,871	45	2,731		47
Specified	6,832	68	6,553	50	4,515		69
Regular budget	394	4	658	5	155		24
	<u>10,007</u>	<u>60</u>	<u>13,082</u>	<u>100</u>	<u>7,401</u>		<u>57</u>
<b>Policy and technical development</b>				28		21	
Unspecified	2,916	70	4,870	79	2,049		42
Specified	1,022	24	867	14	345		40
Regular budget	250	6	432	7	32		7
	<u>4,188</u>	<u>25</u>	<u>6,169</u>	<u>100</u>	<u>2,426</u>		<u>39</u>
<b>Programme management</b>				12		17	
Unspecified	1,612	65	1,935	70	1,341		69
Specified	18	1	0	0	0		0
Regular budget	851	34	819	30	710		87
	<u>2,481</u>	<u>15</u>	<u>2,754</u>	<u>100</u>	<u>2,051</u>		<u>74</u>
<b>TOTAL</b>	<b><u>16,676</u></b>	<b><u>100</u></b>	<b><u>22,005</u></b>	<b><u>100</u></b>	<b><u>11,878</u></b>		<b><u>54</u></b>
<b>Analysis by type of funding</b>							
Unspecified	7,309	44	12,676	57	6,121	52	48
Specified	7,872	47	7,420	34	4,860	41	65
Regular budget	1,495	9	1,909	9	897	7	47
	<u>16,676</u>	<u>100</u>	<u>22,005</u>	<u>100</u>	<u>11,878</u>	<u>100</u>	<u>54</u>

## 7.3 Obligations for 1998: by activities and staff costs\*

	<u>1996-1997</u>		<u>1998-1999</u>		<u>1998</u>	
	<u>Actual</u>	<u>% of</u>	<u>% of</u>	<u>Actual</u>	<u>Impl.</u>	
	<u>Obligations</u>	<u>Total</u>	<u>Budget Total</u>	<u>Obligations</u>	<u>rate</u>	
	US\$ 000	%	US\$ 000	%	US\$ 000	%
<b>Country programme development</b>						
Activities	8,827		10,810		6,704	62
Staff	1,180		2,272		697	31
	<u>10,007</u>	59	<u>13,082</u>	60	<u>7,401</u>	57
<b>Policy and technical development</b>						
Activities	3,027		4,732		1,925	41
Staff	1,161		1,437		501	35
	<u>4,188</u>	12	<u>6,169</u>	28	<u>2,426</u>	39
<b>Programme management</b>						
Activities	1,251		1,111		757	68
Staff	1,230		1,643		1,294	79
	<u>2,481</u>	29	<u>2,754</u>	12	<u>2,051</u>	74
<b>TOTAL</b>	<u><b>16,676</b></u>	100	<u><b>22,005</b></u>	100	<u><b>11,878</b></u>	54

\* "Staff costs" refer to fixed-term staff costs for 1998-1999; all staff costs have been allocated to each programme area of work. As in the past, costs for personnel on short-term contracts are allocated to the "activities" component of the budget. Under-expenditure for staff is due to recruitment delays and to the freezing/stalling of posts. In such instances, planned work has generally been carried out by short-term professional staff.

### 7.4 Country programme development: obligations (implementation) for 1998 activity budget by region and technical area of intervention

	Obligations 1996-1997		Actual obligations as of 1998											
	US\$ 000	% of total and Impl. rate	Technical areas of intervention										Total	
			NDP		EDF		DMS		RDU		RQC		US\$ 000	% of total and Impl. rate
			US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	
<b>AFRO</b>														
Budget	5,198	45	1,985	51	232	6	346	9	822	21	546	14	3,931	36
Obligations	3,372	65	1,433		167		250		593		394		2,837	72
<b>AMRO</b>														
Budget	2,035	18	959	35	219	8	520	19	603	22	438	16	2,739	25
Obligations	1,381	68	537		122		292		337		246		1,534	56
<b>EMRO</b>														
Budget	996	9	404	52	16	2	70	9	178	23	109	14	777	7
Obligations	694	70	138		6		24		61		37		266	34
<b>EURO</b>														
Budget	1,443	12	73	4	435	24	453	25	580	32	272	15	1,813	17
Obligations	2,273	157	54		322		335		429		202		1,342	74
<b>SEARO</b>														
Budget	792	7	370	46	32	4	105	13	137	17	161	20	805	7
Obligations	529	67	200		18		57		74		87		436	54
<b>WPRO</b>														
Budget	1,017	9	164	22	22	3	97	13	171	23	291	39	745	7
Obligations	578	57	64		9		38		66		112		289	39
<b>TOTAL</b>														
Budget	11,481	100	3,955		956		1,591		2,490		1,818		10,810	
			37%		9%		15%		23%		17%		100%	
Obligations*	8,827	77	2,426		644		995		1,561		1,078		6,704	62
%			44		13		24		19		19		100	

