



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



## **52nd DIRECTING COUNCIL** **65th SESSION OF THE REGIONAL COMMITTEE**

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### **UPDATE ON WHO REFORM**

#### **High-level Implementation Plan and Report Financing of WHO**

##### **Introduction**

1. The Sixty-fifth World Health Assembly requested the Director-General to report, through the Executive Board at its 132nd session, to the Sixty-sixth World Health Assembly (WHA) on progress in the implementation of the WHO Reform, on the basis of a monitoring and implementation framework. The WHO Secretariat introduced its report<sup>1</sup> during the eighteenth meeting of the Programme, Budget and Administration Committee (PBAC) held in Geneva on 16 and 17 May 2013. In addition, the Secretariat also reported<sup>2</sup> on the financing of WHO noting that the report had attempted to respond to Member State queries arising in recent consultations concerning this issue.

2. The WHO Reform implementation progress report provides a comprehensive overview of advancement made up to the end of the first quarter of 2013 in the three broad areas of WHO Reform:

- (a) programmatic reform,
- (b) governance reform,
- (c) managerial reform.

3. The plan and report are structured around the 12 elements of reform that were identified in the monitoring and implementation framework considered by the 65th WHA, and include an additional element on change management.

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<sup>1</sup> Document A66/4.

<sup>2</sup> Document A66/48.

4. The document revisits the objectives of WHO Reform:
  - (a) Improved health outcomes with WHO meeting stakeholders expectations (Programmatic).
  - (b) Greater coherence in global health with WHO playing a leading role (Governance).
  - (c) An Organization which pursues excellence; one that is effective, efficient, responsive, transparent, and accountable (Management).

### **Programmatic Reform**

5. At the core of programmatic reform was the development of agreed upon health priorities to guide future efforts of the Organization. These priorities were developed through a consultative process which included the participation of Member States. These priorities were endorsed by the 65th WHA as were the six categories for organizing the future work of the Organization. The six categories are as follows:

- 1 – Communicable Diseases.
- 2 – Noncommunicable Diseases.
- 3 – Promoting Health through the Life Course.
- 4 – Health Systems.
- 5 – Preparedness, Surveillance, and Response.
- 6 – Corporate Services and Enabling Functions.

### **Governance Reform**

6. Greater coherence in global health is one of the leadership priorities of the Twelfth General Program of Work (GPW) which includes promoting better health as an outcome of global, regional and national processes as well as better coordination amongst the different actors playing a role in global health.

7. In both these areas WHO is increasingly active, examples of which are as follows:
  - (a) a prominent place for health in the Rio+20 outcome document has been ensured;
  - (b) with close collaboration of WHO, the United Nations General Assembly adopted a resolution emphasizing the importance of Universal Health coverage and recommending its inclusion in the post 2015 agenda; and

- (c) following a 2011 UN General Assembly mandate, WHO Member States developed a global monitoring framework for noncommunicable diseases (NCDs) considered during the 66th WHA.
8. Other activities included harmonization of arrangement for hosted partnerships and the development of overarching principles for WHO's engagement with non-state actors.
9. Progress has been made in the following areas under Governance Reform:
- (a) options for streamlining and strengthening reporting by Member States of health data, health policy, laws, regulations and implementation of resolution (the proposals are to be presented to Executive Board (EB) in January 2014);
  - (b) revised Terms of Reference (TORs) for the PBAC to strengthen the EB's oversight role; and
  - (c) WHA and EB steps to improve methods of work:
    - i. enforcement of speaking limits,
    - ii. enhancements to the role of the Bureau of the EB in setting strategic orientation of its agenda,
    - iii. study requested by the EB to develop measures to reduce use of paper.

### **Managerial Reform**

10. In December 2012, Global Policy Group (GPG) established as Taskforce on Roles and Responsibilities of the 3 levels of WHO. According to WHO, the Taskforce developed an overarching framework for the work of the Organization mapping the six core functions to the three levels of the Organization which was then applied to the proposed Programme Budget 2014-2015. The GPG has also decided to conduct a review of the organizational design to ensure structure follows function, and moves WHO towards a more effective matrix management across the Organization. This review is to take place later in 2013, in preparation for implementation of the Programme Budget 2014-2015. The report then detailed specific updates on the various areas of the management reform which are detailed below.

