World Health Organization

SECOND MEETING OF THE WORKING GROUP ON SUSTAINABLE FINANCING
Provisional agenda item 3

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Outlook on WHO's various types of funding, their levels and its contributors

WHO PROGRAMME BUDGET SEGMENTS

Starting from the biennium 2006–2007, a segmentation of the programme budget was introduced, which allows for budget information to be presented to reflect different budget-setting mechanisms and sources of revenues.

In the biennium 2020–2021, four budget segments are being used to operationalize WHO's Programme budget:

(1) **Base:** the core mandate of WHO, constituting the largest part of the approved programme budget 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 in which Member States set the priorities: the base budget is approved by the Health Assembly only after extensive Member State consultations. WHO has exclusive strategic and operational control over the scale of activities in the base segment and over the choice of the means, location and timing of their implementation.

(2) **Polio eradication:** not fully controlled by WHO, which is one of the six core partners of the Global Polio Eradication Initiative. The budget, including WHO's share, is set by the Initiative in its strategic plan. The Initiative is financed by a wide range of public and private donors that help meet the costs of its eradication activities, which are implemented by WHO and the United Nations Children's Fund (UNICEF), in partnership with countries and Gavi, the Vaccine Alliance.

(3) **Emergency operations and appeals:** (formerly outbreaks and crisis response), governed by acute external events. The resource requirements are normally significant and difficult to predict; for this reason, biennial budget requirements are an estimate.

(4) **Special programmes:** for the purpose of the programme budget, this segment includes the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases; the UNDP/UNFPA/UNICEF/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction; and the Pandemic Influenza Preparedness Framework. This segment is fully within WHO's results hierarchy, over which WHO has executive authority. However, these special programmes have additional governance mechanisms and budget cycles that inform their annual/biennial budgets.

FUNDING OF WHO PROGRAMME BUDGET SEGMENTS

Base segment

The base segment is funded by five different funding types, grouped in two categories. For reference, Table 1 introduces the newly designed category "Sustainable funds".

Table 1. Fund types by fund categories (as considered by WHO)

	Fund categories	
Fund types	**Flexible funds**	**Voluntary contributions**
Assessed contributions	X	
Programme support costs	X	
Core Voluntary Contributions Account	X	X
Voluntary contributions (thematic)		X
Voluntary contributions (specified)		X

Flexible funds consist of three types of funds grouped together to provide the Director-General with the strategic ability to fund the Organization based on the priorities set out in the programme budget. These are:

- **Assessed contributions:** The "dues" assessed from Member States and associate members used to finance the programme budget. They are calculated based on (1) the overall amount to be financed by assessed contributions, which is approved by the Health Assembly; and (2) the amount to be financed by each Member State, which is calculated using the Health Assembly-approved scale of assessments, based on each Member State's share of global gross national product and adjustments based on their economic capacities. WHO's scale of assessments reproduces the United Nations scale of assessments, with some adjustments due to differences in membership. In 2020–2021, the net assessment provides WHO with US$ 956.9 million of assessed contributions.

- **Programme support costs:** indirect cost-recovery mechanism (administrative and management costs) levied on each voluntary contribution (see background document on programme support costs).

- **Core voluntary contributions account:** voluntary contributions provided to WHO that are fully flexible at the level of the programme budget.

Allocation of flexible funds across programme budget results and across organizational structures is governed by the principles set out in document EB148/26, Annex 2.

In addition, WHO's programme budget is funded by **voluntary contributions** (specified or thematic) made by Member States or other contributors:

- **Voluntary contributions (thematic)** are earmarked at global programme budget outputs or higher, within which there is considerable flexibility for deployment according to need. Such funds offer a much greater degree of predictability and flexibility compared with specified voluntary contributions.

- **Voluntary contributions (specified)** are tightly earmarked within the results and/or organizational structure:

- **Core Voluntary Contributions Account** covers voluntary contributions that are flexible at the level of the programme budget and therefore also included into the "flexible funds" group above.

Fig. 1 displays the level of flexibility of all voluntary contributions across both results and organizational structure.

