



Financial Information 2000

Essential Drugs and Medicines Policy

Budget and expenditure

The operating budget for essential drugs and medicines policy for the biennium was US\$ 30.4 million, of which US\$ 14.1 million had been received by the end of 2000 (Table 1).

When regional and country budgets are included, the total budget for all WHO work in essential drugs and medicines policy is US\$ 49.3 million. Despite the large commitment to normative and standard-setting functions, over 60% of the total medicines budget is used to fund regional and country work (Figure 1).

Diverse funding sources

Funding sources for medicines work are diverse (Figure 2). In 2000, as well as regular budget funds, important extrabudgetary contributions were received from a number of governments (Australia, Denmark, Japan, the Netherlands, Norway and the United Kingdom) and UNAIDS.

Table 1: Summary of income received in 2000 and projected income 2000-2001 — as at 31 December 2000 (US\$ 000)

Type of funding	Received 1998-1999 (a)	Budgeted 2000-2001 (b)	Received to 31.12.00 (c)	Projected income 2001 (d)	Projected income gap 2001 (e)
Unspecified extrabudgetary	7,506	12,542	5,157	5,200	2,800
Specified extrabudgetary	10,748	11,608	3,451	5,398	3,000
Regular budget	6,015	5,639	5,545	—	94
Total	24,269	29,789	14,152	10,598	5,894

(a) Health Technology and Pharmaceuticals Financial Status Report for the Biennium 1998-1999.

(b) Health Technology and Pharmaceuticals Strategic Plan 2000-2003, as presented at Meeting of Interested Partners in 2000.

(c) Health Technology and Pharmaceuticals Interim Financial Status Report for the Biennium 2000-2001.

(d) Based on proposals under consideration, as at 31 December 2000 and pattern of contributions in 2000.

(e) Column (b) minus columns (c) and (d).

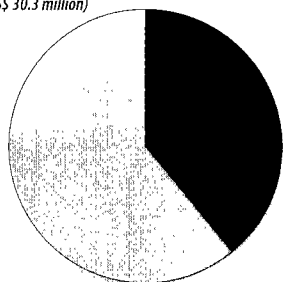
Income received for International Nonproprietary Names is a new and growing source of income (US\$ 264,000). And for the first time, funding was also received from the European Agency for Evaluation of Medical Products.

The department leverages other human and financial support by arranging cosponsoring of technical meetings, including workshops and training seminars, contribution of technical expertise to specific projects, and co-funding of technical publications.

This diversity of funding and in-kind support is reassuring — it means that if funding from one particular source ceases, the impact of its loss is mitigated. Sudden changes to the direction and implementation of the *Medicines Strategy* due to fluctuations in resource

Figure 1: Over 60% of all WHO resources for work in essential drugs and medicines policy are directed toward country and regional implementation support

Country and regional work
61% (US\$ 30.3 million)



Global guidance, norms,
standards 39% (US\$ 19 million)

Global medicines budget 2000-2001
(US\$ 49.3 million)

Funds are budgeted and spent according to the objectives and targets of the *WHO Medicines Strategy 2000-2003*, with the largest share of the funding supporting the objectives of promoting quality and safety of medicines, and securing access to essential drugs (Table 2).

The 26 indicators incorporated in the *Strategy* are being used to monitor activities and to evaluate whether use of resources is optimal.

availability are thereby minimized.

Even greater diversity, however, would help ensure the sustainability of medicines work. In view of the increasing range of partners with which activities are undertaken, it is anticipated that diversity of both funds and in-kind contributions will continue to increase.

Shortfall

The current projected shortfall for the 2000-2001 biennium is US\$ 5.9 million, taking into account income received as at 31 December 2000 and projected income for 2001 (Table 1). Projected income is based on the pattern of contributions in 2000, existing agreements for specified contributions for 2001, pledges for 2001 received by 31 December 2000, and proposals under consideration.

It is anticipated that a portion of this shortfall will be funded through savings from work which has been delayed for programmatic rather than funding reasons, through savings from variations in currency exchange rates, and through new proposals being developed during 2001. However, should this shortfall not be covered, the following areas of work would need to be reduced in scope or delayed until the next biennium:

Country programme development

- Work in countries would be affected across all four objectives of the WHO medicines strategy —

policy, access, quality and safety, and rational use.

- Expansion in the network of national drug access advisors in Africa would be delayed, with advisors being placed in fewer countries.

Policy

- WHO work in monitoring progress.
- Collecting evidence on how traditional medicine has been integrated into national health policies and health care strategies.

Access

- Work to develop new strategies and advocate for improved public financing for essential drugs within overall health financing.
- Continuation of the work on pricing information on essential drugs.
- Support to country building capacity to ensure functional and efficient drug supply distribution systems.

Quality and safety

- Development of specifications, guidelines and standards for quality of anti-tuberculosis drugs.
- Completion of the first phase of the pilot project on quality of HIV-related drugs, including pre-qualification of suppliers of HIV/AIDS-related pharmaceutical products.
- Expansion of traditional medicine evidence base.

Rational use

- Updating and modernizing of the *WHO Model List of Essential Drugs*.
- Publication of additional monographs on quality,

Figure 2: Sources of extrabudgetary revenue received in 2000 (US\$)

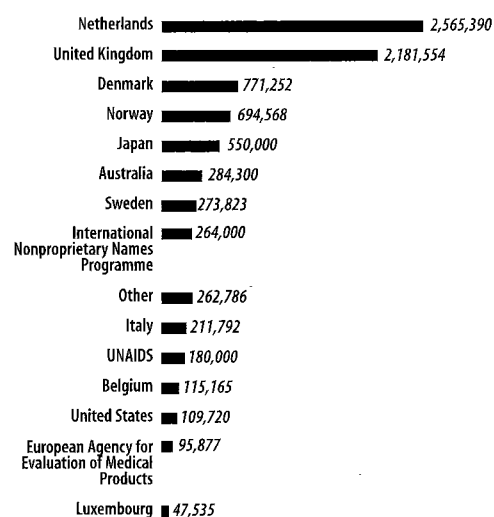


Table 2: Implementation by target as at 31 December 2000 (US\$ 000)

Objective • Component	Budgeted 2000-2001 (a)	Expenditures 2000 (b)
Policy		
Implementation and monitoring of national drug policies	2,067	1,391
Essential drugs supporting health sector development	1,145	884
Access		
Access strategy and monitoring for essential drugs	2,120	1,422
Financing and affordability of essential drugs	2,133	1,191
National and local drug supply systems	2,319	610
Quality and safety		
Standards and guidance for pharmaceuticals	3,171	1,490
Effective drug regulation	4,857	2,730
Information support for pharmaceuticals regulation	1,965	1,119
Guidance for psychotropics and narcotics	659	265
Rational use		
Rational drug use strategy and monitoring	2,527	1,253
Rational drug use by health professionals	2,646	963
Rational drug use by consumers	1,316	614
Sub-total	26,925	13,931
Departmental management and coordination	2,864	1,045
Total	29,789	14,976

(a) *Health Technology and Pharmaceuticals Strategic Plan 2000-2003*, as presented at Meeting of Interested Partners in 2000.

(b) *Health Technology and Pharmaceuticals Interim Financial Status Report for the Biennium 2000-2001*.

safety, and uses of medicinal plants.

- Development of public education and information materials to raise awareness of need for rational and proper use of medicines, including traditional medicine. □