

BUREAU PROPOSALS ON THE OUTSTANDING RECOMMENDATIONS¹ OF THE WORKING GROUP TO THE SEVENTY-FIFTH WORLD HEALTH ASSEMBLY²

38. The Working Group on Sustainable Financing:

(a) Recognized that now more than ever, in the context of coronavirus disease (COVID-19), the current funding model including the budgeting process for WHO is unsustainable and limits the Organization's ability to make an impact where it is most needed, at the country and regional levels, and the status quo is unacceptable;

(b) Considered the recommendations of various independent review panels and committees established in response to the COVID-19 pandemic with regard to the financing of WHO, including those of the Independent Panel for Pandemic Preparedness and Response, Global Preparedness Monitoring Board, Independent Expert Oversight Advisory Committee, Independent Oversight and Advisory Committee for the WHO Health Emergencies Programme the Review Committee on the Functioning of the International Health Regulations (2005) during the COVID-19 Response;

(b) **Bureau proposal:** Considered the recommendations of various independent review panels and committees with regard to the financing of WHO, including, inter-alia, those of the Independent Panel for Pandemic Preparedness and Response, the Global Preparedness Monitoring Board, the Independent Expert Oversight Advisory Committee, the Independent Oversight and Advisory Committee for the WHO Health Emergencies Programme and the Review Committee on the Functioning of the International Health Regulations (2005) during the COVID-19 Response;

¹ The recommendations of the Working Group were initially set forth in the meeting report contained in document EB/WGSF/5/4, in which it was explained that limited time had not allowed consensus to be reached on all recommendations. The meeting report was subsequently submitted, annexed to document EB150/30, for consideration by the Executive Board at its 150th session. The Executive Board subsequently decided to concur with the proposed guidance of its Programme, Budget and Administration Committee, contained in document EB150/5, which included extending the mandate of the Working Group on Sustainable Financing with a view to having it report to the Seventy-fifth World Health Assembly. The present draft textual proposal, prepared in line with the way forward set out in the report of the Working Group's sixth meeting, contained in document EB/WGSF/6/3, shows the Bureau's proposals on outstanding recommendations. The Bureau's proposed text is shown in **blue**.

² Further discussion was proposed on the order of the Recommendations of the Working Group to the Executive Board.

(c) Noted the mutual reliance on WHO for the ongoing delivery of normative global health policy and technical advice and that all Member States have an interest in seeing a WHO that benefits from sustainable, flexible and predictable funding;

(d) Stressed that Member States as a collective must match their willingness to fund the Organization with the demands that they place on it;

(e) Stressed that any increase in Member States' assessed contributions needs to be accompanied by appropriate governance reforms, to be agreed by Member States, together with the further strengthening of transparency, efficiency, accountability and compliance within the Organization;

(f) Acknowledged that many Member States face severe financial challenges, including those accentuated by the COVID-19 pandemic, which may hinder their capacity to fulfil their financial obligations, sometimes despite existing mechanisms;

(g) Highlighted the need for coordination between the Working Group on Sustainable Financing and the Working Group on Strengthening WHO Preparedness and Response to Health Emergencies; and

(h) Recognized that initiatives are currently under way to expand funding for the global health architecture and emphasized the importance of linking these efforts to the critical need to enhancing WHO financing.

39. Based on the above-mentioned premises, the Working Group developed the following recommendations:

(a) that governance, transparency, accountability, efficiency and compliance be strengthened through a number of initiatives including, but not necessarily limited to:

(i) mechanisms to be put in place for robust oversight with sufficient time by the World Health Assembly, the Executive Board and the Programme, Budget and Administration Committee of all initiatives in terms of results, potential overlaps with existing initiatives, a time frame for implementation and associated costs, financing and reporting, particularly where presented in the form of resolutions or decisions for approval;

(ii) a more transparent presentation from the Secretariat of programme budget priority-setting through all three levels of the Organization to assist Member States with the preparation, evaluation and approval of the programme budget and budgeting for specific initiatives, including discipline within the Secretariat and Member States in committing to new activities. Budgeting processes should be better linked with governance processes;

(iii) strengthening the role of the Programme, Budget and Administration Committee, to make it more effective, robust and transparent, and more engaged with the Secretariat during the budgeting process and potentially through additional deliberations;

(b) [MOVE PARA to after 39(g)] [*Bureau proposal*: Accept to move to become new para 39(h)];

(c) that the base segment of the programme budget should be fully flexibly funded;

(d) that the Health Assembly request Member States and other donors to strive to provide WHO with fully unearmarked voluntary contributions for the financing of WHO's base programme segment, in accordance with the Framework of Engagement with Non-State Actors as appropriate, as a prerequisite for securing WHO's financial independence and increasing efficiency of the Organization;

(e) that the Secretariat and Member States continue their efforts to boost funding for WHO which:

(i) is fully flexible or at least thematic in nature, as well as sustainable and predictable;

(ii) encompasses increased support from donors in developed and developing countries;

(iii) is able to consolidate support from multiple sizes of donors;

(iv) explores new ~~[and little] (DEL)/[, agile and under]~~utilized sources of funding, such as ~~from the private sector in accordance with~~ the Framework of Engagement with Non-State Actors;

(iv) Bureau proposal: explores new, agile and underutilized sources of funding, such as those from the private sector, in accordance with the Framework of Engagement with Non-State Actors;

