

Programme budget 2020–2021

WHO resource mobilization strategy

Report by the Director-General

1. With the Thirteenth General Programme of Work, 2019–2023 (GPW 13), the World Health Organization (WHO) has launched an ambitious five-year strategic plan. With its mission to “Promote health, keep the world safe, serve the vulnerable”, GPW 13 outlines a clear vision for achieving three strategic priorities through its triple billion targets. At a time of significant global interest in health, strengthening WHO’s approach to resource mobilization represents one of the major shifts in GPW 13 and is essential if the Organization is to fulfil its mandate and achieve its goals.

2. The present document, prepared in line with the budget appropriation resolution WHA72.1 (2019), provides information on the strategy for mobilizing the resources needed to deliver GPW 13. Resource mobilization is increasingly understood to require a strategic partnership between Member States, non-State actors and the WHO Secretariat. This approach to partnerships has been discussed in many bilateral meetings with partners and formed the central theme of the inaugural WHO Partners Forum, held in Stockholm in April 2019 by kind invitation of the Government of Sweden. This paper builds on the financing principles laid out in the first WHO investment case.¹

3. To deliver GPW 13, WHO has identified that it needs US\$ 14.1 billion,² of which 17% will come from assessed contributions and the remainder from voluntary contributions. This represents an increase of 14% over the five-year period when compared to the approved base Programme budget for 2018–2019, but improvement in the distribution of funds is vital. Uneven distribution between major offices and across the programmes has been a problem for many years, due in large part to the earmarking of voluntary contributions and the lack of internal mechanisms for the redistribution of more flexible funds. There is renewed focus on these areas as well as a significantly different approach to building the programme budget, using the shared outcome model.

4. As well as seeking to increase the quantity of funding, the resource mobilization strategy therefore seeks to also improve the quality of funding, with a view to increased predictability and flexibility, and streamline the management of funds with, for example, fewer agreements and lighter conditionalities. The Secretariat for its part recognizes the importance of meeting our partners’ expectations in exchange

¹ WHO. A healthier humanity: the WHO investment case for 2019–2023. Geneva: World Health Organization; 2018 (<http://apps.who.int/iris/bitstream/handle/10665/274710/WHO-DGO-CRM-18.2-eng.pdf>, accessed 17 December 2019).

² The US\$ 14.1 billion estimate includes a US\$ 10.0 billion base budget; US\$ 2.5 billion for humanitarian response; and US\$ 1.6 billion for polio eradication, which represented the funding estimate of the investment case launch in September 2018 prior to the Global Polio Eradication Initiative extension to 2023. The actual funding estimate for the GPW 13 will therefore be approximately US\$ 0.3 billion more, i.e. US\$ 1.9 billion for polio eradication and US\$ 14.4 overall.

for their contributions, with a clear focus on delivery and results that is complemented by professional and consistent donor relationship management and visibility, creating a virtuous circle of confidence.

5. The resource mobilization strategic framework for 2019–2023 is outlined in Fig. 1 and rests on four pillars:

- **Established government partners:** growing, diversifying or maintaining funding through regular and active engagement and policy alignment, taking a tailored approach;
- **Philanthropic partners:** building on our most effective partnerships and seeking to grow funds from a wider range of philanthropies;
- **Funds, international development banks and multilaterals:** maintaining funding from mature partnerships and developing funding streams from new sources and mechanisms;
- **Innovative financing and revenue-producing activities:** exploring the potential in these areas.

Fig. 1. Resource mobilization strategic framework for 2019–2023



6. There are two cross-cutting themes: increased predictability and flexibility, as discussed above; and a greater focus on fundraising at country level, where we foresee increased potential and more opportunities to drive impacts. These themes are underpinned by ongoing work to strengthen functional coordination within WHO and improve partnership management by investing in more professional processes, better donor analytics and a proven contributor engagement management system.

