

The future of financing for WHO

Summary of a consultation

Report by the Secretariat

1. Discussions of budgets and financing at the 124th session of the Executive Board and the Sixty-second World Health Assembly in 2009 revealed a concern among Member States about the way WHO is financed. In response, the Director-General convened an informal discussion in January 2010 as a way of beginning a strategic conversation with and between Member States on the future of financing for WHO.¹

2. This document provides background to the main Secretariat report to the Board² and informs the Board of the views of Member States on issues raised during the January 2010 meeting. It summarizes responses to a web-based consultation conducted between April and October 2010, as well as discussions held during the sessions of the regional committees in 2010.

3. The overall conclusion is that improvements in WHO's financing – specifically the degree to which its predictability, sustainability and flexibility facilitate better alignment – will require both greater clarity about the Organization's changing role and improvements in transparency and accountability. Drawing on the contributions of many Member States, this document seeks to reflect as faithfully as possible key areas of consensus and divergence in relation to priorities, core business and WHO's role in global health governance, and their implications for the future financing of WHO.

4. Three headline themes recur throughout the Member States' responses: WHO should capitalize more effectively on its leadership position in global health; it must retain the flexibility to adapt to a changing environment and have the capacity to meet new challenges; and it cannot sustain the diversity of its current activities, and must select fewer priorities.

Priority setting

5. A strong consensus emerged that WHO should focus on those aspects of its work where its role is indispensable and where it has recognized advantages compared to other organizations. Although the Eleventh General Programme of Work, 2006–2015 provides good contextual information, it does

¹ The report of the informal meeting (document WHO/DGO/2010.1), the questionnaire for the web-based consultation and written responses of individual Member States in English and the language of original submission can be found at http://www.who.int/dg/future_financing/en/index.html.

² Document EB128/21.

not effectively articulate WHO's strengths and weaknesses or its core activities. Similarly, the Medium-term strategic plan 2008–2013 tends to accommodate all possible activities, and thus fails to facilitate prioritization. Greater precision in the formulation of deliverables would help in defining the nature of WHO's specific contribution to the achievement of health objectives.

6. In order to facilitate overall priority setting some contributors suggested that WHO develop a set of guiding criteria. These would take into account factors such as disease burden, the need for WHO's normative expertise, country demand and the cross-border nature of the problem. Other contributors, however, acknowledged that the setting of priorities is de facto influenced as much by the availability of voluntary funding as by application of principles or criteria. The scarcity of resources available for maternal and child health and noncommunicable diseases were the examples most often cited.

7. Other suggestions included the idea that the assessment of past performance could be useful in the future setting of priorities – provided that in so doing the Organization does not reduce its adaptability and become locked into existing patterns of spending. Similarly, even though the problems inherent in giving one set of diseases or health conditions priority over another are recognized, it has been suggested that a more systems-based approach – focusing on functions rather than diseases – would be helpful in setting priorities.

8. Priority setting requires Organization-wide coherence. Several respondents noted that discussion of the relationship between headquarters and the six regional offices was missing from the report of the consultation. It was suggested that defining priorities needs to be associated with closer coordination and clearer division of responsibilities across the Organization.

9. Also highlighted was the need for greater self-discipline among Member States, and, when needed, for the Secretariat to take a stronger stand in focusing on priorities during meetings of WHO's governing bodies. In addition, there is a need for greater consistency in the positions adopted by Member States as they interact with the governing bodies of different health organizations.

Core business

10. Consolidation depends on a more careful definition of what is WHO's core business. Some general points of guidance became clear from the responses received. For instance, in relation to research WHO should shape the agenda, but should not be responsible for doing research. At country level, WHO should focus on strategy, not on operations and implementation.

11. On more specific aspects of work there were clear areas of consensus. No contributor disputed WHO's role in health security. Improvements are needed, not least in building the requisite capacity at country level, but coordinating surveillance and response to international health threats is the key to WHO's core business. It is also central to WHO's role in global health governance.

12. Similarly, there was broad agreement that, while the nature of WHO's involvement needs to be clear, humanitarian action is also part of the Organization's core business. Several respondents stressed that WHO's role needs to be defined in terms of coordination on the ground, and that the Organization needs to be involved in implementation only as the provider of last resort. In both health security and humanitarian action the need for flexibility and the "surge" capacity to reassign people and resources from other priorities in the face of emergencies was seen to be crucial.

13. Normative and standard setting work underpins most of WHO's activities. Most contributors agreed that the function of translating global science and evidence into user-friendly products for use

by countries in policy-making was an indispensable part of the Organization's core business. Several respondents noted the particular importance of WHO's normative role in relation to health-systems strengthening, but a careful reading of responses raises important additional issues.