### ***Human Resources Reform***

11. At the 132nd Session of the EB the Director General's proposed staff rule changes were endorsed in order to support a flexible workforce. Key to these changes was the elimination of the Continuing Appointment option for future WHO staff.

12. Some key themes are highlighted in the area of Human Resources:
- (a) reduction of recruitment times from 5.9 months to 4.2 months;
  - (b) a WHO Performance Competencies guide was published;
  - (c) a global e-learning platform will be launched in September 2013; and
  - (d) development of a global staff mobility scheme with the lessons learned from the model implemented in the WPRO Region.

### ***Finance Reform***

13. The report on proposals to improve the financing of the Organization presented at the second extraordinary meeting of the PBAC held in December 2012 identified several challenges in the current funding model of WHO, as follows:

- (a) misalignment of funds with priorities; and
- (b) lack of predictability, vulnerability, insufficient transparency, and flexibility of WHO Funding.

14. Based upon the report, the PBAC recommended approval of the entire Programme Budget (US\$ 3977 million<sup>3</sup> for 2014-2015) and opening of a financing dialogue with Member States. During the Sixty-sixth WHA, Member States approved the PB at the recommended level. Other actions requested include:

- (a) explore mechanisms to facilitate receipt of supplements to assessed contributions on a voluntary basis;
- (b) explore avenues to expand WHO's donor base;
- (c) strengthen coordination of resource mobilization, resource management, internal controls and reporting.

### **Accountability and Transparency**

15. The draft 12th GPW and proposed PB 2014-2015 define deliverables for each level of the Organization to include dual responsibilities of the Secretariat and Member State actions to clearly illustrate accountabilities. The ultimate aim is that, through coordinated and collaborative actions, there will be achievement of health outcomes which will contribute to eight impact goals with measurable targets for improvements in the health of populations.

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<sup>3</sup> Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

16. The Secretariat reported during the PBAC and EB that an organization-wide risk management framework and risk register have been developed. Member States recommended timelines and action steps be developed in order to track progress of implementation across all levels of the Organization. The Secretariat also reported that recruitment for the staffing of the Compliance, Risk Management and Ethics Office is currently under way.

### **Evaluation**

17. In order to strengthen the evaluation function in WHO an evaluation policy has been adopted as well as a supplementary evaluation handbook. Additional staff will be recruited in IOS to perform the evaluation oversight function. Additionally, a Global Network on Evaluation has been established and counts with participation at all levels of the Organization.

### **Communication**

18. WHO capacity and effectiveness has been significantly strengthened with the establishment of a central WHO communication team, together with the expansion of communications training for staff and significant growth in the use of social media.

19. A global perception survey was conducted in 2012 with the results published on the WHO website and will contribute to the development of a WHO global communications strategy. In the future, the survey will be conducted biennially.

### **Status of WHO Reform Outputs**

20. Of 51 outputs currently included in the implementation plan, 5 were scheduled to be completed or mainstreamed by 2012, 23 by the end of 2013, 14 by the end of 2014, and 9 by 2015. By the end of March 2013, 12 (24%) of the outputs had been completed or mainstreamed into the work of WHO.

**Table: Status of outputs in the reform implementation plan  
(as of the end of March 2013)**

<b>Output Status</b>	<b>Count</b>
Completed	3
Continuous	8
Partially Completed	1
Ongoing	33
To Commence	6
<b>Total</b>	<b>51</b>

## **Financing of WHO**

21. During the PBAC meeting held in May 2013, the Committee, on behalf of the Executive Board, recommended that the Sixty-sixth World Health Assembly note the report on financing of WHO contained in document A66/48, and that the WHA adopt the following decision:

The Sixty-sixth World Health Assembly decided to establish a financing dialogue, convened by the Director-General and facilitated by the Chairman of the Programme, Budget and Administrative Committee of the Executive Board, on the financing of the programme budget, with the first financing dialogue on the proposed programme budget 2014-2015 to take place in 2013, in accordance with the modalities described in document A66/48.

22. During the Sixty-sixth World Health Assembly, Member States adopted the recommended decision (Decision WHA66[8]) which also approved the modality to be implemented for the financing dialogue.

## **Financing Dialogue**

23. The WHO Financing Dialogue was launched on 24 June 2013, with the active participation of Member States of the Region of the Americas (see Annex D). The purpose of the financing dialogue is to increase the predictability and transparency of WHO's financing in support of the 2014-2015 Programme Budget. The mechanism implemented is viewed as transparent and hopes to allow contributors to enhance the alignment of resources with outputs agreed by Member States. It is intended to contribute to the full funding of WHO's Programme Budget.