THE BALANCE BETWEEN THE FUNDING PILLARS

7. Since more than 50% of WHO's voluntary contributions come from a small number of major donors, the importance of diversifying the donor base is fully recognized, but it is unrealistic to think that reliance on these contributions could be replaced in the short to medium terms. Therefore, investing in the development of our relationships with major established donors is at the heart of the resource mobilization strategy.

8. Our established partners are increasingly shifting to a more coordinated and strategic engagement approach; as well as contributors, they are also considered to be partners who guide WHO's work going forward, seeking to make the most of policy alignment with their priorities and ambitions to accelerate our collective progress towards the Sustainable Development Goals (SDGs). Some contributors are also delivery partners at country level. As newer Member State partners engage with WHO, we would look to apply the same principles.

9. For established contributors, our shared objectives are to deepen the partnership, expanding funding and other support, where possible, and otherwise protecting the resources provided. In either instance, WHO will seek to improve the funding mix, recognizing that for many major donors changing the quality of funding is more feasible than changing the quantity of funding, with even small shifts making a big difference. Member States have played and continue to play a crucial ongoing role in leading action in this field and the Secretariat appreciates the proactive role that some Member States have played, such as leading debate within governing bodies and indeed within some regional groupings of Member States.

10. As with governments, existing relationships with funds, international development banks and multilaterals need to be maintained and new ones developed in areas where we have policy and delivery alignment. Some financial institutions will be direct contributors to WHO, but in other cases we are clear that WHO will be a strategic partner, advising on financing for health. In addition to further exploring options with development banks, more focus will be placed on opportunities within the "One UN" approach, plus SDGs and multi-donor trust funds, a growth area in recent years.

11. Many contributors, including all G7 and most Organisation for Economic Cooperation and Development/Development Assistance Committee donors, have separate funding streams and approaches for emergencies and humanitarian crises. WHO has only in recent years started to access and grow funding for emergencies and humanitarian responses in a systematic and strategic manner. Recognizing this, the resource mobilization strategy retains specialist skills and capacity in these vital fields. Important opportunities for contributor development may evolve from the emergencies field; for example, appeals, strategic response plans and the Contingency Fund for Emergencies may be entry points for existing and new contributors. With the increasing emphasis of donors on delivering collective and sustainable outcomes in humanitarian settings that go beyond the humanitarian response, it will be important for WHO to demonstrate its strength in delivering programming that bridges the humanitarian, development and peace-building nexus. As focus is given to supporting new contributors to develop their global portfolio and potential new funding streams for WHO, it is vital that we support them to achieve their identified strategic health goals.

12. Building effective partnerships and increasing funding from philanthropic partners is also identified as a promising area for growth – a large number of philanthropies have had contact with WHO over the last few years but very few have been developed into significant and sustained relationships. New areas of WHO activity, such as the Science Division, offer the potential for new or renewed relationships with organizations whose philanthropic investment focus is in, for example, research or innovation. Additional human resources have been allocated to this area and we are commissioning support from specialist agencies in this field to develop appropriate outreach material.

13. Complementing a renewed focus on philanthropy, the Secretariat is facilitating the setting up of an independent foundation in support of WHO. The WHO Foundation will serve as a vehicle for raising funds, in particular from high net worth individuals, the general public and private sector entities. For funding to WHO through the Foundation from private sector entities, the principles of the Framework of Engagement with Non-State Actors will apply. The Foundation is intended to be fully complementary to the resource mobilization efforts of the Secretariat. It is designed as a mechanism for enabling the receipt of donations and the provision of funding to WHO in as flexible a manner as possible, to support activities that are fully in line with GPW 13 and are measured against our existing results frameworks.

14. Finally, WHO will examine options for innovative financing for global health – highlighting effective mechanisms that could be replicated – and, in the medium term, will also explore potential revenue-producing activities. The Secretariat asks Member States to note that other strategic initiatives not encompassed by GPW 13 do not fall within the remit of this strategy and different funding streams will be explored in those cases.

15. Across these pillars and in particular for our established partners, the relationships and resources provided are being reviewed critically, based on the analysis of the priorities and capacities of each individual contributor and the needs of WHO. Using detailed data analytics and in close collaboration with each individual contributor, a plan for our mutual engagement will be developed.

