World Health Organization

EXECUTIVE BOARD
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Hosted health partnerships

Report by the Secretariat

1. In accordance with decision EB132(10) (2013), the Executive Board is regularly updated on major developments and issues arising in connection with WHO hosted partnerships.[1] This report contains updates on the following: the study on modalities to ensure cost recovery; the progress made in developing generic hosting terms; the main findings and recommendations of the periodic review of hosted partnerships; and major developments in partnerships hosted by WHO.

ENSURING COST RECOVERY

2. Following the recommendation of the Independent Expert Oversight Advisory Committee, a Working Group composed of representatives from relevant WHO departments and the secretariats of hosted partnerships' was established to develop a new methodology for full recovery by the WHO Secretariat of all costs associated with hosted partnerships, as mandated in decision EB132(10). The Working Group agreed that the new approach should adhere to the principles of fairness, transparency, harmonization, simplicity and cost effectiveness. In line with these principles, a number of different models were discussed; however, they were then ruled out because they would be difficult to implement and costly to manage. The models concerned included the following: administrative service agreements, fees for service models, and similar activity-based costing methods.

3. The Working Group made progress in formulating a proposed methodology for fair and equitable cost recovery, as well as a mechanism to implement the proposed methodology. The cost recovery methodology addressed two matters.

(a) The broad definition of the nature and scope of costs to be recovered (namely: the types of costs/cost categories that would be attributed to the hosted partnerships).

(b) Criteria/basis upon which the amount of the costs are calculated (namely: using an appropriate "cost driver" or reasonable basis in order to determine the costs of services consumed by hosted partnerships).

4. ***Nature of costs to be recovered***: All of the different cost types related to hosting health partnerships are outlined in WHO's programme budget category 6, corporate services/enabling functions. Under the proposed methodology, the service areas "Transparency, accountability and risk

[1] Two reports under this item were submitted: documents EB134/42 and EBPBAC22/2.

management;" and "Management and administration" capture the major cost components that hosted partnerships draw upon and are a reasonable proxy for the range of services that partnerships utilize.

5. ***Criteria to calculate amount of costs***: It is proposed that the basis for cost recovery would be the relative staff costs of partnerships as compared with the total costs of WHO staff. The rationale is that staff costs are a major cost driver of administration and management costs as, for example, staff occupy space, utilize IT infrastructure and benefit from security services. Staff costs serve as an approximate measure of the cost of services consumed and offer a reasonable indication of the size and scale of a partnership relative to WHO as a whole. This method also has the advantage of using easily verifiable figures that are used in audited financial statements and it avoids the need to continuously perform a headcount of staff and the associated cost. The choice of relative staff costs as a basis for cost recovery is informed by the principle of an equitable sharing of costs, with the objective of avoiding an overt subsidy in either direction and minimizing transaction costs.

6. The new methodology will start to be applied to all WHO-hosted entities during 2016. Any significant changes to total costs paid by partnerships as a result of the application of the new approach will be brought to the attention of the relevant partnership board, and the Member States, and if considered necessary, and justified, adjustments may be proposed.

GENERIC HOSTING TERMS

7. A draft of generic hosting terms containing proposals relating to provisions, including on human resources, communications, governance and finance, will be shared shortly with the secretariats of hosted partnerships for comments, with the aim of finalizing the work in the first quarter of 2016.

MAJOR DEVELOPMENTS IN WHO HOSTED PARTNERSHIPS

Alliance for Health Policy and Systems Research

8. The Alliance has enhanced its collaboration with WHO. In addition to an initiative co-launched with the WHO Special Programmes in early 2015, the Alliance is supporting and working with relevant WHO departments on a number of guidance and technical documents related to the use of policy and systems research. The Alliance has also continued to engage with the Regional Offices for the Americas and the Eastern Mediterranean on an initiative aimed at increasing the use of research in programme implementation. The Alliance's 2016–2020 strategic plan is currently being finalized. At the meeting of the Alliance Board, on 5 and 6 October 2015, its core funders, including the Department for International Development of the United Kingdom of Great Britain and Northern Ireland, the Norwegian Agency for Development Cooperation and the Swedish International Development Cooperation Agency, reaffirmed their commitment to the mission and mandate of the Alliance. For the first time, the Alliance has secured funding from a middle-income country, namely, South Africa.

