

**12th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 21-23 March 2018

Provisional Agenda Item 4.3

SPBA12/10, Rev. 1
14 March 2018
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PROGRAMMING OF THE REVENUE SURPLUS

Background

1. Financial Regulation 4.8 stipulates that any excess of revenue over the Budgeted Miscellaneous Revenue at the end of a budgetary period shall be considered a revenue surplus and shall be available for use in subsequent periods to cover any unfunded portion(s) of the Strategic Plan, as determined by the Director and with the concurrence of the Subcommittee on Program, Budget, and Administration.
2. The total amount available for programming in 2018-2019 from the revenue surplus of 2016-2017 biennium is approximately US\$ 5.7 million.¹ However, the precise final figure will not be available until the External Auditors complete and sign the audit of the Organization's financial statements, which will occur on or before 15 April 2018.²
3. As has been the case with past revenue surpluses, the revenue surplus offers a unique opportunity for the Organization to invest in longer-term, higher-cost strategic and administrative initiatives that are otherwise difficult to fund within the constraints of typical biennial budgetary exercises.

Proposal

4. The Director is proposing the allocation of the 2016-2017 Revenue Surplus balance as presented below:

Fund	Purpose	Amount (millions)
Master Capital Investment Fund (MCIF)	To fund the MCIF, which is primarily funded through the appropriation of revenue surpluses. The available balance in the Fund as of 31 December 2017 was \$17.7 million.	\$4.1

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

² In accordance with Financial Regulation 14.9.

Fund	Purpose	Amount (millions)
Revolving Fund for Strategic Public Health Supplies	To enable increased utilization of the Revolving Fund for Strategic Public Health Supplies (Strategic Fund) by Member States. The balance of the capitalization of the Strategic Fund as of 31 December 2017 was \$15.0 million.	\$1.6
TOTAL proposed for allocation		\$5.7
REMAINING UNALLOCATED AMOUNT (if any)		\$0.0

Action by the Subcommittee on Program, Budget, and Administration

5. The Subcommittee is requested to consider the proposal presented in this document and to provide its concurrence with the proposed allocation of the revenue surplus.

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