TOWARDS GREATER FLEXIBILITY AND PREDICTABILITY

16. One of the major objectives of the resource mobilization strategy is to improve the quality of the funding that WHO receives. In 2019, there has been a much more specific focus on encouraging greater flexibility and more predictability, with more emphasis placed on thematic and strategic funding. Details of progress made in this area are provided in a separate report.¹ This more specific focus has been supported by more detailed financial analytics that are shared openly with partners for discussion. The Secretariat has been encouraged by our funding partners to be more transparent about persistently underfunded programmes and priorities and to illustrate how changes to the funding mix could address such challenges.

17. Fig. 2 captures at a high level the options for the types of funding themes that WHO asks partners to explore, balancing their individual constraints with their desire to help the Organization meet its funding goals. In 2018, WHO started recording and will continue to advocate for contributions that are more flexible or thematic in nature, negotiated at the corporate level. The Secretariat emphasizes that the compact the Organization has with partners is well understood – for example, in terms of reporting, visibility and accountability, as well as delivery. The Secretariat has welcomed the open exchanges of recent months, in particular the opportunities for partners to talk to each other as well as WHO.

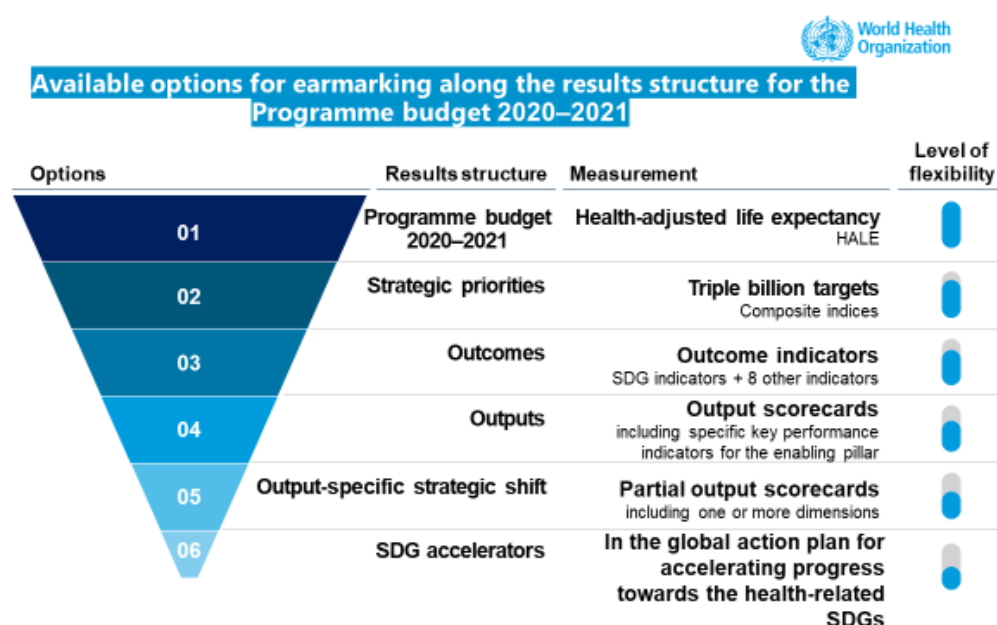
¹ Document EB146/30.

18. While more flexibility and the reduction of earmarking to specific projects is a cross-cutting objective of the global resource mobilization strategy, nevertheless some of the funds available at country level to multilateral organizations working on country-specific activities need a more coordinated focus, across the three levels of the Organization. This could be a significant boost to the funding of country offices; WHO, with its strong country presence and technical capability, must make more of such opportunities. The resource mobilization strategy seeks to provide greater clarity about the role of headquarters, regional offices and country offices, while investing in systems that serve all three. The strategy also complements the functional reviews undertaken within the African and Eastern Mediterranean Regions, which foresee a significant strengthening of the resource mobilization function at the country level.