Fig. 1. Voluntary contributions and their level of flexibility

Flexibility of voluntary contributions from a recording perspective

Flexibility

Flexibility

Level of earmarking*	Organizational structure				
	Corporate – all WHO	**Major office**	**Division**	**Department, budget centre, country office**	**Workplan, project, programme**
Results structure (GPW13)					
Programme budget	*Flexible*	*Thematic*	*Thematic*	*Specified*	*Specified*
Triple billion goals	*Thematic*	*Thematic*	*Specified*	*Specified*	*Specified*
Outcomes	*Thematic*	*Thematic*	*Specified*	*Specified*	*Specified*
Outputs	*Thematic*	*Specified*	*Specified*	*Specified*	*Specified*
Other					
WHO-wide activity (e.g. CFE, HIV)	*Thematic*	*Thematic*	*Specified*	*Specified*	*Specified*

*Refers to the level of earmarking as specified, for example, in the budget of a donor proposal/agreement

Flexible = CVCA, Thematic = VCC and CFE, Specified = VCS

Polio eradication

Polio eradication is almost fully funded by **voluntary contributions (specified)**, mainly through the Global Polio Eradication Initiative. Some additional funds may come from Member States as complimentary contributions to the WHO polio eradication programme.

Emergency operations and appeals

This operational segment has been set up for crisis response-related activities and is mainly funded through appeals. Although most of the support following appeals is strictly earmarked and hence falls under voluntary contributions (specified), WHO established the **Contingency Fund for Emergencies** in 2015 to allow rapid and effective response to health emergencies. The Contingency Fund for Emergencies is a thematic and pooled funding mechanism.

Special programmes

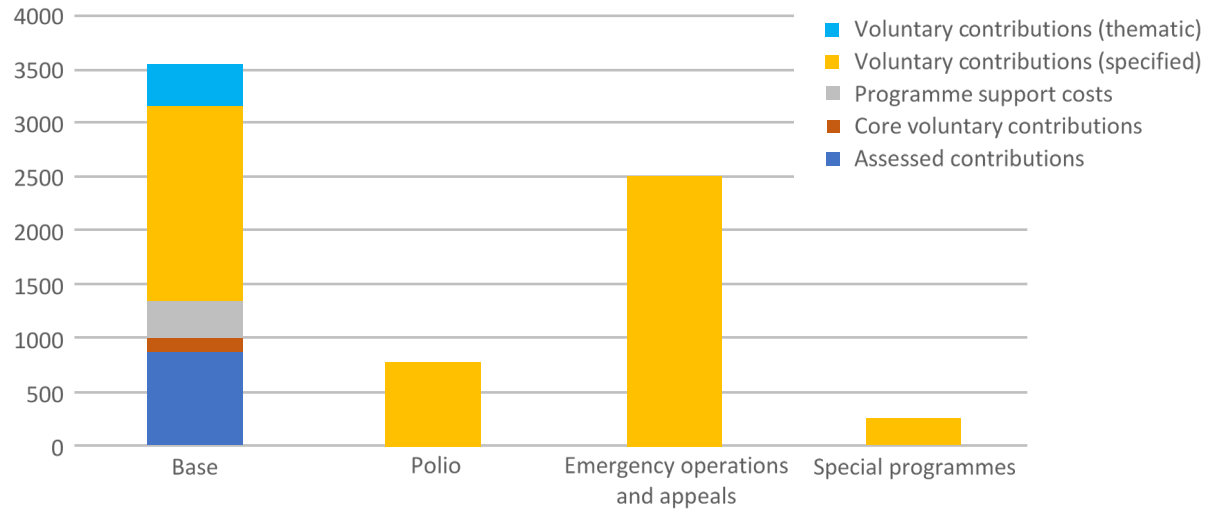
As detailed above, the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases and the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction are trust funds administered by WHO, which receive a blend of **voluntary contributions (specified)** and core contributions from WHO (usually **assessed contributions**).