\*Please refer to Section 7.2.

#### Abbreviations and acronyms:

AFRO	Regional Office for Africa
AMRO	Regional Office for the Americas
EMRO	Regional Office for the Eastern Mediterranean
EURO	Regional Office for Europe (covering the Newly Independent States)
SEARO	Regional Office for South-East Asia
WPRO	Regional Office for the Western Pacific
DMS	Access, Drug Management and Supply Strategies
EDF	Health Economics and Drug Financing
NDP	National Drug Policy and Monitoring
RDU	Rational Drug Use
RQC	Drug Regulation and Quality Assurance Capacity

Figure 3. Country programme development: budget and actual

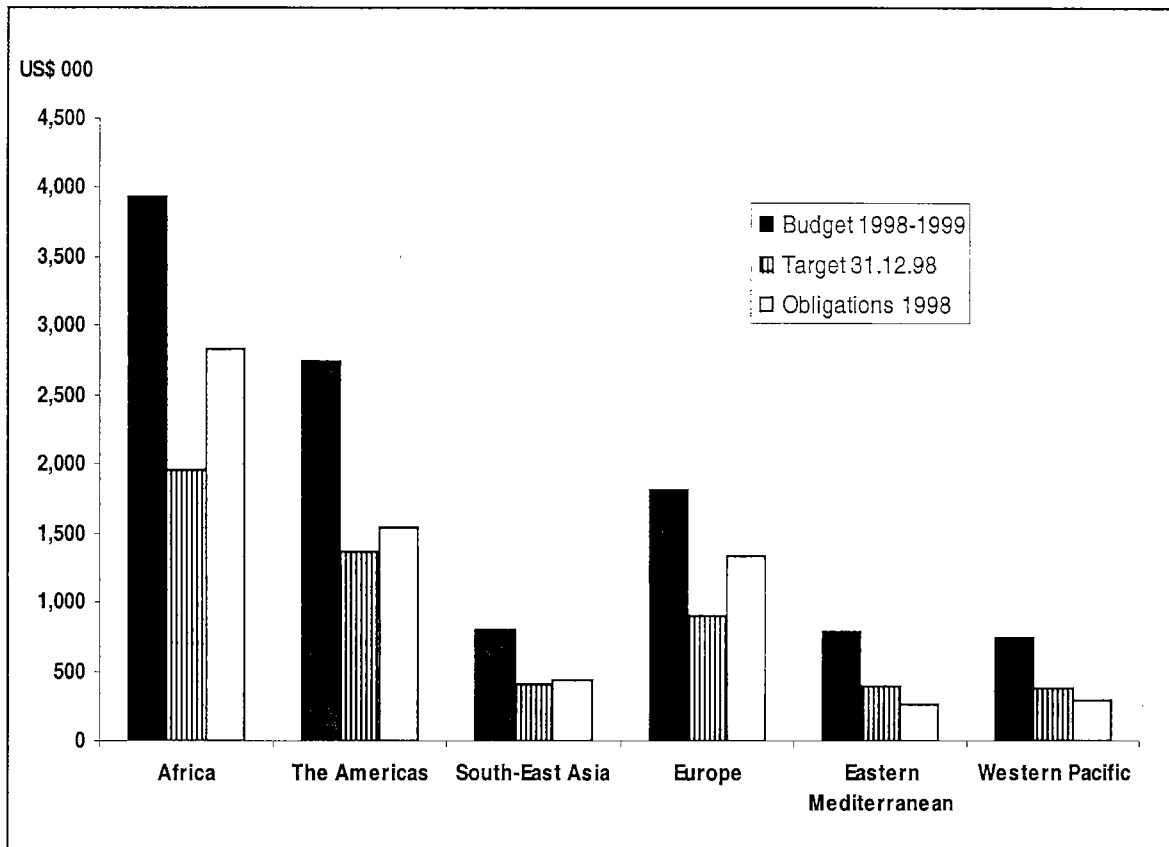
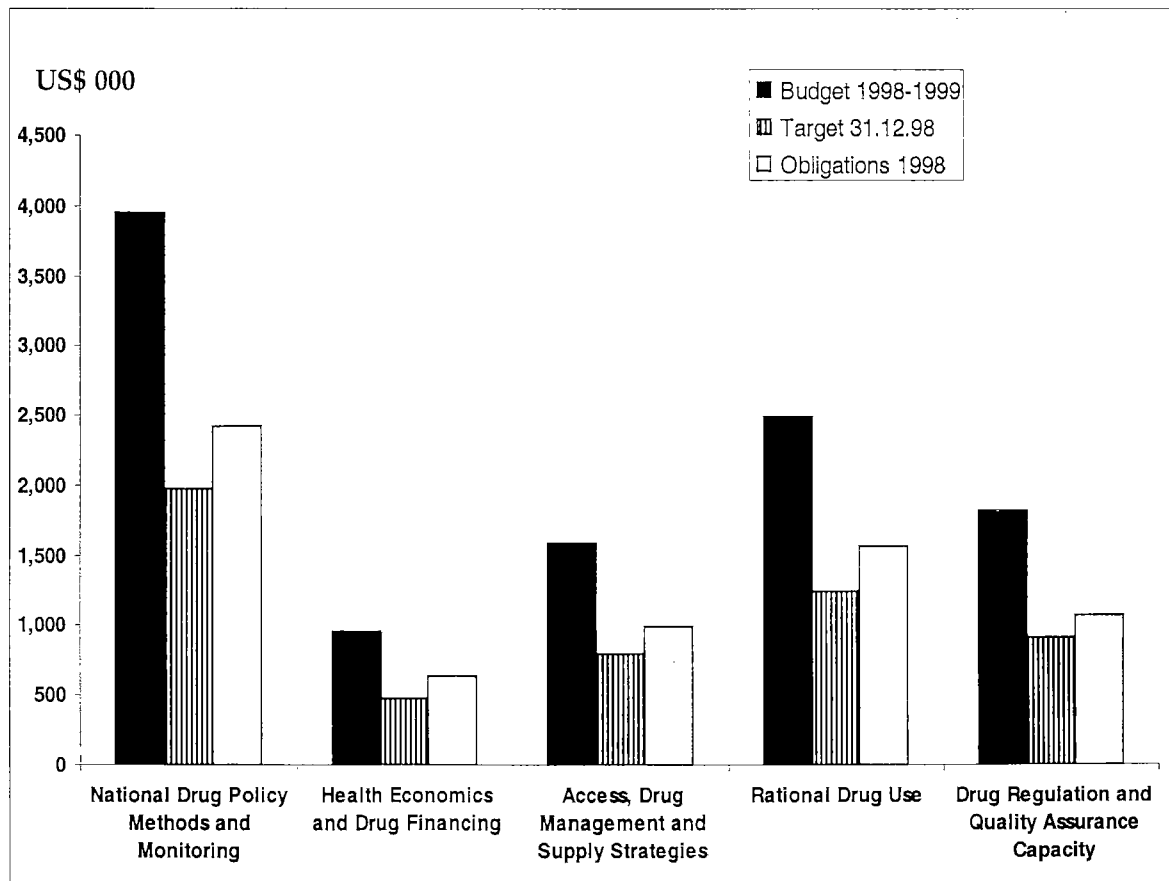


