
Financing dialogue

Report by the Secretariat

INTRODUCTION

1. By decision WHA66(8) the World Health Assembly established a financing dialogue on the financing of the programme budget. The first financing dialogue was held in 2013, as described in document A67/7. This paper outlines the plans for the second financing dialogue, which will be held on 5–6 November 2015. It is based on the lessons learnt from the first financing dialogue and the recommendations of the independent evaluation of that dialogue, as set out in document A67/8.

2. As was done for the Programme budget 2014–2015, the Sixty-eighth World Health Assembly is being invited to approve the entire Programme budget 2016–2017, to be financed by assessed and voluntary contributions. The second financing dialogue is intended to contribute to full funding of the Programme budget 2016–2017 and better predictability of funding for the Programme budget 2018–2019.

3. A fully funded programme budget depends on a number of reform measures that will help to convince existing and new contributors that it is worth investing money in WHO. In the field of financial and programme planning, these reform measures concern the areas of programming and budgeting; mobilizing resources; managing and tracking resources; reporting; and accountability and risks. They will be consolidated into a financial strategy for WHO, to be presented to the Executive Board at its 138th session, as outlined in document EB136/36.

4. Most other reform areas are also necessary to achieve the goals of the financing dialogue, including the fields of human resources; managerial accountability, transparency and risk management; an institutionalized corporate culture of evaluation and learning; information management; communication; improved strategic decision-making; and WHO's engagement with non-State actors.

5. The first financing dialogue was well received by WHO contributors and resonated well with their expectations. The independent evaluation highlighted a number of positive outcomes. The new structure introduced with the Programme budget 2014–2015 was seen as an important tool for resource mobilization. The financing dialogue helped to achieve more predictable funding at the start of the biennium. The programme budget web portal¹ was well received. The evaluation also made a number of recommendations, including:

- (a) making the financing dialogue more inclusive and interactive by holding it in a more informal setting and broadening the audience to include potential new donors;

¹ Accessible at <https://extranet.who.int/programmebudget/> (accessed 17 April 2015).

- (b) extending the time horizon of the financing dialogue from the short term (two years) to the medium term (six years);
- (c) making the necessary investments to improve the brand, increase WHO's visibility and improve how WHO communicates results;
- (d) undertaking an evaluation of the web portal and taking action to improve it so that the portal maximizes its impact;
- (e) positioning WHO's resource requirements in the context of its role and mandate in the wider global health landscape, rather than focusing on funding gaps.

PROGRESS ON FINANCING DIALOGUE PRINCIPLES

6. Overall, the first financing dialogue allowed considerable progress to be made towards the objectives as defined in the four guiding principles. The main achievements of the first financing dialogue were significant improvements in the transparency of WHO financing, through the programme budget web portal, and in the predictability of funding. While there were individual improvements in the flexibility of funding from some contributors, there is no overall trend towards this. Alignment with the programme budget still remains an issue. Expanding the contributor base is a long-term process, which has only shown very limited progress so far. The following paragraphs provide an updated description of the progress made towards these principles, describe the remaining shortfalls and challenges, and outline how these challenges will be addressed.

Alignment and flexibility

7. Alignment of funding with the Programme budget 2014–2015 has improved. At the end of 2014, categories 1 to 5 were financed to at least 75% of the approved programme budget level, whereas at the same point in the previous biennium several strategic objectives had greater funding gaps.

8. A slight improvement in the level of flexibility of funding is noted, thanks to a change in policy on the part of three donors that are now providing more core voluntary contributions.

9. WHO will continue to encourage contributors to provide as flexible funds as possible and to fully align their contributions with the priorities as set in the programme budget by first and foremost financing underfunded areas. The Secretariat will further refine its internal management of funding and strategic allocation of flexible funding, with the aim of achieving overall full alignment of funding with the programme budget.

Predictability

10. The level of predictability at the start of the biennium has improved (70% at the start of the biennium 2014–2015, compared with 62% for 2012–2013 and 52% for 2010–2011). In addition, with agreements from contributors WHO has a clearer picture of projections, which are reflected in the web portal.

11. Although the predictability of funding for the current biennium has improved, that for the forthcoming biennia covered by the Twelfth General Programme of Work 2014–2019 is still very low.

This creates the risk of funding uncertainty at the start of every biennium, with a consequent delay in the start of implementation of some planned activities and a tendency to under-implement in the current biennium (a manager will not fill a staff position, for instance, if he or she does not know whether the position can be paid in the coming biennium).

12. WHO will work towards predictable funding with a medium-term horizon, covering at least the two remaining biennia of the current General Programme of Work. In order to address the challenge of the predictability of funding for the forthcoming biennia, it would be important for those contributors who can do so to sign an agreement concerning the contributions agreed during the financing dialogue, either before the start of the biennium or as soon as possible after its start. In addition, contributors will be encouraged to sign multiannual agreements.

Transparency

13. The introduction of the programme budget web portal has significantly increased the transparency of WHO's funding situation and its needs by programme area and major office.