Finally, the Pandemic Influenza Preparedness Framework is a public health instrument that is fully funded by non-State actors (and occasionally Member States or local governments) through **voluntary contributions (specified)**.

Funding analysis

Fig. 2 graphically represents the funding patterns of every budget segment explained above. The base segment shows a greater blend of funding sources than all other segments.

Fig. 2. Funds available by fund type and contributor category by programme budget segment: net of projections as at 31 December 2021 (US$ millions)



Figures 3 and 4 show the funding mix of the base budget segment by major office and strategic priority.

Fig. 3. Funds available by fund type for base programme budget segment, by major office: net of projections as at 31 December 2021 (US$ millions)

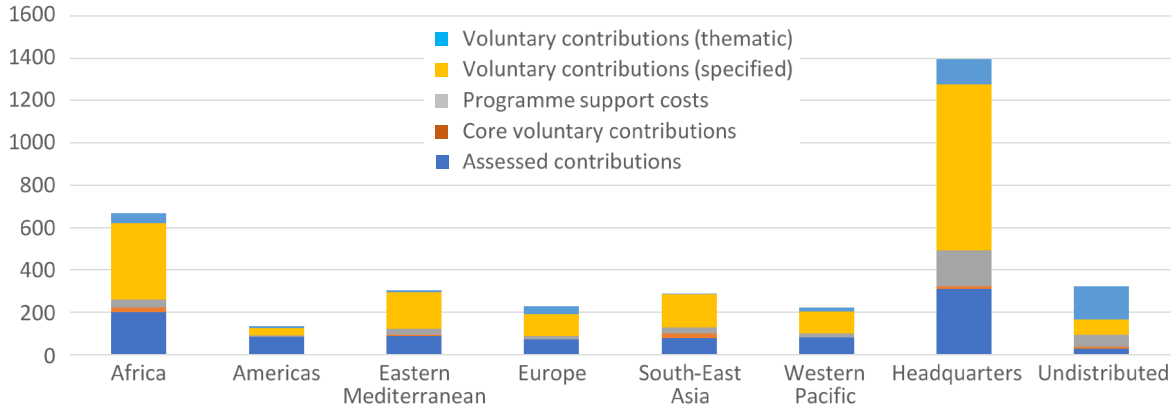


Fig. 4. Funds available by fund type for base programme budget segment, by strategic priority: net of projections as at 31 December 2021 (US$ millions)