(a) Key Details of the Financing Dialogue Structure:

- All Member States are invited to participate in meetings.
- Non-State partners who contribute more than \$1 million were invited (no private sector commercial enterprises).
- Participation to take place in-person or via video conferencing.

(b) Meetings

- First Meeting on 24 June 2013: Objective was to provide information on the funding needs of the Organization.
- Second Meeting: Will be held in November 2013. Objective to increase the predictability and alignment of WHO's financing. The agenda of the meeting will include programmatic detailing at all levels of the organization; the financing commitments made to date and the identification of funding shortfalls in relation to the programme budget.

- (c) Strategic Allocation of WHO Resources
- Recognizing that the 2014-2015 Programme Budget is a transitional budget, the Secretariat agreed to develop and implement for the 2016-2017 biennium, a transparent and fair mechanism for resource allocation across the major offices and organizational levels.

Annexes

- A. WHO Reform: [Financing of WHO](#) (Document A66/48)
- B. WHO Reform: [High-level implementation plan and report](#) (Document A66/49)
- C. WHO Reform: [Financing of WHO, Report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly](#) (Document A66/50)
- D. WHO Reform: [Report of the Launch of WHO's Financing Dialogue](#)

## **WHO reform**

### **Financing of WHO**

#### **Overview**

1. Improving the transparency, alignment, and predictability of WHO's financing is at the centre of WHO's reform. In December 2012, an extraordinary meeting of the Programme, Budget and Administration Committee of the Executive Board agreed on five proposals designed to advance this aim. These were subsequently endorsed by the Executive Board at its 132nd session in January 2013.<sup>1</sup>

2. Subsequently, a number of Member States have asked for clarification on the operationalization and implementation of these proposals. The purpose of this paper is to provide information on the following:

- (i) the implications for the 2014–2015 programme budget resolution and for WHO's Financial Regulations and Financial Rules of the World Health Assembly's approval of the proposed programme budget in its entirety;
- (ii) the form and format of the financing dialogue;
- (iii) the strategic allocation of WHO's resources; and
- (iv) the role of WHO's governing bodies in the different phases of the financing cycle of WHO's programme budget.

#### **Approval of WHO's entire programme budget**

3. WHO is financed by a mix of assessed contributions provided by Member States, and voluntary contributions provided by both State and non-State actors. In 2003, WHO embarked on a results-based programming and budget system, with deliverables based on funds from both assessed contributions and voluntary contributions. Currently, however, the World Health Assembly approves only the proportion of the programme budget financed from assessed contributions (i.e. approximately 25%).

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<sup>1</sup> A detailed analysis of WHO's financing situation, challenges, and description of proposals examined by the Second extraordinary meeting of the Programme, Budget and Administration Committee on financing and EB132 can be found in document EBPBAC/EXO2/2 and document EB132/3.



4. In so doing, the collective oversight of the World Health Assembly over nearly 80% of the total budget of the Organization and the ability to hold the Secretariat accountable for the totality of available resources towards the implementation of WHO's agreed programme, priorities, and expected deliverables, is constrained.

5. The move towards approving the budget in its entirety is a radical departure from the way WHO currently does business. Deliverables in the programme budget will now be the key drivers of the work of the Organization and its resource mobilization efforts, and will facilitate enhanced budgetary discipline.

6. In addition to setting limits on assessed contributions, approval will set realistic — as opposed to aspirational — limits on voluntary contributions. It will also demonstrate greater ownership by Member States over WHO's resource requirements by reflecting greater commitment to align contributions against the budget's programmatic priorities, while assisting the Director-General in assuring the financing of the whole of WHO's programme budget. Moreover, it would facilitate WHO's ability to employ the programme budget as a central instrument for human and financial resource planning, and the effective management of potential financial risks to WHO.

***The 2014–2015 proposed programme budget resolution and amendments to WHO's Financial Regulations and Financial Rules***

7. In order for the Health Assembly to approve the WHO entire proposed programme budget, a number of changes are required in both the programme budget resolution and WHO's Financial Regulations and Financial Rules. In the programme budget resolution for the financial period 2012–2013, Member States appropriated the amount of assessed contributions across 13 budget envelopes. The term "appropriation" was relevant in this context as it applied specifically to the distribution of assessed contributions. In the context of approval of the entire budget, voluntary contributions cannot be "appropriated" in the same manner, as these are funds that are not yet assured.