Figure 4: Country programme development: by technical area

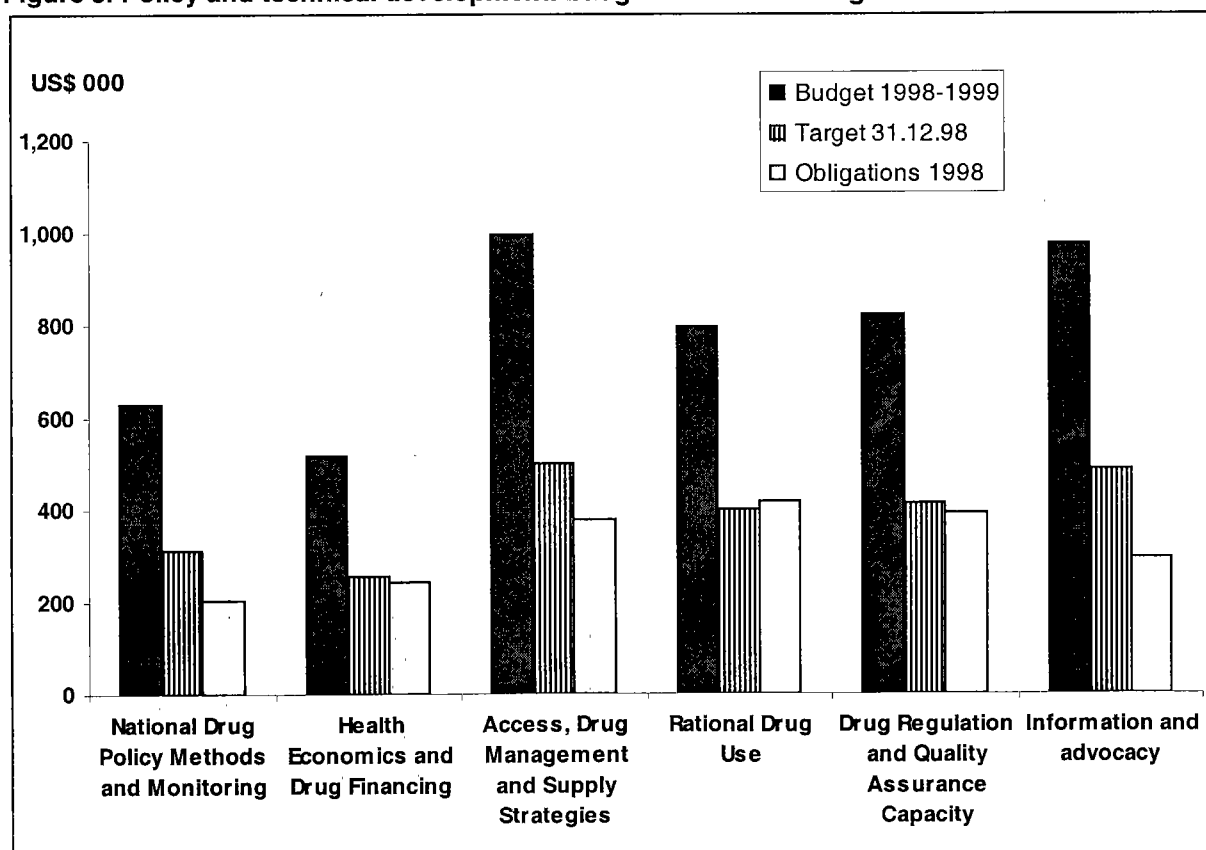


### 7.5 Policy and technical development: obligations (implementation) for 1998 activity budget by area of technical intervention

	1996-1997		1998-1999		1998	
	Actual Obligations		Budget	% of Total	Actual Obligations	Impl. rate
	US\$ 000	%	US\$ 000	%	US\$ 000	%
National drug policy methods and monitoring	*		627	13	202	32
Health economics and drug financing	*		515	11	243	47
Access, drug management and supply strategies	*		996	21	379	38
Rational drug use	*		798	17	416	52
Drug regulation and quality assurance capacity	*		823	17	389	47
Information and advocacy			973	21	296	30
<b>TOTAL</b>	<b>3,027</b>		<b>4,732</b>	<b>100</b>	<b>1,925</b>	<b>41</b>

\*For 1996-1997 the technical areas of intervention were policy and management, supply and logistics, rational use of drugs and quality assurance. Therefore, it is not possible to have the comparative figures for 1996-1997.