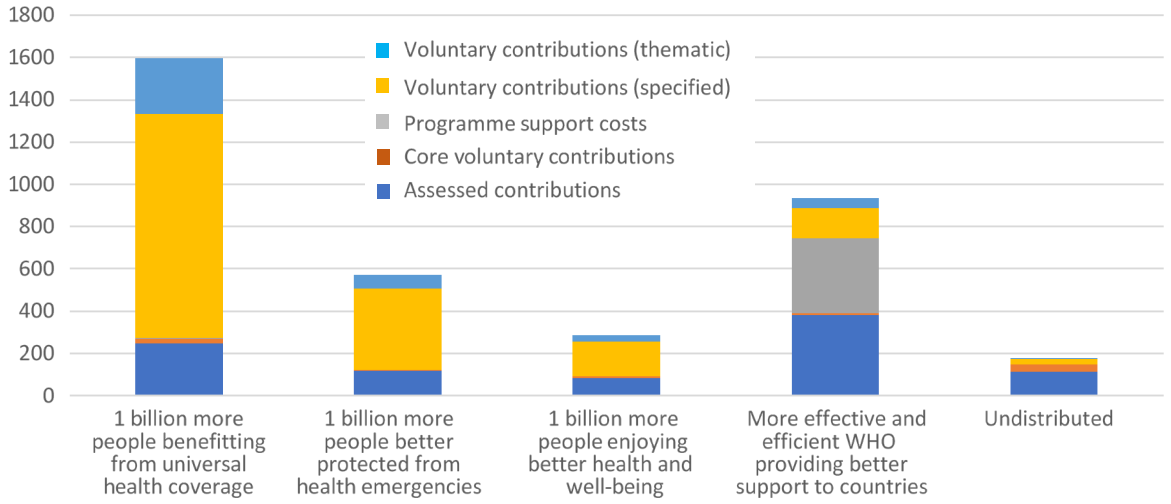
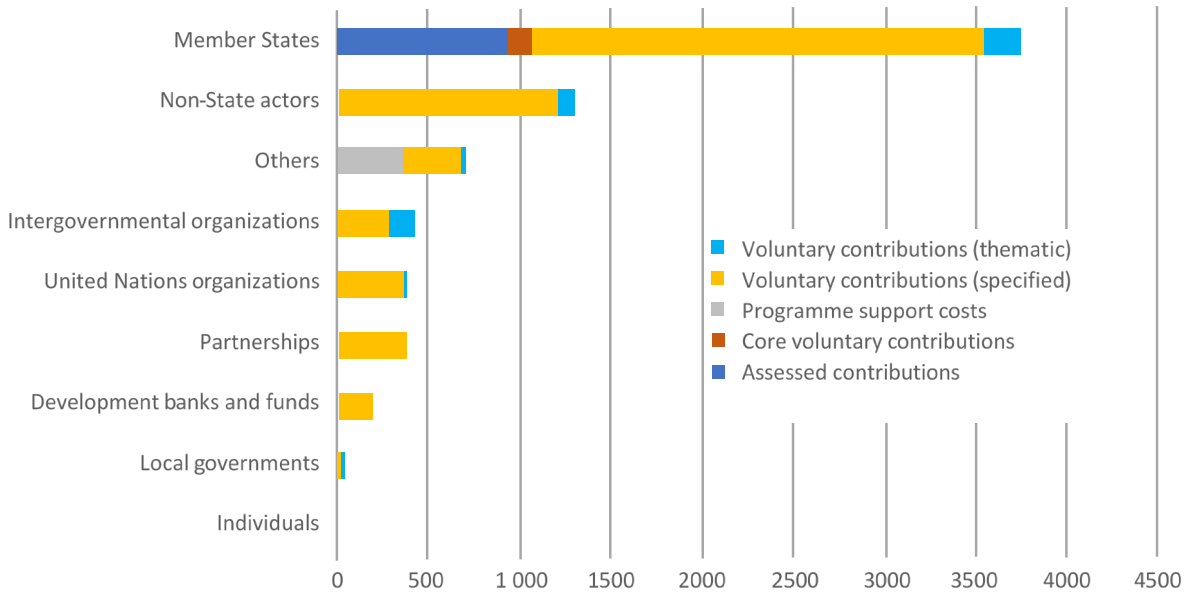


Fig. 5 shows the overall funding level as at 31 December 2021, by contributor category. Member States are by far the main contributors to WHO's programme budget.

The category "Others" includes programme support costs, pooled funds (such as the COVID-19 Solidarity Response Fund, the COVID-19 Supply Chain Bridge Fund, the COVID-19 Strategic Preparedness and Response Plan, the COVID-19 Member States Pooled Fund and the Contingency Fund for Emergencies, among others).

