

WHO sustainable financing

Options for the consideration of the Working Group

INTRODUCTION

1. Following the consideration of document EB148/26, the Executive Board at its 148th session decided¹ that the issue of WHO sustainable financing should be resolved through a high level, systematic methodological approach based on three practical questions:

1. What are the essential functions that should be funded in a sustainable manner?
2. How much funding is required to ensure sustainability of the essential functions?
3. Who should provide this funding?

2. This document seeks to address the question of what are the essential functions that should be funded sustainably and sets out some different options available for the consideration of the Working Group. The options provided aim to stimulate discussion and do not constitute an exhaustive or definitive list. Once a certain option has been agreed upon by the Working Group, the Secretariat would proceed to elaborate the financial and administrative implications, where appropriate, to support discussions on the second question regarding the amount of sustainable funding required.

3. For the purpose of this process, sustainable financing refers to funding that enables WHO to have the robust structures and capacities needed to fulfil its core functions in effective and efficient support of its Member States, including in preventing, detecting, and responding to, disease outbreaks.

4. Sustainable financing is understood to be:

- predictable, that is similar to assessed contributions where WHO is aware of the exact financing level before the biennium starts and can reliably count on these funds;
- medium to long term, that is, at a minimum, for the duration of a general programme of work;
- flexible, that is allowing full alignment with the priorities of the approved programme budget, including staff and activity costs, with no limitations on the type of activity, location or programme budget outcomes and outputs;

¹ Decision EB148(12) (2021).

- not wholly dependent on a small number of contributors or the size of their contributions; and
- largely in support of the base segment of the approved programme budget.

OPTIONS FOR THE CONSIDERATION OF THE WORKING GROUP

5. The proposed options all concentrate on the base segment of the budget, either in its entirety, or a select part of the functions and programmes contained therein. Some of the elements in the options will be overlapping and this will need to be addressed during costing exercises once the Working Group has decided on an option to pursue.

OPTION 1. CONSIDERING THE ENTIRE BASE SEGMENT TO BE ESSENTIAL

6. WHO's approved programme budget contains four segments: (i) base; (ii) polio eradication; (iii) special programmes; and (iv) emergency operations and appeals.

7. The base segment covers the core work of WHO. It constitutes the largest part of the approved programme budget, both in terms of strategic priority setting, detail and budget figures. It reflects the decisions and resolutions of the governing bodies that have been duly considered and adopted by the Member States and fully costed by the Secretariat. This is the segment where Member States set the priorities: the base budget is only approved by the Health Assembly after extensive Member State consultation. The financing of this part of the budget thus typically comes under greater scrutiny by the Member States compared with other budget segments. Once approved, WHO has exclusive strategic and operational control over the scale of the activities in the base segment, and over the choice of the means, location and timing of their implementation. The Organization is able to ensure both a balanced growth across different programme budget outputs that reflects overall health priorities and an even distribution of budget across the major offices.

8. The base segment contains all of the priorities and requirements determined by Member States. Considering all the functions contained in the base segment to be essential and ensuring that they are sustainably funded would therefore uphold the Member State-driven nature of WHO, guaranteeing full alignment between the Organization's governance, financing and oversight functions.

OPTION 2. DEFINING ESSENTIAL FUNCTIONS BASED ON THEIR CONTENT OR PURPOSE

9. The essential functions of WHO could be defined according to their content or purpose. Two options exist for this content-based approach:

Option 2a: Using the six core functions identified in the Twelfth General Programme of Work and the Thirteenth General Programme of Work, 2019–2023

10. Underpinning the strategic priorities set out in the Thirteenth General Programme of Work, 2019–2023, are three strategic shifts: stepping up leadership at all levels, driving impact in every country, and focusing global public goods on impact. Together, they reflect WHO's six core functions of:

- providing leadership on matters critical to health and engaging in partnerships where joint action is needed;

- shaping the research agenda, and stimulating the generation, dissemination and application of valuable knowledge;
- setting norms and standards, and promoting and monitoring their implementation;
- articulating ethical and evidence-based policy options;
- providing technical support, catalysing change and building sustainable institutional capacity; and
- monitoring the health situation and assessing health trends.

Option 2b. Devising a must-have list of WHO essential functions

11. The must-have list of WHO essential functions could include:

- functions that support countries in preventing, detecting and responding to disease outbreaks and that coordinate international assistance (WHO World Health Emergencies Programme and the interrelated triple billion targets 1 (e.g. health systems) and 3 (e.g. antimicrobial resistance), including data and science);
- functions that fulfil Member States' expectations to deliver normative functions (public health goods);
- functions that are essential to maintaining and strengthening public health in countries, including those to maintain a polio-free world (immunization, surveillance, laboratory networks and services);¹
- functions that advance research and innovation for global health; and
- enabling functions that provide greater focus on transparency and accountability to mitigate severe corporate risks.

OPTION 3. DEFINING ESSENTIAL FUNCTIONS BASED ON PRINCIPLES ESTABLISHED BY THE WORKING GROUP

12. Another approach could be to define the essential functions of WHO based on principles established by the Working Group. This could include:

- functions that are essential for WHO to fulfil its mandate and its unique role (norms and standards, technical support to countries);
- functions where it is critical for WHO to remain impartial, namely functions that should not rely on large levels of donor voluntary funding (research, regulations);

¹ It should be noted that any overlap between maintaining and strengthening essential public health functions in countries and functions to support countries in preventing, detecting and responding to disease outbreak would be corrected at the time of costing.

- functions that are critical to maintaining a sustainable, well-managed and well-functioning WHO (enabling functions); and
- functions that are essential to ensuring that WHO is properly led and fully able to respond to the requirements of its Member States as the lead agency for health in the United Nations system (governance functions).