8. Rather, while recognizing that the legal and financial obligation of Member States is limited to the assessed contribution part of WHO's total budget, the 2014–2015 proposed programme budget resolution will request the Health Assembly to:

- Approve WHO's two-year programme of work and performance measures; agree on the total resources required to deliver that programme;
- Allocate the total budget to WHO's six categories of work;
- Determine that the programme will be financed through a mix of assessed contributions and voluntary contributions; and
- Encourage Member States and other contributors to support, on a voluntary basis, the financing of the voluntary contribution part of the programme budget.

9. To align WHO's Financial Regulations and Financial Rules with the programme budget resolution outlined above, the amendments to WHO's Financial Regulations and Financial Rules clarify that the Director-General is authorized to raise and spend available resources in accordance with the approved budget, and that the financial obligation of a Member State following budget approval will continue to be limited to the assessed contribution.

## **A structured and transparent financing dialogue**

10. The proposed financing dialogue aims to increase the predictability and transparency of WHO's financing before the implementation of the biennial budget begins. It is a transparent mechanism to allow contributors to enhance the alignment of resources with outputs agreed by Member States, as outlined in the programme budget. It is intended to contribute to the full funding of WHO's programme budget for 2014–2015.<sup>1</sup>

### ***Structure of financing dialogue and participation in financing dialogue meetings***

11. The financing dialogue will occur after the Health Assembly approves WHO's programme budget and is marked by two dedicated meetings, tentatively scheduled for 24 June 2013 and 25–26 November 2013. All Member States will be invited to participate in the meetings. In addition, non-State partners who contribute more than US\$ 1 million to WHO will be invited (with the exception of private sector commercial enterprises). Participation will be either in-person or via a webstream. The Chairman of the Programme, Budget and Administration Committee will facilitate the discussions of the meetings of the financing dialogue. It is intended that both meetings will encourage dialogue among participants on how best to ensure the financing of the Organization.

### ***First meeting: Launch session of the financing dialogue***

12. The first financing discussion has the objective of providing participants with information on the funding needs of the Organization. The meeting will review the planned work of the programme budget for 2014–2015 and provide additional information on what funding is already available for it. This first meeting will also provide participants additional information related to the structure of the second meeting of the financing dialogue, and the methods to monitor progress in contributions to the Organization during the interim period.

### ***Second meeting of the financing dialogue***

13. The second meeting of the financing dialogue has the objective of increasing the predictability and alignment of WHO's financing. The agenda of the meeting will include programmatic detailing of what WHO intends to achieve and where, and will showcase the work of the different levels and different parts of the Organization. The second meeting will highlight financing commitments made to date and identify funding shortfalls in relation to the programme budget. Additional information arising from WHO's operational planning process will also be provided.

14. It is proposed that, during the second meeting of the financing dialogue, the Director-General will provide a provisional indication of the distribution of flexible monies available to the Organization towards the full funding of each category of work and major office at the beginning of the biennium, based on a detailed analysis of alignment of available resources with the programme budget.

15. The second meeting will enable Member States and non-State contributors to WHO to discuss information provided by the Secretariat in relation to programmatic activities and associated costs. The meeting will also feature a dialogue among Member States and non-State contributors to WHO, to

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<sup>1</sup> The financing dialogue may not necessarily include discussions concerning the emergencies component of the proposed programme budget for 2014–2015.

examine existing resource deficits with the aim of identifying joint solutions towards the full funding of WHO's programme budget. The aim is to formulate a concrete approach to address remaining shortfalls. This will inform the development of an income and financing plan for review and guidance by WHO's governing bodies in 2014 (see the section on the role of WHO's governing bodies).

### *Interim period between meetings of the financing dialogue*

16. The period in between the two meetings will comprise discussions between potential contributors and the Secretariat, with a view to articulating commitments in financing for presentation to the November 2013 meeting of the financing dialogue. These discussions will build on established WHO channels and mechanisms, and will be based on a clear picture of the Organization's funding needs. WHO's operational planning process to take place during this period will also inform the discussions of the second financing dialogue, as described.