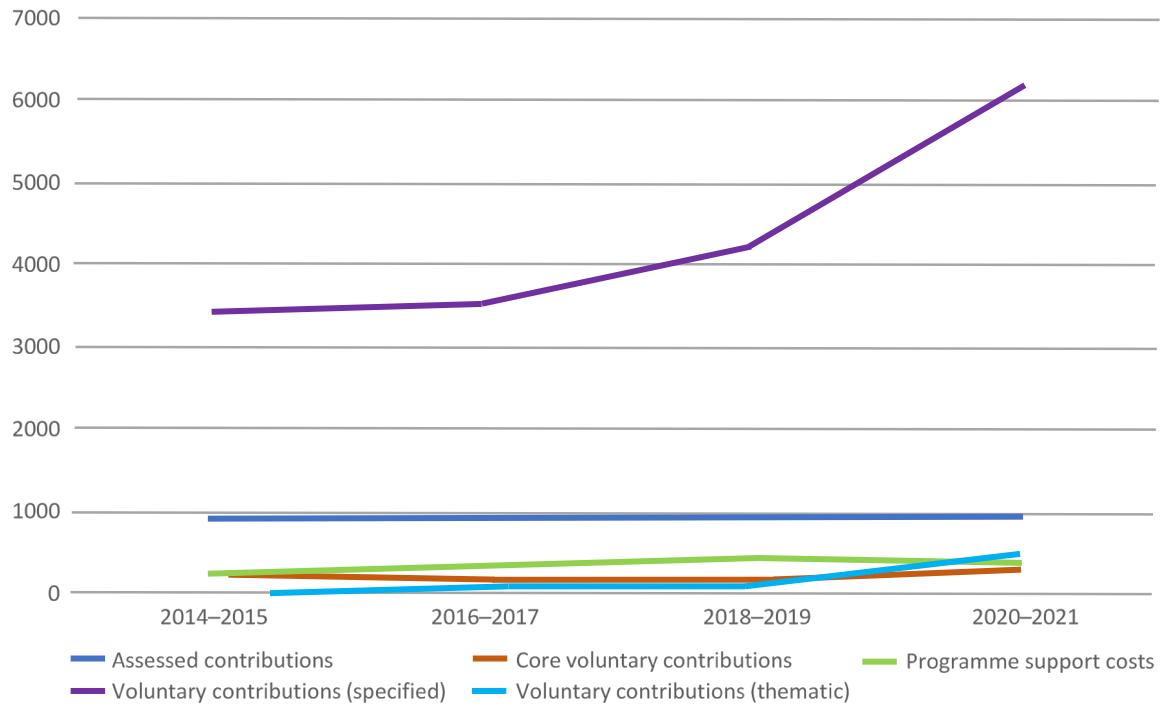
Non-State actors include academic institutions, private-sector entities, philanthropic foundations and non-governmental organizations.

Fig. 5. Funds available by fund type and contributor category for all programme budget segments: net of projections as at 31 December 2021 (US$ millions)



The steadily growing reliance on voluntary contributions (specified or thematic) is well illustrated in Fig. 6. Although the COVID-19 pandemic and funds raised for the pandemic response had a significant impact in 2020–2021, that heavier reliance on voluntary contributions has seen a dramatic growth since 2016–2017.

Fig. 6. Evolution of funds available across the Twelfth General Programme of work, 2014–2019 (GPW 12) and 2020 by fund types: all segments as at 31 December 2021 (US$ millions)



As noted above, voluntary contributions are provided to WHO either by its Member States or by other contributors. Fig. 7 shows the share of each type of contributor of voluntary contributions by year since 2016 for all budget segments. Until 2020, the share of Member States' voluntary contributions and that of other actors were nearly the same, while following the pandemic response Member States have significantly increased their contributions to WHO.

Fig. 7. Member States and other contributors of voluntary funds, all budget segments (US$ millions)