19. As funds become less specified, there is a need for an effective mechanism to improve the distribution of such funds to ensure the Secretariat can report to contributors that their decisions help drive real change, for example to support traditionally underfunded programmes. This issue requires internal coordination and it is envisaged that the resource allocation mechanism will be placed under the auspices of the Deputy Director-General, with representation across the three levels of the Organization, and that it will decide on the allocation of (semi) flexible funding across the Organization. Its mandate will include taking the final decision on the allocation of incoming softly earmarked and unearmarked funding against projected future project funding requirements and shortfalls, with a view to minimizing the impact of funding fluctuations while maximizing the outcomes in programmes and ultimately to implementing the programme budget as approved by Member States. The mechanism will further be expected to provide managerial oversight and have decision-making authority on the reallocation of funds from projected project implementation, while also having the authority to decide course-corrective measures for grant implementation optimization.

20. Some contributors have limited flexibility in how their funds are earmarked, but for these the strategy places particular emphasis on encouraging the consolidation of numerous smaller contributions into larger umbrella grants with reduced administrative requirements. While it is acknowledged that small grants can sometimes have significant impacts at country level – especially in small countries – we wish to make the process proportionately lighter. Where appropriate and agreed, smaller contributions would be consolidated for a higher-level purpose and with no individual proposal and reporting requirements for the respective contributions. This could substantially reduce the administrative burden on both sides. The strategy envisages less bespoke reporting requirements but it also acknowledges that reporting may have to be programme specific on occasion, even where funding provided is more flexible, if this is a requirement to retain the confidence of domestic stakeholders, such as civil society.

Fig. 2. Proposed thematic and strategic engagement funding model to finance GPW 13 and the Programme budget 2020–2021



OPPORTUNITIES FOR COUNTRY LEVEL RESOURCE MOBILIZATION

21. Central to the GPW 13 is the need to be more focused and effective in country-based operations, working closely with authorities, national and international partners at country level to engage in policy dialogue, provide strategic support and technical assistance and coordinate service delivery. The efforts of WHO build on country-specific priorities, needs and available resources. To this end, WHO has developed country support plans that are fully aligned with country priorities and the GPW 13. The current trend shows that about 75% of WHO resources are being raised at headquarters level, while country offices have significant potential to attract more bilateral funding for health, including domestic funding, to deliver the country support plans. We envisage the proportion of funds being raised at country level to increase to 20–25% (from 17% in 2016–2017) of all WHO resources over the five-year period 2019–2023. The emphasis will remain firmly on supporting countries to achieve their priorities as identified through their country support plans.

22. To achieve increased fundraising at country level, the Secretariat will focus on:

- (a) Raising awareness of the comparative advantage of WHO's work at country level based on its mandate, its expertise and privileged position vis-à-vis national authorities and partners. To lead coordination among health sector partners and to draw expertise from throughout the Organization to deliver on the GPW 13, a workforce with strengthened professional capacity is needed at country level to ensure greater alignment with national development needs, support to countries and renewed focus on impact.

(b) Leveraging resources and partnerships at country level, including influencing domestic planning, financing and service delivery; and working on this with a wide range of partners, including governments, the private sector, individuals, foundations and corporations. WHO needs to further engage civil society, health advocates and other stakeholders. The heads of WHO country offices play an essential leadership role in achieving this objective, but it is recognized that they need technical and human resources support from regional offices and strategic support from both regional offices and headquarters. The latter will include investment in mapping opportunities in a greater level of detail than previously and supporting the targeted and sustainable development of specialist skills. Our country offices must benefit from the new Contributor Engagement Management (CEM) system and other organizational reforms, through early and sustained involvement in the design and implementation process.

(c) Aligning with United Nations reform at country level and working to ensure health is integrated into the broader United Nations and development agenda, particularly the United Nations Sustainable Development Cooperation Framework.