### **The Sixty-sixth World Health Assembly DECIDES:**

**To establish a financing dialogue, convened by the Director-General and facilitated by the Chairman of the Programme, Budget and Administration Committee, on the financing of the programme budget, with the first financing dialogue on the proposed programme budget 2014-2015 to take place in 2013, in accordance with the modalities described in this paper.**

### **Strategic allocation of WHO's resources**

17. Historically, allocation of resources in WHO has been a challenging endeavour. The different models employed throughout the Organization's existence have met with varying degrees of success.

18. In view of experience to date, it is recognized that an Organizational approach to resource allocation must aim to ensure a 'fair allocation' of resources to WHO's major offices, accommodate all WHO's financial resources, both assessed contributions and voluntary contributions, and address primary concerns of what the assessed contributions will be used for and when the allocation of the assessed contribution per Regional Office will be known.

19. The 2014–2015 programme budget is a transitional budget; the allocation has been informed by Member States' expectation of a realistic budget based on past trends of income and expenditures as well as agreed organizational deliverables reflecting programmatic shifts in emphasis grounded in health priorities. As a transitional budget, it is important that the Secretariat report regularly to WHO's governing bodies on income and expenditure for their oversight and guidance on course correction, if appropriate.

20. It is recognized that assessed contributions are the most flexible resources available to the Organization and need to be used strategically. It is also recognized, however, that a divergence that is too drastic from previous allocation may create serious risks for existing, long-term programmatic and staffing commitments.

21. With the shift towards a realistic limit on the programme budget, a new WHO resource allocation methodology is required. WHO needs a transparent, well-coordinated resource mobilization mechanism, with fair allocation of resources that are used and managed effectively and produce desired results. It is intended that resource allocation be rooted in the principles of transparency, equity and support of countries in greatest need, while following a clear definition of resource needs reflecting WHO priorities. Such allocation will be grounded in a robust bottom-up planning process

and realistic bottom-up costing of outputs based on clear roles and responsibilities across the three levels of WHO. In addition, due consideration will continue to be given to performance, the core functions of the Organization, and the areas within WHO that work is best and most effectively performed. The new allocation mechanism will be developed and used for the programme budget to be proposed for 2016–2017.

### **Role of WHO's governing bodies in the full funding of WHO's programme budget**

22. The oversight role of WHO's governing bodies in relation to the financing of WHO's programme budget can be viewed in the context of the three discernible phases of WHO's financing cycle:<sup>1</sup> priority-setting and programme budget development; the financing dialogue period; and subsequent targeted, coordinated Organization-wide resource mobilization (Figure).

23. In the **first phase**, priorities for the Organization will be approved by the governing bodies, beginning with the regional committees, through the January session of the Executive Board, and ending with the World Health Assembly's approval of the programme budget in the year prior to budget implementation.

24. The **second phase**, which begins once the Health Assembly has approved the programme budget, brings Member States together with WHO's non-State contributors in a joint and transparent financing dialogue to align resources to the programme budget and ensure greater predictability at the beginning of budget implementation.

25. In relation to the financing dialogue specifically, the Programme, Budget and Administration Committee and the January session of the Executive Board of the first year of the biennium will consider and provide guidance to the Director-General on the outcome of the financing dialogue to be presented as part of a broader Organizational income, financing and resource mobilization plan. WHO's governing bodies will also review the Director-General's use of the different sources of monies available to the Organization towards full funding of each category of work and major office at the beginning of the biennium.

26. The **third phase**, coordinated Organization-wide resource mobilization, will proceed throughout the course of biennial budget implementation. This phase is aimed at targeting areas requiring further funding pursuant to the financing dialogue. The Secretariat will continue resource mobilization efforts during the programme budget cycle in order to address such shortfalls, as part of the ongoing engagement with partners. A coordinated, Organization-wide resource mobilization plan of action will be developed to be implemented under the leadership of the Director-General and the Regional Directors for review by WHO's governing bodies.