European Observatory on Health Systems and Policies

9. The Observatory's activities are well integrated in the Regional Office for Europe. The active participation of the Strategic Partnership Unit and the Department of Health Systems and Public Health in the Steering Committee, and their coordinating role, ensure effective communication and strong synergies between the Observatory and the relevant WHO areas of work. The Observatory has made major contributions to the WHO agenda in country monitoring, analysis relating to Health 2020:

the European policy for health and well-being, and knowledge brokering. As a result, the Observatory is able to contribute to improved health outcomes by providing Member States and the Secretariat with the evidence needed to evaluate different policy options in context. The interaction with WHO is efficient and in compliance with expectations. The Observatory's governance structures have been fine-tuned, while planning, financial management, human resources and reporting are fully aligned with WHO recommendations.

Global Health Workforce Alliance

10. In 2015, the Alliance Board took a decision to ensure completion of the existing mandate by May 2016, prioritizing activities in the final period, 2015–2016, in order to achieve that end. Consequently, the Alliance Board is in the process of identifying a new network mechanism for global engagement, alignment and coordination of the health workforce agenda. The new mechanism will take note of the interconnected nature of the recently adopted Sustainable Development Goals, the links between the health workforce and the targets on gender, education, employment, labour and poverty reduction, and the need for greater attention to health systems and multisectoral engagement in order to achieve universal health coverage. It is envisaged that the mechanism will provide support for the adoption and implementation of WHO's Global Strategy on Human Resources for Health: Workforce 2030, and will include the Alliance Board's proposal for a human resources for health network hosted by WHO. The 19th Board Meeting was held on 22 and 23 October 2015. An external review of the "legacy" of the Alliance (2006–2016) will be published in 2016 to inform continuing momentum on human resources for health.

Partnership for Maternal, Newborn and Child Health

11. The Partnership for Maternal, Newborn and Child Health continues to engage and align its growing number of partners in promoting action on the health of women, children and adolescents. As the transition to the 2030 Agenda for Sustainable Development approaches, the Partnership is engaged in a strategic planning process. The Partnership's Board held its meeting on 13 and 14 October 2015, in Lusaka, to decide on the future focus of its work, including establishing the new Independent Accountability Panel, which will succeed the independent Expert Review Group and follow up on efforts related to the Global Strategy for Women's, Children's and Adolescents' Health (2016–2030). Over the year, the Partnership undertook a series of consultations with partners on the text of the Global Strategy for Women's, Children's and Adolescents Health and the proposed Sustainable Development Goal indicators, and developed its 2016–2020 strategic plan. The 2015 accountability report was launched at a side event of the United Nations General Assembly in September 2015.

Roll Back Malaria Partnership

12. At its 28th meeting in Geneva on 14 and 15 May 2015, the Roll Back Malaria Partnership Board approved the second generation Global Malaria Action Plan, *Action and Investment to defeat Malaria 2016–2030: for a malaria free world (AIM)*. Developed in conjunction with the WHO global technical strategy for malaria 2016–2030, the second generation Action Plan was the result of 18 months of intensive effort to shape a broad consensus on actions that will guide progress towards the 2030 goals. Multisectoral, cross-border and people-centred approaches, as well as building the case for investment, are the key strategies for engaging development partners in malaria control and elimination in the new era of the Goals of the 2030 Agenda for Sustainable Development.

13. The Roll Back Malaria Partnership Board also commenced the process of restructuring the Partnership in order to sustain its position as an effective leader in the post-2015 global malaria response. A Transition Oversight Committee was established to oversee the detailed design of new architecture better equipped to perform the necessary high-level advocacy, strategy, coordination, country support, and resource mobilization activities. The Committee will report back to the next Board meeting in December 2015.

14. In August 2015, the Roll Back Malaria Partnership Board voted in favour of the disestablishment of the Roll Back Malaria Secretariat due to current financial constraints and asked the Director-General to commence its disestablishment, effective 31 December 2015. In view of that decision, WHO, in consultation with the Board's Vice-Chair, provided the required notice terminating the Memorandum of Understanding between the Roll Back Malaria Partnership and WHO Concerning Hosting, Secretariat and Administrative Services, effective 31 December 2015. The implications of the termination are being managed in consultation with the Board and the Partnership Secretariat in a manner designed to ensure an orderly conclusion of ongoing activities.

15. The Board requested the Partnership secretariat and the Transition Oversight Committee to consider interim measures for the transition of essential functions, particularly those supporting access to and use of external finances for countries, and to engage in discussions with Partnership donors and partners in order to reach agreement on the implementation or reprogramming of earmarked grants. Further guidance on the new Partnership structures is expected from the Committee in due course.