23. The ongoing United Nations development system reform represents an opportunity to address the financing landscape for the achievement of the SDGs and United Nations Sustainable Development Cooperation Framework financing on a needs-based approach within the United Nations country teams. The United Nations system's convening power will be used to leverage different funding sources and investments to support governments to develop and implement sustainable financing strategies to implement the SDGs and WHO must ensure that health is central to this work.

FIT-FOR-PURPOSE ORGANIZATION AND MORE PROFESSIONAL PROCESSES

24. The Secretariat has examined critically the effectiveness of a number of internal processes over the last 18 months, and during 2019 has introduced some updated approaches to resource mobilization. Examples of this include the creation of partner engagement teams, which, according to the needs and funding profile of the respective contributors, bring together colleagues across all three levels of the Organization. Among the main objectives of the partner engagement teams is to enable more strategic and coordinated engagement through joint development and implementation of the integrated contributor engagement plans referred to above, on the basis of cross-functional and cross-level expertise; help to build trust in WHO's professionalism and ability to deliver impact; break the currently siloed resource mobilization work and enable cross-functional collaboration by bringing together key technical experts at all three levels of the Organization; and ensure a better overview of contributor portfolios, enabling WHO to negotiate consolidated or umbrella agreements in order to offer more flexibility and/or predictability of funding. After the experience gained by the first partner engagement teams, this initiative is presently being rolled out to a bigger group of partners.

25. The Secretariat has opted for a more centralized headquarters model of resource mobilization, consolidating capacity into the existing resource mobilization team, with more investment in specialist capacity in areas like philanthropy. There is consistent feedback from contributors that the efficiencies and alignment requested by WHO of partner agencies and funding streams must be complemented by a similar coherence on the part of the Secretariat, while recognizing the need for close ongoing technical collaboration.

26. The more extensive use of analytics, new organizational processes and refreshed structures are all underpinned by the Organization's most significant investment in resource mobilization capacity in a number of years. Having undertaken a rigorous request for proposal process, the Secretariat is investing in a proven CEM system that will allow the Organization to better manage the end-to-end resource

mobilization and grants management process. The main objectives of such a system include: (i) to facilitate the management of contributor relationships and intelligence and help capture funding opportunities to improve visibility on pipeline funding; (ii) to allow for the development of customized workflows to enable the clearance of documents; (iii) to help facilitate and monitor the implementation of distributed funds in line with the terms and conditions of the respective agreement (e.g. level of earmarking, timeline and reporting requirements); and (iv) to manage reporting and visibility more consistently across WHO, thus better meeting contributor expectations.

27. Work is under way across the three levels of the Organization to define standard operating procedures, supported by colleagues specifically recruited for their experience of similar systems. The Secretariat expects to begin rolling out the use of this new system towards the end of 2020.

28. Close and regular exchange and alignment between the three levels of the Organization is vital for resource mobilization and more attention is being given to facilitating information and knowledge-sharing. There is, for example, a monthly call for regional external relations focal points under the chairmanship of the Executive Director for External Relations and Governance, through the above-mentioned performance engagement teams and a much more inclusive approach to bilateral dialogues, in which the new default is that headquarters, regional and country level colleagues will be engaged. This has been welcomed by partners, who are generally keen to understand the challenges and opportunities of programme implementation at country level. The new CEM system will be a further building block to facilitate and cement this internal alignment.

OTHER ISSUES FOR INFORMATION

29. While the polio programme retains its own resource mobilization capacity, it is working closely with the centralized resource mobilization, understanding the complementary nature of the activities.

30. A number of significant donors, in particular in the field of emergency and humanitarian situations, are not governments. This has exposed some of the limitations of relying solely on governing body mechanisms as a means of reporting on audit outcomes and the problems that will, from time to time, affect programmes. Member States also expect faster reporting of such issues than routine governance cycles allow for; the Secretariat has therefore been working to ensure that appropriate supplementary reporting processes are in place.

ACTION BY THE EXECUTIVE BOARD

31. The Board is invited to note the report, recognizing that the Secretariat will monitor the implementation of this resource mobilization strategy, reporting regularly against key milestones under the standing programme budget agenda items.

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