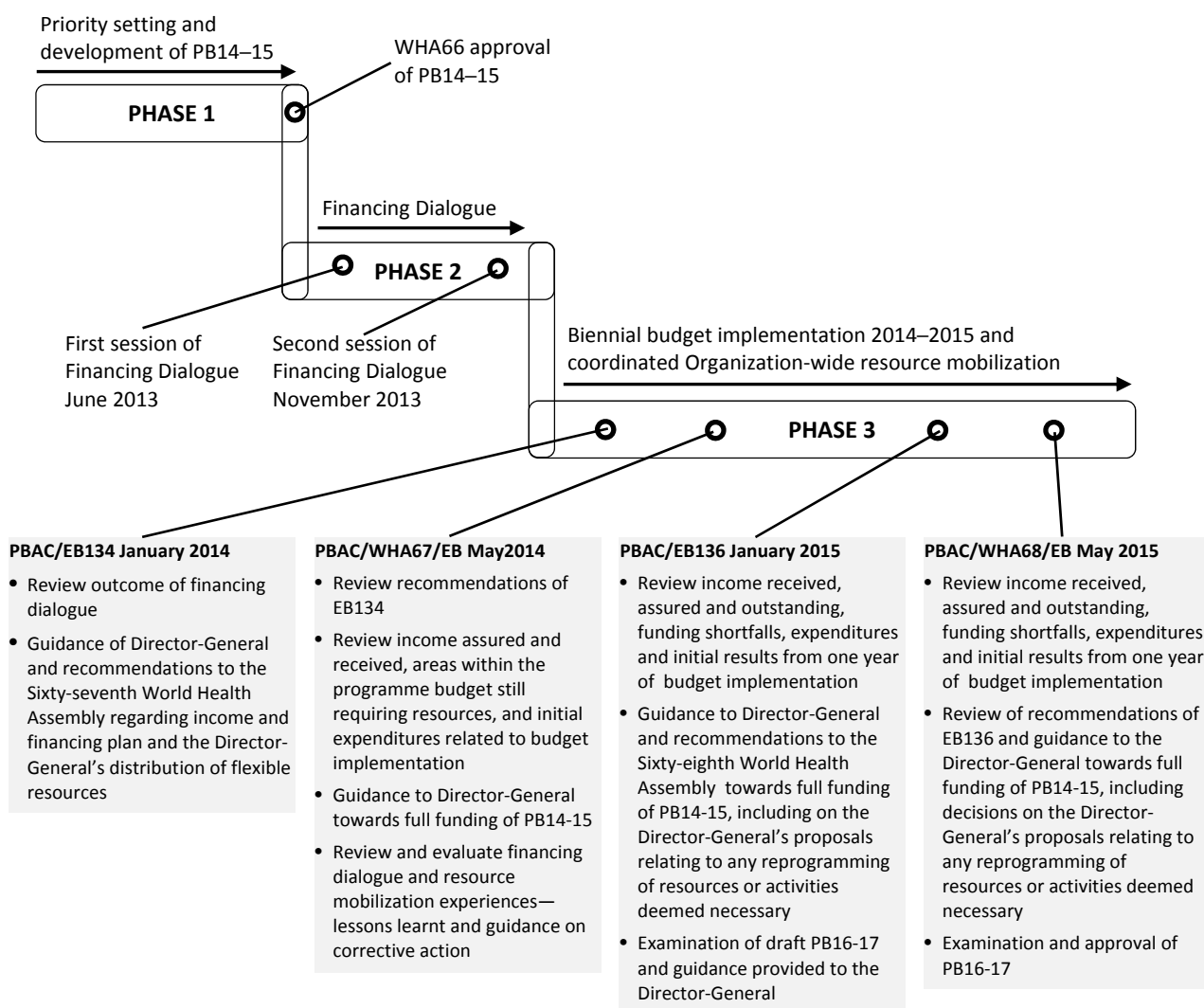
27. During this third phase, and further to the recommendations of the Executive Board in January, the World Health Assembly in May of the first year of the biennium will review and provide guidance to the Director-General relating to income assured and received, areas within the programme budget still requiring resources, and initial expenditures related to budget implementation. An evaluation of the financing dialogue and resource mobilization experiences will be presented to the Health Assembly in 2014 for Member State review and guidance on any corrective action, where appropriate, in advance of proceeding with the financing process for the proposed programme budget 2016–2017.

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<sup>1</sup> As noted in EBPBAC/EXO2/2.

28. The information presented to WHO's governing bodies in the second year of the biennium will be extended to cover income received, assured and outstanding, funding shortfalls, expenditures and the initial results from one year of implementation. The governing bodies will be invited to provide guidance on the Director-General's proposals relating to any reprogramming of resources or activities deemed necessary, in view of the progress towards programme budget implementation, new mandates received and World Health Assembly resolutions with associated financial implications or emerging public health needs.