INTERNATIONAL DRUG PURCHASE FACILITY (UNITAID)

16. In June 2015, the Executive Board of the International Drug Purchase Facility (UNITAID) endorsed a new operating model aimed at strengthening grant management and key partnerships. The Board also approved the first three areas for intervention, all of them identified in consultation with partners and seen as vital in helping to achieve global targets for prevention, diagnosis and treatment of HIV. Currently, 70% of its secretariat staff are working on grant management, compared to 40% before the changes were initiated. The secretariat also established a new unit to measure impact and value for money. Future Board meetings will select more areas for malaria and tuberculosis interventions, as well as against HIV, to be followed by targeted calls from grant applicants. In that way, the Board is seeking to strengthen its catalytic contribution to the global response to the three diseases through the creation of conditions in which countries and partners can scale up access to more effective medicines, technologies and systems at reduced cost.

PERIODIC REVIEW OF WHO HOSTED PARTNERSHIPS

17. The reviews carried out of the Partnership for Maternal, Newborn and Child Health and the Global Health Workforce Alliance have built on the framework[1] for periodic review of hosted partnerships, and drawn inputs from the secretariats of both the two hosted partnerships and the relevant WHO departments.

[1] See document PBAC19/8.

18. The review[1] of the Global Health Workforce Alliance indicates that both the Alliance and WHO have benefited from the hosting arrangement in enhancing advocacy, brokering knowledge and promoting accountability in global human resources for health work. The Alliance has convened three global forums on human resources for health and has harmonized its work with WHO's mandate. It has also facilitated a global task force for the WHO Global Code of Practice on the International Recruitment of Health Personnel, subsequently adopted by the Sixty-third World Health Assembly in 2010. Similarly, resolution WHA67.24 on follow-up of the Recife Political Declaration on Human Resources for Health was adopted by the Sixty-seventh World Health Assembly in 2014. Aiming at a successful completion of its existing mandate by May 2016, the Alliance is supporting WHO in the finalization, adoption and dissemination of the Global Strategy on Human Resources for Health. To continue the momentum, a new human resources for health network hosted by WHO is under discussion. An external review of the legacy of the Alliance (2006–2016) is also under way. Further information on the review of the Alliance is available in a separate report.[1]

19. The review of the Partnership for Maternal, Newborn and Child Health[2] shows that both the Partnership and WHO benefit from the hosting arrangement in enhancing advocacy, promoting evidence and strengthening accountability in the area of global reproductive, maternal, newborn, child and adolescent health. The review also revealed that the Partnership's workplan is generally aligned with WHO's priorities and its activities complement those of WHO. The Partnership has more flexibility than WHO in reaching out to various partners and stakeholders, in particular, civil society organizations and private sector entities. The Partnership Board commissioned an external evaluation in 2013, which indicated that the WHO hosting arrangement was seen as an advantage for the Partnership. Its strategic framework for 2016–2020 was approved by its Board in April 2015. In the context of the Goals of the 2030 Agenda for Sustainable Development, the Partnership gives priority to maintaining the momentum generated and further mobilizing its partners and resources to tackle proactively the challenges in the area of reproductive, maternal, newborn, child and adolescent health. Further information on the review of the Partnership is available in a separate report.[2]

20. In addition, the reviews confirmed the importance of the following points in respect of finance and conflict of interest.

(a) Hosted partnerships should produce full separate financial statements and undergo a separate audit. It is also recommended that the budgets and financial reports of hosted partnerships should be reviewed by WHO before submission to their respective Boards.

(b) In order to meet unforeseen liabilities, hosted partnerships should set aside appropriate funds in their regular budgets to cover staff reassignment costs and relevant liabilities.

(c) To manage any potential conflict of interest, hosted partnership secretariats should request the relevant WHO departments to perform due diligence and assess any possible risk arising from their engagement with non-State actors.

[1] See document EB138/47 Add.1.

[2] See document EB138/47 Add.2.

21. In May 2015, the Programme, Budget and Administration Committee of the Executive Board requested the Secretariat[1] to update and make available a list of partnerships and alliances, which is available on the WHO website.[2] A more detailed public listing of the profiles of partnerships and collaborative arrangements is under development and will be included in the register of non-State actors.

ACTION BY THE EXECUTIVE BOARD

22. The Board is invited to note the report.

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[1] See document EB137/2.

[2] Partnerships and Collaborative Arrangements with WHO involvement (see http://www.who.int/about/who_reform/partnerships-collaborative-arrangements-with-WHO-involvement.pdf?ua=1 (accessed 26 November 2015).