

Meeting Report of the Working Group on Sustainable Financing

1. The Working Group on Sustainable Financing met virtually from 29 to 31 March 2021 and was chaired by Mr Björn Kümmel of Germany with the following Vice-Chairs: Mr Iddrisu Yakubu of Ghana, Mr Raúl Vargas Juárez of Mexico, Ms Mouna Mcharek Hadji of Tunisia, Ms Meutia Hasan of Indonesia, and Ms Bronwyn Field of Australia. The session was attended by 100 Member States and one regional economic integration organization.
2. The Working Group was established by decision EB148(12) in order to enable WHO to have the robust structures and capacities needed to fulfil its core functions as defined in the Constitution: (a) to develop a high-level, systemic approach to identify the essential functions of WHO that should be funded in a sustainable manner; (b) to assess the level of costing of the essential functions identified in (a); (c) identify and recommend the appropriate sources for their funding and options to improve sustainable financing and alignment in support of the essential functions, including possibilities for cost-saving and efficiencies; and (d) undertake any additional work, as appropriate, to enable sustainable financing.
3. The Working Group first considered a historical view of WHO's financing and received a briefing from the Secretariat. It was noted that sustainable financing of the Organization has been an issue for a long time. The level of assessed contributions (ACs) has remained largely static while the proportion of voluntary contributions (VCs) has increased along with the budget increase. While VCs are highly appreciated and individual VCs are always aligned with Programme Budget priorities, the heavy reliance on earmarked VCs result in a misalignment between the priorities set and the financing of their delivery. As a result, even though the Organization has managed to raise funding to cover its overall budget, some areas, which are of high priority to Member States, remain chronically underfunded, including noncommunicable diseases, emergency preparedness, and data and science functions, including at regional and country levels.
4. Various mechanisms have been implemented to improve the sustainability and alignment of WHO's finances. Although these mechanisms have brought about improvements, they have not been able to fundamentally change the financing of WHO.
5. The Working Group then turned the discussion to current challenges and the broader perspective, and there were three presentations provided by: (1) the Independent Panel for Pandemic Preparedness and Response (IPPPR); (2) the Independent Oversight and Advisory Committee for the WHO Health Emergencies Programme (IOAC); and (3) the Global Preparedness Monitoring Board (GPMB). A written contribution from the Chair of the Independent Expert Oversight and Advisory Committee (IEOAC) was also shared with the Working Group. The Secretariat also provided a presentation to highlight current practical challenges related to the current way of financing of the Organization. The Working Group expressed its appreciation for the presentations.

6. The Working Group noted that the presentations of the IPPPR, IOAC, and GPMB aligned very well with the task at hand of the Working Group and also noted that there was a convergence between some of the views and ideas presented. In particular, the three presentations noted that sustainable funding for WHO was a critical issue for Member States to address, and included the suggestion that Member States consider an increase in the level of the assessed contributions. Finally, it was observed that, notwithstanding the serious challenge of economic recovery in the aftermath of the COVID-19 pandemic, it remained important to look beyond this to longer-term solutions with a focus on sustainable recovery and “future-proofing” WHO.

7. The Working Group then turned their discussion towards the options for developing a high-level, systematic approach to identify the essential functions that should be funded in a sustainable manner. The Secretariat provided a presentation that included a suggested definition of sustainable financing and four possible approaches to identifying the essential functions, as contained in document EB/WGSF/1/3. The Working Group noted WHO’s proposed definition of sustainable financing (predictable, medium- to long-term, flexible) and discussed its application to various funding types including assessed contributions, core voluntary contributions account, programme support costs and thematic funding. The options included: (1) considering the entire base segment to be essential; (2) defining essential functions based on their content or purpose; (3) defining essential functions based on principles established by the Working Group; and (4) a numerical approach. It was also noted that some approaches could be blended or combined.

8. Working Group members shared their opinions about the options presented; however, many noted that they were not ready to express their preference for any specific option and some felt they would require additional information on the impact of each option. The Chair noted these observations but also stressed the stepwise approach, with identifying the essential functions being the first step. It was suggested that whatever option was preferred, it should be rooted in the comparative advantage of WHO vis-à-vis other global health actors.

9. The Working Group members recognized that as they build a common understanding of sustainable financing issues, they would be better able to determine essential functions that should be funded in a sustainable manner. The Secretariat elaborated on the total size of the Organization’s budget and the current sources of flexible and/or sustainable funding, which generated further discussion. Practical issues related to budgeting cycles, and the implications these may have on the ability of Member States to meet the definition of medium- to long-term funding predictability, were highlighted.

10. The Working Group decided to turn its attention towards a deeper examination of each of the possible approaches. It was emphasized that none of them represented an authoritative list of what the Secretariat considers essential priorities or functions, but were rather provided to stimulate discussion on potential approaches that could be taken to meet the mandate of the Working Group. The Working Group was open to exploring other options after further consultation.

11. Differences and similarities between the options were described by the Secretariat, and ideas about how to combine some elements from different options were put forward by the Working Group. A fifth option was proposed, which would include due consideration for procedural issues. This proposal stimulated further debate on governance and transparency matters related to the financial implications of resolutions and decisions. It was noted that further discussion would be needed to determine the size of the base budget, as well as the role of earmarked voluntary contributions in financing it.

12. In order to provide guidance to the Secretariat on the way forward, including on how to narrow down priorities based on the various approaches, the members of the Working Group expressed a need

for more time to reflect and consult within their respective governments. The Working Group put forward several requests for additional information to be provided by the Secretariat to facilitate such consultations.

13. Requests to the Secretariat for additional information concerned the following areas: disaggregation of the options for which this is possible and presentation of scenarios for the numbered options; clarification on what is included in the enabling functions; description of which elements of the GPW are or are not included in the different options; explanations of envisioned cost-savings and efficiency gains; costing of resolutions and the impact on the budget process; characterization of various types of funding and their levels; provision of more details on the balance between assessed contributions and voluntary contributions; elaboration of the comparative advantage of WHO; more details on programme support costs; and provision of further details on budgetary information and also on transparency and accountability. The Secretariat welcomed the chance to understand in more detail the expectations of Member States in the latter regard.

14. The Working Group was invited to elaborate on existing governmental mechanisms that allow some Member States to fund other global health actors for longer-term periods, with flexibility. It was noted that this would assist the Secretariat to understand whether such mechanisms might be applied in a similar way to WHO. This was noted particularly in the context of recommendations made to the Working Group by external panels on the replenishment model of funding.

15. The Working Group concluded its substantive discussion and noted that it would meet again in advance of the Seventy-fourth World Health Assembly to continue its deliberations.

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