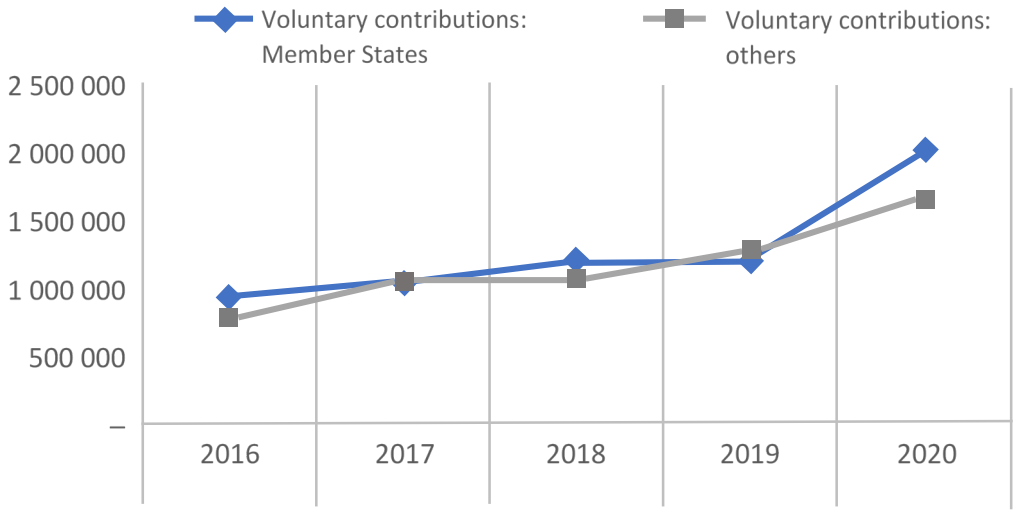
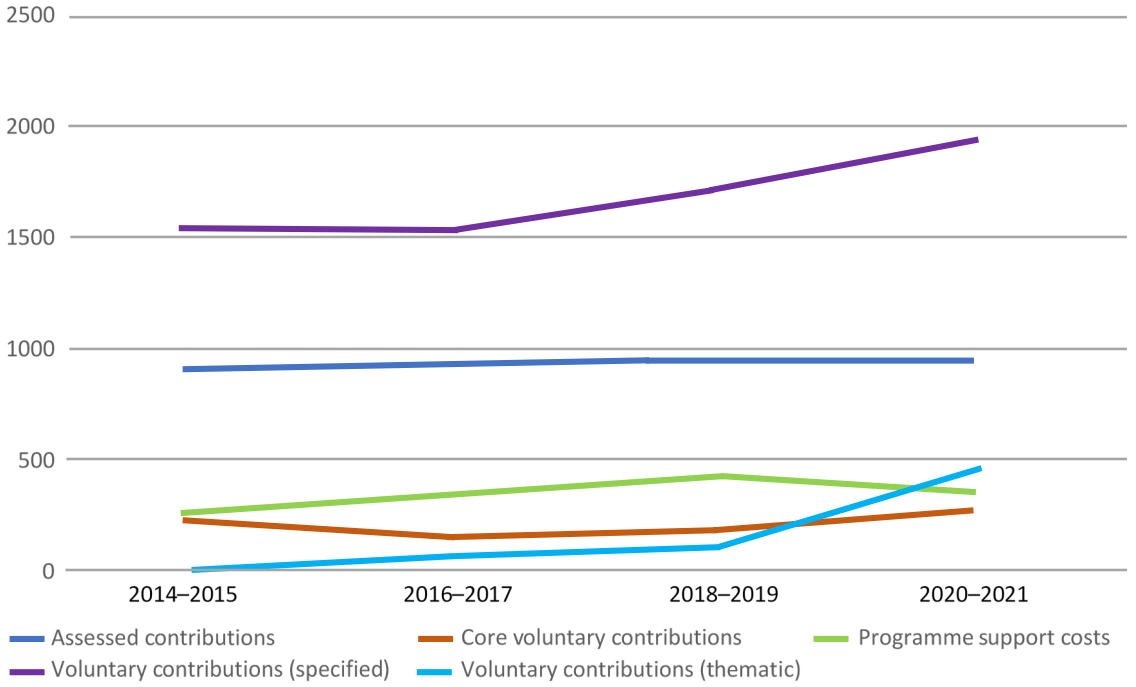


Fig. 8 focuses on the financing of the base budget segment. The overall flexible funds envelope remains stable for the duration of the Twelfth General Programme of Work, 2014–2019 (GPW 12) and the biennium 2020–2021. Assessed contributions remain at the same level, while programme support costs and core voluntary contributions have some variation but remain approximately at the same level. There is a positive increase in the level of voluntary contributions (thematic), which is a very welcome development.

Fig. 8. Evolution of funds available across Twelfth General Programme of Work, 2014–2019 (GPW 12) and 2020 by fund type: base segment as at 31 December 2021 (US$ millions)



Further details on the financing of programme budgets by type of funds, contributors and funds contributed to achievement of results can be found in the WHO programme budget web portal at: http://open.who.int/2020-21/home.

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