14. First, normative work must be subject to priority setting; it is not an automatic priority in its own right. Secondly, normative work covers a broad spectrum of activities, from disease nomenclature, through treatment guidelines and goal setting, to the promotion of values (notably equity). Thirdly, respondents noted that WHO's role as a normative agency is increasingly challenged – by other health agencies and by those concerned with the integrity of its output. A clear message from this exercise is to ensure that WHO's technical guidance is credible, relevant, and independent of vested interests.

15. WHO's convening role in the negotiation of health regulations and treaties is an aspect of normative work of crucial importance. Responses highlighted the shift over time from a normative agenda dominated by purely technical issues (and thus dealt with by technical experts) to one with a broader interface with issues of trade, foreign policy, human rights, migration, intellectual property and economic development. This shift is reflected in the growing demand for WHO to facilitate intergovernmental processes, in which government representatives rather than technical experts may have the final say.

16. Many contributors acknowledged the influence of the WHO Framework Convention on Tobacco Control, the International Health Regulations (2005) and the WHO Global Code of Practice on the Recruitment of Health Personnel, but there was a clear difference of opinion on the priority such intergovernmental processes should receive in future. Supporters argued that WHO has a genuinely unique role to play in global health governance. In their view, WHO should be more responsive in this area to demand from Member States, and should be strengthened in terms of resources and intellectual capacity. Indeed, some suggested that this convening function should be more broadly defined in terms of negotiating principles for the provision of, and access to, global public goods for health.

17. Other respondents pointed to the need for WHO to stick more closely to a health-specific mandate and to the high opportunity costs of complex negotiations. Respondents in the middle ground argued for a more selective approach, with less time devoted to process and more to content; for collaboration with other international bodies with related mandates; and the introduction of an element of cost sharing with Member States.

18. Monitoring health trends and compiling health statistics are both central elements of WHO's core business. Similarly, WHO has a growing body of work concerned with analysing health determinants – extending beyond the health sector to broader social and economic factors. The challenge for the future, as indicated in the range of comments, is to determine the boundaries of work in this area. On the one hand, WHO's work could be limited to analysis and advocacy, leaving action on social policy to others. On the other, work on national policies, strategies and plans should ensure that health is embedded in broader development strategies, and that actions to influence social health determinants (health in all policies) are part of planning processes.

Global health governance

19. The role of WHO in global health governance featured prominently in responses of several Member States. Three distinct domains of governance had been discussed at the informal consultation in January 2010: humanitarian action, health security, and health and development. As noted above,

WHO's role in humanitarian action and health security is relatively uncontroversial. Opinions were more divided with regard to health and development (see the following section). In addition, responses from Member States introduced two additional elements into the debate.

20. First, many respondents saw the convening and regulatory function as an important expression of health governance. The second element concerned the need to distinguish between WHO's role in global health governance and the governance of WHO. In each of the three specific domains the range of stakeholders differs. Similarly, when it comes to the negotiation of binding regulations like the International Health Regulations (2005) or treaties such as the WHO Framework Convention on Tobacco Control, the range of participating relevant stakeholders is wide. In contrast, the governance of WHO as an organization, and thus the determination of its priorities, is mainly reserved for Member States. On the issue of WHO's governance, views were divided between maintaining the status quo – that governance should remain the preserve of Member State governments – and a more inclusive process.

Health and development

21. WHO's role as a development partner is the domain of governance where opinions were most diverse. First, at the global level, responses reflected a generalized concern about the growing number of entities in the field of health and development, and the consequent fragmentation and transaction cost that this enlargement entails. There was also some agreement that WHO should seek to fill this strategic space, but opinions varied about WHO's capacity to do that. The argument at one end of the spectrum was that WHO should at least speak out on behalf of countries to highlight the challenges they face whereas at the other extreme was the view that WHO's convening role should be used to facilitate negotiation between global parties in health and development in a more formal process of coordination.

22. A similar discussion concerned the role of WHO at country level, with many respondents stressing that, although coordination of development partners is a central concern, WHO's primary role is to strengthen the capacity of governments and not to be the coordinator per se. There needs, however, to be a greater awareness of aid effectiveness in the Organization. In this vein, the role of WHO in facilitating the broader application of approaches developed as part of the International Health Partnership and related initiatives (IHP+) and the Health Systems Funding Platform was welcomed by several respondents.