~~(f) that the Executive Board consider/[decide] assessed contributions which would cover [at least] 50% of the approved base Programme budget of 2022-2023 [alongside an associated implementation plan developed by the Secretariat to outline how any increase would be used, clearly outlining what objectives such an increase is expected to address, and how progress and implementation of these objectives would be monitored, measured and reported to Member States]. This [increase] should be done in a stepwise manner, starting from 2024-2025 and achieving the target by the biennium 2028-2029 [, corrected for inflation] [in accordance with the schedule in the Annex]. This should be done in full accordance with the United Nations scale of assessments;/[MOVE PARA upwards]~~

~~[Alternative 2 (f): [that the Executive Board consider [an] assessed contributions [that would cover an increased amount of the approved base Programme budget 2022-2023; this should be done in a stepwise manner, starting from 2024-2025 and be decided on in 2023 before finalizing the 2024-2025 budget] only after all other options have been fully explored, and data are fully available, including with regard to a sustainable cost recovery model, a replenishment model, and models of other United Nations entities that receive significant amounts of voluntary contributions][and under the condition that reforms are enacted with a view to strengthening governance, transparency, accountability, efficiency and compliance;][DELETE Annex]]/(DEL)~~

~~Addition (f):[that the Executive Board, in implementing the 50% raise in assessed contributions, should conduct an assessment of the status of Member States' economies to design a contribution model based on equity and taking into account each country's gross domestic product;]~~

(f) Bureau proposal: that the Seventy-fifth World Health Assembly commits to future incremental increases of assessed contributions to an eventual level of 50% of the budget for

2022–2023 base programmes. The first increase will take place in line with the approval of the Programme budget in May 2023 (for the biennium 2024–2025). Subsequent increases in assessed contributions will be considered concurrently with key deliverables relating to budgetary, programmatic and finance governance within the sole manageable interest of the Secretariat and will take place as per the programme budget approval cycle with the corresponding appropriations resolutions in May 2025 (for the Programme budget 2026–2027) and May 2027 (for the Programme budget 2028–2029). The Executive Board at its 152nd session, through the thirty-seventh meeting of its Programme, Budget and Administration Committee, will set the deliverables relating to budgetary, programmatic and finance governance on the basis of a report/proposal by the Secretariat, which will be informed by discussions in the Member State task group on strengthening WHO budgetary, programmatic and financing governance recommended in paragraph 40;

(g) that the Executive Board request the Secretariat to explore the feasibility of a replenishment mechanism to broaden further the financing base in consultation with Member States and taking into consideration the Framework of Engagement with Non-State Actors and present a report to the [Executive Board through the thirty-seventh meeting of the Programme, Budget and Administration Committee in January 2023 that includes relevant options for Member States to consider. The replenishment mechanism, with relevant rules of procedure, would be based on the following principles:

(g) **Bureau proposal:** that the Health Assembly request the Secretariat to explore the feasibility of a replenishment mechanism to broaden further the financing base, in consultation with Member States and taking into consideration the Framework of Engagement with Non-State Actors; and to present a report that includes relevant options for Member States to consider, to the Seventy-sixth World Health Assembly, through the Executive Board and the thirty-seventh meeting of the Programme, Budget and Administration Committee in January 2023. The replenishment mechanism, with relevant rules of procedure, would be based on the following principles:

- (i) is Member State-driven and approved by the World Health Assembly and open to all donors which comply with the Framework of Engagement with Non-State Actors;
- (ii) addresses both WHO needs for flexibility and donor needs to show accountability for results to their own constituents;
- (iii) ensures efficiency and no competition between different parts of WHO;
- (iv) aligns with the defined needs of WHO as approved by its governing bodies and is oriented to prioritize the financing needs of the base budget in all its components;
- (v) aligns with the global health architecture avoiding competition with other global actors;
- (vi) aligns with resolutions and decisions of the Health Assembly.

Bureau proposal moving 39(b) to become new: 39(h) that the Secretariat improve the mechanism for the fair and equitable allocation and reallocation of resources to fully fund all programme budget outcomes across all major offices and across the three levels of the Organization in order to address the

chronically underfunded areas and inform Member States regularly about its progress through the Programme, Budget and Administration Committee;

40. The Working Group on Sustainable Financing also recommends the establishment of an agile Member States task group on strengthening WHO budgetary, programmatic and financing governance¹ to analyse challenges in governance for transparency, efficiency, accountability and compliance, and come up with recommendations which would report to the Seventy-sixth World Health Assembly through the Executive Board and the thirty-seventh meeting of the Programme, Budget and Administration Committee in January 2023 to recommend long-term improvements. ~~[and that the Member States task group should also consider if the required conditions defined in para 39 (f) and para 38 (e) and para 39 (a) are set up and present the report to be considered by the Executive Board at its 152nd session through the Programme, Budget and Administration Committee for a final decision]~~ ~~[/MOVE PARA to before 39(f)]/[MOVE PARA to after 39 (f)]~~

41. The Working Group recommends that the Health Assembly request the Secretariat to explore possible revision and adjustments in the recovery of programme support costs with a view to covering the full cost of the activities undertaken within programmes financed through voluntary contributions, building upon the review² of WHO's programme support costs which was conducted in 2013.

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¹The following were identified as possible elements for the task group: including, but not limited to, the role of governing bodies to prioritize topics for inclusion on the agenda of Health Assembly; the costing of resolutions and decisions and other initiatives using a results-based approach; the use of guidelines and thresholds for earmarking and deadlines for achieving the thresholds; exploring inclusion of non-State contributors in accordance with the Framework of Engagement with Non-State Actors; efficiency gains; guidelines for ensuring equity in resource allocation to all levels and departments of WHO; and standardizing reporting procedures for small donors.

² See document EBPBAC18/3.