

Report of the Programme, Budget and Administration Committee of the Executive Board at its second extraordinary meeting

1. In response to the Executive Board's decision EB131(10),¹ an extraordinary meeting of the Programme, Budget and Administration Committee of the Executive Board, open to all Member States, was convened in Geneva on 6 and 7 December 2012. The meeting was attended by 98 Member States and 1 regional economic integration organization, and chaired by Dr Jamal Thabet Nasher (Yemen).

2. The extraordinary meeting of the Programme, Budget and Administration Committee of the Executive Board was convened in the context of WHO's programme of reform, with the recognition that the issue of future financing of WHO is a central component of WHO's reform process.

3. The Committee discussed two agenda items: (i) Options for improving the transparency, predictability and flexibility of WHO's financing; and (ii) Review of the issues raised by discussions in regional committees on the draft twelfth general programme of work and the proposed programme budget 2014–2015. In relation to the first agenda item, Member States had an extensive discussion beginning with general statements followed by detailed deliberation on each of the five proposals for improving WHO's financing, as outlined in document EBPBAC/EXO2/2:

Proposal 1 – The entire programme budget is approved by the Health Assembly in order to ensure the alignment of available resources with agreed priorities and expected outputs.

Proposal 2 – Mechanisms are explored to facilitate receipt of supplementary assessed contributions in the short term and achieve an increase in assessed contributions in the long term.

Proposal 3 – Financing dialogue is established and multi-year funding that is in line with the general programme of work is sought.

Proposal 4 – The coordination of resource mobilization, resource management, internal financial controls, and reporting is strengthened.

Proposal 5 – Avenues to broaden WHO's donor base are explored.

¹ See document EB131/2012/REC/1.

Agenda item 2. Options for improving the transparency, predictability and flexibility of WHO's financing (Document EBPBAC/EXO2/2)

Proposal 1

4. Member States underlined the importance of approving the programme budget in its entirety, emphasizing the benefit to be derived from approving the programme budget in relation to Member States' increased oversight of the Organization, and sought clarification on the legal implications for Member States in respect of financing the budget. The Director-General clarified that the legal obligation for Member States will remain limited to the assessed contributions, under Article 56 of the Constitution of the World Health Organization. Member States also requested further information on potential changes to the budget resolution and to WHO's Financial Rules and Financial Regulations that may need to accompany approval of the programme budget. The Director-General responded that this information can be provided to the Programme, Budget and Administration Committee and the Executive Board in January 2013.

5. Member States noted that, in addition to a costed, realistic programme budget, financial information on available income and funding gaps should be provided to the Health Assembly at the time of approval of the programme budget. Member States also emphasized the need to continue to monitor implementation of the Programme Budget through the regular meetings of WHO's governing bodies.

Proposal 2

6. During the course of discussions on proposal 2, Member States highlighted, and the Secretariat acknowledged, that the text used to describe the two, distinct elements comprising this proposal was unclear. Member States, therefore, separately examined the two elements constituting proposal 2: (i) a supplement to assessed contributions on a voluntary basis in the short term, and (ii) an increase in assessed contributions in the long term. In relation to the first element, Member States supported the idea of exploring ways to facilitate receipt of a supplement to assessed contributions, on a voluntary basis, from those Member States that wish to do so. In relation to the second element, although Member States expressed differing views on an increase in assessed contributions, there was agreement among Member States that a potential increase in assessed contributions in the long term could be considered.

Proposal 3

7. Member States welcomed the financing dialogue and emphasized the importance of the transparency in financing that will be achieved by the proposed process as well as other measures being undertaken in WHO's reform. Member States noted that, in order to facilitate the financing dialogue, a realistic, costed budget would be required, as well as relevant information on available income and expenditure. Member States also noted the importance of receiving further clarity on timing, logistics, and participation in the financing dialogue. Member States emphasized the importance of the involvement of the governing bodies in reviewing the available resources and discussing reallocation and reprogramming, if necessary. In this regard, some Member States suggested that the first Health Assembly during a biennial period could play an important role in approving the outcome of the financing dialogue.

8. Member States also raised questions on how the core voluntary contribution account and assessed contributions would be allocated during the financing dialogue and what incentives would be used to encourage flexibility of financing. The Director-General acknowledged the trust in the Organization shown by Member States in contributing unearmarked funding to the core voluntary contribution account. She explained that assessed contributions and the core voluntary contribution account are to be used strategically to fund, for example, mission-critical functions and activities.