23. Technical cooperation needs to be relevant to all Member States, but was mostly discussed in relation to WHO's work in low- and middle-income countries. Responses in relation to development urged a greater focus on strategy, capacity building and the use of expertise to improve the quality of national health policies and plans. Divergence emerged between those that suggested that WHO put more of its own resources into technical collaboration at country level, and those that sought a more sharply defined role for WHO, a handover of functions to other agencies, and/or moving from being a provider to a broker of technical support.

24. Several respondents focused on the magnitude and purpose of WHO's country presence, suggesting the need for a better match between development needs, financial allocation, the size of the WHO office and the skill mix and competencies of its staff. In addition, although many respondents supported WHO working more closely with other United Nations partners as part of the Delivering as One initiative, others stressed the need for country plans (and the Country-Cooperation Strategies) to accommodate WHO's dual technical cooperation and normative functions.

Partnership

25. Although the policy on WHO's engagement with global health partnership and hosting arrangements, endorsed by the Health Assembly in resolution WHA63.10, was welcomed by many respondents, several concerns were raised. A key issue was to ensure that WHO's norms and standards were used by other partners. In terms of what WHO brings to partnerships, it is important to distinguish between those that are hosted in WHO and those that are independent. With regard to the latter, a concern has been raised that WHO's independence and influence are undermined if, as an observer, it has only a voice and no vote.

26. Little enthusiasm existed for the creation of new partnerships with their own institutional and governance structures, but the benefits of working in collaboration with others was recognized. In this regard, two main concerns were prominent: the need for an agreed division of labour between WHO and other health partners; and greater clarity with regard to engagement with the private sector, including industry. In the latter case, there was broad support for greater involvement and consultation, but a recognition of the need for independence when it comes to final decisions about norms, standards and guidelines.

Implications for financing

27. Many respondents highlighted the indispensable nature of WHO's normative role, but analysis of the responses suggests that WHO cannot be purely a normative agency. Rather, it has to balance normative work, technical support, its convening role and coordination in different circumstances. It also has to respond to countries with major development needs in health; to countries rich and poor that seek guidance from, and that wish to contribute to, WHO's normative work; and to donors that seek WHO's help in furthering the objectives of their aid programmes. The overarching challenge that emerges from the consultation is this: for the Secretariat to maintain the support of all Member States – and to secure sustainable and predictable financing from WHO's donors – the Organization has to manage to perform diverse roles, focusing on core strengths within each. In addition, it needs to define its own outputs with more precision, but also show a convincing link between specific deliverables and broader health outcomes.

28. Assessed versus voluntary funding. Several respondents expressed concerns about WHO's increasing dependence on specified voluntary funding, particularly the extent to which that dependence affects alignment with agreed objectives and constrains flexibility in the face of changing circumstances. Views differ on whether the time has come to seek an increase in assessed contributions, but there was a general recognition of the need for a greater proportion of flexible funding.

29. Increasing the proportion of flexible voluntary funding. It was recognized that the current volume of flexible finance is insufficient to guarantee overall alignment with agreed objectives. The result is that donors that are otherwise committed to flexible financing express concern when they see that their priority objectives appear to remain underfunded. Decreasing earmarking should not mean a loss of strategic engagement with donors on technical issues of mutual concern.

30. Increasing predictability and flexibility of funding, in the view of many respondents, will depend on sharper focus, with fewer and clearer objectives. That shift will need to be coupled with more transparent systems for budgeting and resource allocation; measures to ensure that implementation capacity matches budgetary provision; and simple, timely and accessible reporting on performance.

31. Although increasing the proportion of un-earmarked funding is desirable from WHO's perspective, it creates difficulties for several Member States. Better reporting on how funds are used was part of the answer for some respondents. In addition, it was suggested that WHO should make more effort to communicate its role and the impact of its work to the general public and others who influence political opinion in donor countries.

32. Innovative financing. Respondents supported the diversification of sources of funding and bringing in new donors, including seeking ways to attract more resources from the private sector. At the same time, the use of WHO's "brand value" to broaden the donor base and to attract new sources of income comes with a caution to avoid distortion of priorities and compromising WHO's independence.

33. Several respondents were critical of WHO's current approach to resource mobilization, and highlighted, in particular, the need to avoid: multiple submissions to the same donor, different approaches from different levels of the Organization, and a culture in which internal competition for fundraising further complicated priority setting. The Secretariat can, it was argued, make it easier for donors to contribute funds in a way that permits greater alignment with agreed objectives by providing short, easy-to-read documents that explain which priorities are underfunded. It was also suggested that WHO consider using a "replenishment process" rather than dealing with individual donors. However, if the Medium-term strategic plan 2008–2013 were to be used as a vehicle for attracting funding, its structure and clarity may need to be improved.

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