**Figure: Role of WHO's governing bodies towards the full funding of WHO's programme budget**



## **WHO reform**

### **High-level implementation plan and report**

#### **Report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly**

1. The eighteenth meeting of the Programme, Budget and Administration Committee was held in Geneva on 16 and 17 May 2013 under the chairmanship of Dr Jamal Thabet Nasher (Yemen).<sup>1</sup> The Committee adopted its agenda.<sup>2</sup>
2. The Committee welcomed the report by the Director-General,<sup>3</sup> together with the presentation made by the Secretariat providing an update on the development of the high-level reform implementation plan. Referring to the progress made thus far in implementing reform activities, the Committee noted that further work to strengthen performance measures is critical to the success of the reform effort.
3. The Committee requested additional information on: (i) the implications of the reduction in the reform budget for the delivery of Organizational activities; and (ii) the effect of reform at the regional and country levels. The Committee also commented on the need to strengthen and accelerate work on the different elements of governance reform.
4. The Secretariat confirmed that work is under way to enhance the quality of performance measures. In order to illustrate the increasing impact that reforms will have at the regional and country levels, the Secretariat provided examples of the scaling-up of both mobility and rotation and operational planning in the context of programmatic reform and described the Organization-wide impact that this will have. In relation to governance reform, the Secretariat noted that the Executive Board will be considering reports on this subject,<sup>4</sup> including a proposed approach to WHO's engagement with non-State actors.

#### **RECOMMENDATION TO THE HEALTH ASSEMBLY**

5. The Committee, on behalf of the Executive Board, recommended that the the Sixty-sixth World Health Assembly note the report.

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<sup>1</sup> The list of participants is available in document EBPBAC18/DIV./1.

<sup>2</sup> Document EBPBAC18/1.

<sup>3</sup> Document A66/4.

<sup>4</sup> Documents EB133/3 and EB133/16.

## **WHO reform**

# **Financing of WHO**

### **Report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly**

1. The eighteenth meeting of the Programme, Budget and Administration Committee was held in Geneva on 16 and 17 May 2013 under the chairmanship of Dr Jamal Thabet Nasher (Yemen).<sup>1</sup> The Committee adopted its agenda.<sup>2</sup>
2. The Secretariat introduced the report on the financing of WHO,<sup>3</sup> noting that the report had attempted to respond to the Member State queries arising in recent consultations concerning WHO's financing.
3. The Committee observed that the report provided additional clarification on the implications of the proposals to improve WHO's financing that had been examined and endorsed by the extraordinary meeting of the Programme, Budget and Administration Committee in December 2012 and by the Executive Board at its 132nd session in January 2013.
4. The Committee acknowledged that implementation of the proposals will require behavioural changes on the part of both Member States and the Secretariat. It was also noted that further work is required concerning the development of a new, transparent, equitable mechanism on resource allocation that facilitates alignment of resources with agreed priorities, as well as a coordinated mechanism for resource mobilization at all the three levels of the Organization.
5. In relation to approval of the programme budget, the Committee reiterated support for this proposal while acknowledging that a detailed, bottom-up planning and costing exercise at all the three levels of the Organization will be implemented for the programme budget for the period 2016–2017. The Committee requested additional information concerning the status of available resources for the biennium 2014–2015.

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<sup>1</sup> The list of participants is available in document EBPBAC18/DIV./1.

<sup>2</sup> Document EBPBAC18/1.

<sup>3</sup> Document A66/48.

6. In relation to the financing dialogue, the Committee expressed support for the approach described, including the threshold for level of participation of non-State contributors. It was noted that the meetings on the financing dialogue should not usurp the legitimacy and primacy of WHO's governing bodies. The Committee advised that further information relating to the second meeting of the financing dialogue, the interim process between meetings, and the expectations for contributors leading up to the November meeting should be further clarified during the first meeting of the financing dialogue. The Committee also commented that a review of the lessons learnt from the financing dialogue could be examined by the Executive Board in January 2014, following the November meeting.

7. The Secretariat explained that in addition to ongoing work that is related to a more robust costing of outputs, efforts continue on the strengthening of coordinated Organization-wide resource mobilization and resource management. Additionally, the Secretariat informed the Committee that the Director-General is proposing to establish a process that will examine new approaches to resource allocation under the stewardship of the Chairman of the Programme, Budget and Administration Committee of the Executive Board.