Proposal 4

9. Member States supported this proposal and noted that the actions being implemented by the Secretariat in order to improve coordination of resource mobilization, resource management, financial controls and reporting are central to improved financing. Member States emphasized that the coordinated resource mobilization and resource management are fundamental to the overall package for improved financing, as well as for overall reform of WHO. Member States also stressed the importance of evaluation as a key component towards improving WHO's financing.

10. Member States welcomed the approach towards real-time, web-based reporting on resources as demonstrated by the Secretariat, and were eager to see WHO's version of this portal as soon as possible. Member States also supported the additional initiatives to be undertaken in relation to financial controls, in particular establishment of the risk and compliance unit.

11. Member States requested further clarification in relation to coordinated resource mobilization, particularly as it pertains to the three levels of the Organization. The Director-General explained that resource mobilization would still occur at all three levels of the Organization, but would now proceed in a coordinated manner within the context of the approved programme budget, with coordinated proposal development involving all levels of WHO.

Proposal 5

12. Member States welcomed this proposal, but cautioned that this should not in any way compromise the integrity and independence of the Organization nor the primacy of Member States in WHO's governance and decision-making. While Member States encouraged the Director-General to continue to explore avenues to broaden WHO's donor base to reduce the financial risk for WHO, with particular emphasis on Member State contributions, Member States also noted that the budget envelope should remain stable.

13. With respect to non-State actors, Member States emphasized that engagement with these entities needed to be cautiously undertaken and must be grounded in transparency. In particular, in relation to private commercial entities, it was noted that the Executive Board in May 2013 will discuss a policy on engagement with private commercial entities, as requested by the Sixty-fifth World Health Assembly. Member States stressed that engagement with private commercial entities to broaden WHO's donor base should be guided by this policy.

Decisions of the Programme, Budget and Administration Committee

The Programme, Budget and Administration Committee, having considered the proposals to improve WHO's financing,¹

DECIDED

- (1) to recommend that the Executive Board propose to the Health Assembly that the entire programme budget be approved by the Health Assembly;
- (2) to request the Director-General to provide further information on a draft resolution outlining approval of the entire programme budget, and information on changes to the WHO

¹ Document EBPBAC/EXO2/2.

Financial Rules and Financial Regulations in relation to Proposal 1, to the Programme, Budget and Administration Committee and Executive Board in January 2013;

(3) to request the Director-General to proceed with exploring the receipt of supplements to assessed contributions from Member States on a voluntary basis, and explore options for possible incentives for receipt of unearmarked funds, and to report to the Programme, Budget and Administration Committee in May 2013;

(4) to recommend that the Executive Board propose that the Health Assembly establish a financing dialogue for the financing of the programme budget according to the timetable established in document EBPBAC/EXO2/2, and requested the Director-General to provide further information on logistics and participation in relation to the financing dialogue to the Executive Board at its 132nd session in January 2013;

(5) to welcome the actions taken by the Director-General to strengthen coordination of resource mobilization, resource management, internal financial controls, and reporting, and to request the Director-General to report periodically to the Programme, Budget and Administration Committee on progress;

(6) to recommend that the Executive Board propose to the Health Assembly that avenues to broaden WHO's donor base be explored, with particular regard to Member States, international organizations and philanthropic foundations. As noted, engagement with other non-State actors, in particular private commercial entities, to broaden WHO's donor base will be considered in the context of a revised policy to be presented for discussion and debate to the Executive Board in May 2013.

Agenda item 3. Review of the issues raised by discussions in regional committees on the draft twelfth general programme of work and the proposed programme budget 2014–2015

14. Member States welcomed the presentation of the Secretariat on issues raised in the regional committees on the draft twelfth general programme of work and proposed programme budget 2014–2015. Member States noted that the work being conducted around strengthening the results chain, on prioritization, on the budget development and incorporation of country-level inputs (bottom-up planning), and on performance assessment, will be an important step towards ensuring that the Programme Budget is situated as the central accountability instrument to guide the work of the Organization. Member States encouraged the Secretariat to continue working to address these elements in the future drafts of these documents.

Agenda item 4. Adoption of report and closure of meeting

15. The Committee adopted its report.

ACTION BY THE EXECUTIVE BOARD

16. The Executive Board is requested to note the report and consider the recommendations of the Programme, Budget and Administration Committee contained in the decisions under the section on agenda item 2.

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