13. Some of WHO's core functions could be specifically ringfenced to guarantee that they are fulfilled in an independent and impartial manner. For example, prequalification could be considered as a form of service provision since charges are levied for the provision of that type of service, which permits pharmaceutical products to be marketed globally. Currently 64% of prequalification financing comes from voluntary contributions. It could be argued that a sustainable and predictable funding base is needed so that such work can continue and, where necessary, be expanded, in line with Member States' needs and free from concerns of perceived external influence.

OPTION 4. ADOPTING A NUMERICAL APPROACH IN LIEU OF PRIORITIZED FUNCTIONS

14. In the event that it is deemed impossible or not practical to arrive at a list of core or essential functions, an alternative approach could be adopted that focuses on the percentage of flexible funding needed to ensure that the objectives of Member States are met.

15. The current WHO financing model results in implementation being largely donor-driven. Commitments to the donors guide how voluntary contributions are implemented and to what end. This approach to funding the Organization leads to discrepancies between the expectations of the Member States as expressed in the approved programme budget, and the de facto capacities of WHO to implement those commitments. Sustainable financing serves as a key component of tackling this issue and strengthening Member States' governance of the Organization, notably by enabling funding to be more closely aligned with planning and budgeting, both of which fall under the full oversight of the WHO governing bodies. Using sustainable financing to fund the base budget, either in part or in full, would empower the WHO governance mechanisms and allow Member States even greater control over the Organization's strategic focus.

Option 4a: Determining a required percentage of sustainable funding for the base budget

16. If this option were to be selected, Member States could agree on a critical percentage of the base budget that should be funded sustainably so as to ensure alignment between the governance, financing and oversight of the approved programme budget.

Option 4b: Avoiding an overreliance on voluntary contributions

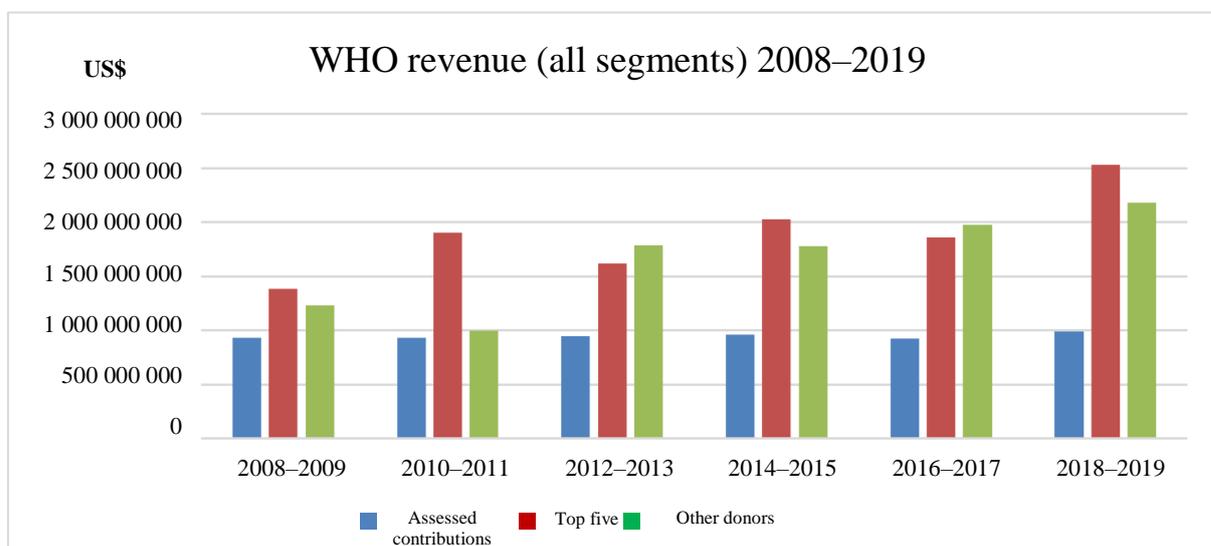
17. WHO continues to rely on voluntary contributions from a few large donors to implement its programme budget. Fig. 1 shows the funds available from the top five donors alongside assessed contributions and other voluntary contributions. In four out of six bienniums, the voluntary contributions received from the top five donors exceeded those from all other donors. Such a financing model presents several problems:

- It is extremely difficult to strengthen WHO's core capacity when so much of its work is driven by short- to medium-term programme activities only.

- While the generosity of all donors is greatly appreciated, overreliance on a few major donors leaves the Organization's work open to being led by their priorities. This situation hinders the implementation of resolution WHA58.4 (2005), which was intended to ensure that, through an integrated budget, the Health Assembly would exercise full authority over all priorities and their proportionate weight. An increase in sustainable financing without ties to specific programmes would thus give the Health Assembly much greater leverage and control over the Organization and the implementation of its budget.
- Owing to the limited amount of assessed contributions, the Organization has little flexibility to allocate financing equally across all programme budget results. As a result, major chronic funding gaps persist (usually in the programme areas of little or no interest to most donors, such as noncommunicable diseases and preparedness and prevention functions).
- Overreliance on a few large donors entails severe corporate risks. Withdrawal of any of these donors would leave an immediate, substantial funding gap that cannot be bridged easily due to the very limited amounts of sustainable, flexible and predictable financing available.

18. An option to mitigate this overreliance on voluntary contributions would be to limit the dependency on donor voluntary funding of every programme budget outcome to a certain critical percentage.

Fig. 1. Funds available for all budget segments for the Programme budgets 2008–2009 to 2018–2019 by assessed contributions, voluntary contributions and top five donors



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