14. The web portal will be revised in order to provide a second generation of granularity, to incorporate reporting on results, to facilitate its regular updating and to better integrate it into WHO's overall website. Financial and programmatic reporting will be better coordinated.

Reducing vulnerability

15. Despite the efforts to expand WHO's contributor base, the Organization continues to depend on just 20 contributors for 80% of its voluntary contributions. A study on broadening and deepening the contributor basis is currently being finalized and will inform the forthcoming financing dialogue. While the presentation of WHO's programme budget has significantly improved for the purposes of internal management and, to some extent, of the dialogue with existing contributors, further efforts are needed to present and explain WHO and its funding needs more clearly to potential new contributors.

16. WHO has a broad and diverse mandate and, consequently, complex funding needs. While WHO's funding requirements have so far been presented in terms of its internal needs, by programme budget category and major office, this will be complemented by a more functional component expressed in terms of the core functions defined in the General Programme of Work. This should allow WHO to show, for example, where a funder interested in innovation, in-country implementation or normative work could invest, independent of the programme area concerned. Furthermore, WHO will strengthen its communication about the results achieved and how contributing to WHO saves lives and promotes health.

COORDINATION OF RESOURCE MOBILIZATION

17. The recommendations of the Task Force on Resource Mobilization and Management Strategies provide a clear orientation on how to improve the management and coordination of resource mobilization.¹ The Director-General has established, within her Office, a dedicated department for Coordinated Resource Mobilization (CRM). A global resource mobilization coordination team has

¹ The final report of the Task Force on Resource Mobilization and Management Strategies is available at http://www.who.int/about/who_reform/TFRMMS-report-2013.pdf (accessed 17 April 2015).

started functioning, bringing together the members of CRM with representatives responsible for resource mobilization from each regional office and each cluster at headquarters. Furthermore, the Task Force on the roles and functions of the three levels of WHO has provided clear guidance on which level of the Organization should perform which tasks.¹ These are now fully reflected in the Programme budget 2016–2017. The fact that roles and responsibilities are now clearly defined will support the coordination of efforts across the Organization in the near future.

18. The Secretariat has begun work to identify the best means of coordinating the resource mobilization efforts of the different units and levels of the Organization. The work done so far has shown that more granularity is needed in analysing WHO's fundraising needs, and that WHO should pool its existing intelligence on contributors in order to allow for better coordination. For example, some development agencies prefer to have fully coordinated contacts at the level of their headquarters, while encouraging WHO country offices to submit funding proposals directly to their country representations, whereas other contributors want to be approached topic by topic.

19. WHO is currently developing an internal tool for gathering intelligence on contributors, providing WHO staff with contributor-specific instructions on how to interact with individual contributors, tracking funding proposals from initial contacts to the signing of a contract, and analysing WHO's current funding and funding gaps in more detail.

MODALITIES FOR THE 2015 FINANCING DIALOGUE

20. The financing dialogue will be held on 5–6 November 2015. Preparatory activities will start after the Sixty-eighth World Health Assembly has approved the Programme budget 2016–2017. The activities closely linked to and in preparation for the financing dialogue will consist of:

- (a) information sessions, with optional webstreaming;
- (b) information on the WHO website; and
- (c) bilateral meetings with contributors starting in June 2015.

21. All Member States will be invited to participate in the financing dialogue. In addition, invitations will be extended to non-State partners contributing more than US\$ 1 million to WHO (with the exception of private sector commercial enterprises). Potential future contributors can be invited as well.

Financing dialogue meeting on 5–6 November 2015

22. Given the positive outcome of the first financing dialogue, a similar format will be used for the second financing dialogue, with a certain degree of innovation to maintain the momentum created during the first financing dialogue and address the recommendations of the independent evaluation.

23. This meeting will primarily focus on the results of WHO's work, providing an honest appreciation of the achievements as well as the challenges met. The work of WHO will also be

¹ The final report of the Taskforce on the roles and functions of the three levels of WHO is available at http://www.who.int/about/who_reform/task_force_report_three_levels_who_2013.pdf?ua=1&ua=1 (accessed 17 April 2015).

presented in the broader context of global needs and linked to the post-2015 sustainable development goals and how WHO contributes to these goals and health outcomes.

24. This meeting will enable Member States and non-State contributors to WHO to discuss information provided by the Secretariat in relation to programmatic activities and associated costs. The meeting will also feature a dialogue among Member States and non-State contributors to WHO to examine existing resource deficits, with the aim of identifying joint solutions that will secure full funding of WHO's programme budget. The aim is to formulate a concrete approach to address remaining shortfalls.

Reporting of outcome to the Executive Board

25. After the financing dialogue meeting, coordinated resource mobilization will continue to fill the remaining gaps and start funding the remaining biennium under the Twelfth General Programme of Work 2014–2019.

26. The outcome of the financing dialogue will be reported to the Executive Board at its 138th session, through its Programme, Budget and Administration Committee. This report will also include a description of the progress made in coordinated resource mobilization and propose how remaining funding gaps will be addressed.

ACTION BY THE EXECUTIVE BOARD

27. The Executive Board is invited to provide guidance, particularly with regard to the organization of the November 2015 financing dialogue.

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