Figure 5. Policy and technical development: budget and actual obligation



## 7.6 Programme management: obligations (implementation) for 1998 activity budget

Activity	1996-1997		1998-1999		1998	
	Actual Obligations		Budget		Actual Obligations	
	US\$ 000	% of total	US\$ 000	% of total	US\$ 000	% of Impl. rate
<b>Policy development, strategies, collaboration</b>						
Managerial framework & future strategies	82	7	112	10	68	61
Global policy and technical development	15	1	291	26	196	67
Collaboration with other organizations	42	3	60	5	56	93
Advisers, consultants and temporary assistance	295	24	200	18	174	87
Participation in technical meetings	43	4				
<b>Planning, management, fundraising</b>						
DAP advisory network and fundraising	15	1	25	3	14	56
Information systems	164	13	175	16	78	45
Management Advisory Committee meetings	110	9	110	10	75	68
Staff training and development			50	4	19	38
Management and administration	68	5	88	8	77	88
Support activities	417	33				
<b>TOTAL</b>	<b>1,251</b>	<b>100</b>	<b>1,111</b>	<b>100</b>	<b>757</b>	<b>68</b>



## 8. Income and Resources 1998–1999

### 8.1 Summary interim financial statement

	1996-1997	1998-1999	1998
	Actual US\$	Budget US\$	Actual US\$
Opening balances 1 January	9,911,105	12,889,000	12,849,875 <sup>(a)</sup>
Income (including regular budget)	19,653,786	17,882,000	9,454,234
Total resources	29,564,891	30,771,000	22,304,109
Actual obligations	16,675,978	22,005,000	11,878,806
<b>Closing balances 31 December</b>	<b>12,888,913 <sup>(b)</sup></b>	<b>8,766,000</b>	<b>10,425,303</b>
<b>Balance of 1998-1999 budget to be implemented during 1999</b>			<b>10,126,194</b>

<sup>(a)</sup> Please note that the **opening balance of 1 January 1998 is the final actual amount** as reflected in the WHO final financial statements.

<sup>(b)</sup> The actual closing balance as of 31 December 1997 was based on provisional data as of 15 February 1998, pending final closure of accounts by WHO.

## 8.2 Analysis of income and expenditure for 1998 by type of funding

	1996-1997	1998-1999	1998
	Actual	Budget	Actual
	US\$ 000	US\$ 000	US\$ 000
<b>A. UNSPECIFIED FUNDS</b>			
Opening balance 1 January <sup>(a)</sup>	6,446	8,768	8,799
Income	9,558	9,558	4,259
Total resources	16,004	18,326	13,058
Actual obligations	7,236	12,676	6,121
<b>Closing balance 31 December<sup>(b)</sup></b>	<b>8,768</b>	<b>5,650</b>	<b>6,937</b>
<b>B. SPECIFIED FUNDS</b>			
Opening balance 1 January <sup>(a)</sup>	3,465	4,121	4,050
Income	8,528	6,415	3,774
Total resources	11,993	10,536	7,824
Actual obligations	7,872	7,420	4,861
<b>Closing balance 31 December<sup>(b)</sup></b>	<b>4,121</b>	<b>3,116</b>	<b>2,963</b>
<b>C. REGULAR BUDGET</b>			
Opening balance 1 January <sup>(a)</sup>	0	0	0
Income	1,568	1,909	1,421
Actual obligations	1,568	1,909	896
<b>Closing balance 31 December<sup>(b)</sup></b>	<b>0</b>	<b>0</b>	<b>525</b>
<b>TOTAL</b>			
Opening balance 1 January <sup>(a)</sup>	9,911	12,889	12,849
Income	19,654	17,882	9,454
Total resources	29,565	30,771	22,303
Actual obligations	16,676	22,005	11,878
<b>Closing balance 31 December<sup>(b)</sup></b>	<b>12,889</b>	<b>8,766</b>	<b>10,425<sup>(c)</sup></b>

<sup>(a)</sup> Please note that the **opening balance of 1 January 1998 is the final actual amount** as reflected in the WHO final financial statements.

<sup>(b)</sup> The actual closing balance as of 31 December 1997 was based on provisional data as of 15 February 1998 pending final closure of accounts by WHO.

<sup>(c)</sup> The closing balance at 31 December 1998 of US\$ 10.4 million has been brought forward to 1999 to help fund the remainder of the plan and budget for 1998–1999. Funds are then being assigned on an ongoing basis to planned activities. It will also be necessary to ensure that the budgeted closing balance of US\$ 8.8 million will be available at 31 December 1999. The last MAC meeting confirmed that the budgeted closing balance was at about the right level to secure the Programme, and to fund activity and staff costs during the first part of the 2000–2001 biennium. At least six months' funding must be available in advance of implementation of activities. This takes into account the project cycle of design and development, planning and budget, authorization and implementation. Staff costs are mostly obligated in January 2000 for 2000–2001.

## 8.3 Income received 1998

	1996-1997			1998-1999		
	Unspecified US\$	Specified US\$	Total US\$	Unspecified US\$	Specified US\$	Total US\$
<b>Extrabudgetary contributions</b>						
<b>Donor countries:</b>						
Australia	344,420	0	344,420	168,775		168,775
Denmark	1,002,149	0	1,002,149	301,793		301,793
France	41,580	57,741	99,321			0
Ireland	0	117,255	117,255		105,907	105,907
Italy	0	0	0			0
Japan	330,000	254,550	584,550			0
Luxembourg	43,968	259,900	303,868	43,748		43,748
Netherlands	1,974,802	2,501,946	4,476,748	752,688	1,400,991	2,153,679
Norway	1,746,638	169,300	1,915,938	964,385	149,000	1,113,385
Province of Quebec	14,388		14,388			0
Sweden	261,787	177,838	439,625	256,452		256,452
Switzerland	271,318		271,318			0
United Kingdom	2,255,374	3,734,491	5,989,865	1,250,000	1,804,022	3,054,022
United States of America	0	344,500	344,500		94,500	94,500
	<u>8,286,424</u>	<u>7,617,521</u>	<u>15,903,945</u>	<u>3,737,841</u>	<u>3,554,420</u>	<u>7,292,261</u>
	52%	48%	100%	51%	49%	100%
<b>UN organizations and agencies and Member States:</b>						
IBRD/World Bank	--	--	--			
Malawi	--	298,655	298,655			0
Chad	--	286,543	286,543		65,540	65,540
Joint United Nations Programme on HIV/AIDS <sup>a</sup>					126,047	126,047
UNDP	--	(105,555)	(105,555)			0
	<u>0</u>	<u>479,643</u>	<u>479,643</u>	<u>0</u>	<u>191,587</u>	<u>191,587</u>
<b>Other income:</b>						
Contributions	3,867	25,871	29,738	28,046 <sup>b</sup>	28,000 <sup>c</sup>	56,046
Interest	1,221,080	55,399	1,276,479	492,740		492,740
Unliquid. oblig. savings	46,754	349,343	396,097			0
	<u>1,271,701</u>	<u>430,613</u>	<u>1,702,314</u>	<u>520,786</u>	<u>28,000</u>	<u>548,786</u>
<b>Total extrabudgetary contributions</b>	<u>9,558,125</u>	<u>8,527,777</u>	<u>18,085,902</u>	<u>4,258,627</u>	<u>3,774,007</u>	<u>8,032,634</u>
	53%	47%	100%	53%	47%	100%
<b>WHO Regular budget<sup>d</sup></b>	<u>482,019</u>	<u>1,085,865</u>	<u>1,567,884</u>	<u>359,300</u>	<u>1,062,300</u>	<u>1,421,600</u>
<b>Total income</b>	<u>10,040,144</u>	<u>9,613,642</u>	<u>19,653,786</u>	<u>4,617,927</u>	<u>4,836,307</u>	<u>9,454,234</u>

a Additional support given to DAP by partly funding the salary of a technical officer.

b International Pharmaceutical Federation (FIP), World Self-Medication Industry and miscellaneous.

c Japan Pharmaceutical Manufacturers.

d The "specified" regular budget funds are solely for staff costs and the "unspecified" regular budget funds are for activities mostly at country level.

Acronyms and abbreviation:

IBRD: International Bank for Reconstruction and Development.

UNDP: United Nations Development Programme.

HIV/AIDS: Human immunodeficiency virus/acquired immunodeficiency syndrome.



## 9. Firm Pledges and Income Required

### 9.1 Firm pledges recorded as at 15 February 1999

	Extrabudgetary			Total
	Regular	Unspecified	Specified	
	budget	for 1999	1999-2002	
for 1999	for 1999	1999-2002		
US\$	US\$	US\$	US\$	
Japan			100,000	100,000
Netherlands		729,167	6,398,851	7,128,018
Sweden		245,098		245,098
United Kingdom			3,360,058	3,360,058
United States of America			556,592	556,592
The World Bank: Chad			25,473	25,473
World Natural Medicine Foundation			1,948	1,948
WHO	487,400			487,400
	<u>487,400</u>	<u>974,265</u>	<u>10,442,922</u>	<u>11,904,587</u>

### 9.2 Analysis of income required during 1999 by type of funding

	1996-1997	1998-1999	31 Dec. 1998	1999
	Income	Budgeted	Actual	Required
	Received	Income	Income	Income
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Type of funding:</b>	(a)	(b)	(c)	
Unspecified extrabudgetary	9,558	9,558	4,259	5,299
Specified extrabudgetary	8,528	6,415	3,774	2,641
Regular budget	1,568	1,909	1,421	488
<b>Total</b>	<u>19,654</u>	<u>17,882</u>	<u>9,454</u>	<u>8,428</u>

(a) From Section 8.2, DAP Programme Plan and Budget for 1998–1999 (DAP/MAC(10)/98.9).

(b) From Section 8.2, above.



## Annex 1. Contributions Received 1980-1998

Contributions received (US\$) 1980-1998											
	1980-1981	1982-1983	1984-1985	1986-1987	1988-1989	1990-1991	1992-1993	1994-1995	1996-1997	1998	Total
<b>Extrabudgetary Contributions</b>											
<i>Donor Countries</i>											
Australia						77,780	144,754	258,725	344,420	188,775	994,454
Canada			379,332						0		379,332
Denmark		595,238	1,165,488	2,171,411	2,906,443	781,260	771,507	326,797	1,002,149	301,793	10,022,086
Finland			71,318	205,572	846,879	2,027,098			0		3,150,867
France	400,000		24,631	90,833	136,794	208,496	207,784		99,321		1,167,859
Ireland									117,255	105,907	223,162
Italy			800,500	250,000				406,892	0		1,457,392
Japan				50,000	210,000	310,000	560,000	671,100	584,550		2,385,650
Luxembourg								31,471	303,868	43,748	379,087
Netherlands				5,601,254	2,058,398	4,205,978	5,133,863	5,315,416	4,476,748	2,153,679	28,945,336
Norway					446,244	790,868	816,930	490,701	1,915,938	1,113,385	5,574,066
Province of Québec									14,388		14,388
Sweden			351,753	549,801	616,017	565,196	489,825	302,759	439,625	256,452	3,571,428
Switzerland			186,143	773,221	347,222	1,178,911	583,190	784,433	271,318	4,124,438	4,124,438
United Kingdom			282,692	550,264	1,072,099	1,392,968	1,646,998	3,222,223	5,989,865	3,054,022	17,211,131
United States of America	400,000	595,238	3,261,857	10,242,356	8,640,098	11,563,555	10,548,851	11,810,517	15,903,945	7,292,261	80,258,676
<b>UN Organizations and Agencies</b>											
UN High Commission for Refugees				20,000							20,000
United Nations Children's Fund				5,000	39,550						44,550
United Nations Development Fund					22,600	3,589	278,411	-20,762	-105,555	126,047	178,283
Joint United Nations Programme on HIV/AIDS											126,047
Nigeria Trust Fund				629,351	1,224,349	682,833					2,536,533
International Bank for Reconstruction and Development							1,600,742	1,543,595	298,655	65,540	3,144,337
- Malawi									296,543		298,655
- Chad											352,083
<b>Others* including interest</b>											
<b>Total Extrabudgetary Contributions</b>	400,000	76,534	498,368	1,042,506	1,748,338	2,422,387	645,766	1,712,498	1,702,314	548,786	10,397,497
<b>Regular Budget</b>		671,772	3,760,225	11,939,213	11,674,933	14,672,364	13,073,770	15,045,848	19,085,902	8,032,634	97,356,661
<b>Total Funds Received</b>	400,000	1,056,000	1,142,000	1,115,600	1,340,770	2,183,417	1,596,626	1,608,705	1,567,884	1,421,600	13,032,602
		1,727,772	4,902,225	13,054,813	13,015,703	16,855,781	14,670,396	16,654,553	19,653,786	9,454,234	110,389,263

\*Others includes International Pharmaceutical Federation, Japan Pharmaceutical Manufacturers, World Self-Medication Industry, and Dr Aung.



Annex 2. Funds Received 1980-1997