## RECOMMENDATION TO THE HEALTH ASSEMBLY

8. The Committee, on behalf of the Executive Board, recommended that the the Sixty-sixth World Health Assembly note the report on the financing of WHO contained in document A66/48, and that the Health Assembly adopt the following amended draft decision:<sup>1</sup>

The Sixty-sixth World Health Assembly decided to establish a financing dialogue, convened by the Director-General and facilitated by the Chairman of the Programme, Budget and Administration Committee of the Executive Board, on the financing of the programme budget, with the first financing dialogue on the proposed programme budget 2014–2015 to take place in 2013, in accordance with the modalities described in **document A66/48**.

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<sup>1</sup> Amendments are marked in bold text.





## Report of the Launch of WHO's Financing Dialogue 24 June 2013

1. In response to World Health Assembly Decision WHA66(8), the Director-General on 24 June convened the Launch of WHO's Financing Dialogue. Two hundred and fifty-six participants from 87 Member States, six other United Nations agencies and 14 non-State partner organizations, participated in the meeting in person or via webcast<sup>1</sup>.
2. The meeting was chaired by Dr Dirk Cuypers, Chairman of the Programme, Budget and Administration Committee of the Executive Board. The meeting started with general statements by participants, followed by dedicated sessions on programme, budget and financing aspects and next steps. Ms Maria Luisa Escorel de Moraes of Brazil, Mr Saud Faisal Alsaati of the Kingdom of Saudi Arabia and Dr Anders Nordstrom of Sweden moderated the sessions. Dr Zsuzsanna Jakab, Director, WHO Regional Office for Europe and Dr Mohammed Jama, Assistant Director-General, General Management introduced the topics on behalf of the Secretariat<sup>2</sup>.
3. The Financing Dialogue seeks to facilitate a dialogue both *with* and *among* Member States and other funders and is underpinned by the following key principles:
  - 3.1. **Alignment:** Member States and other funders to commit to allocating funding in a way that is fully aligned with the approved Programme Budget.
  - 3.2. **Predictability & Flexibility:** Member States and other funders to commit to striving for increased predictability and flexibility of their funding.
  - 3.3. **Transparency:** Member States and other funders to commit to making public their funding allocations (firm pledges as well as provisional figures), to allow for a shared understanding of available income against budget category, programme and major office.
4. The participants re-emphasized the unique role of WHO in advancing the global health agenda and the need for WHO to have the necessary capacity, skills, competencies and the financial resources to pursue its work plan as articulated in the Programme Budget 2014-2015.
5. The decision to embark upon the Financing Dialogue was strongly supported by meeting participants, with several noting that it will facilitate their future funding decisions. There was a broad acknowledgement that it will be a learning process and there were invitations by Member States and other funders to continue the dialogue and exchange of views. Participants were invited to provide feedback on the meeting via an on-line survey and this feedback will help to inform both the work that will take place over the next six months and the design of follow-up meeting to be held in November.

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<sup>1</sup> List of Participants attached

<sup>2</sup> Meeting Agenda attached

6. The meeting resulted in specific commitments on the following:
  - 6.1. **Alignment:** The commitment to respect the priorities set by the World Health Assembly was strongly re-affirmed, with participants who expect to continue to provide funds that are earmarked for a particular location, programme or category, committing that this earmarking would be aligned to the priorities agreed by Member States and presented in the Programme Budget. WHO shall not take on the implementation of projects which are not in line with the priorities in the Programme Budget.
  - 6.2. **Predictability:** The value in Member States and other funders increasing the predictability of their funding, for, by example, making public in advance their provisional commitments and moving toward multi-year commitments was noted, though several participants highlighted internal constraints that would prevent them from doing so. A number of Member States provided general indications of the amount and shape of their funding for 2014-15 and committed to confirming their contributions by November. Others committed to be ready to share at least indicative information by November.
  - 6.3. **Flexibility:** Several Member States and other funders expressed their commitment to increase the flexibility of their funding, for example by moving the level of earmarking from project to programme level, or from programme level to category level. Some participants encouraged the Secretariat to explore incentives for contributors to provide more flexible funding.
  - 6.4. **Broadening the contributors base:** Ten contributors provide more than 60% of WHO's funding, with the top 20 donors providing more than 80% of WHO's funding. The vulnerability inherent in this situation was highlighted and the importance of broadening the donor base, in the first instance among Member States, was underscored. One Member State announced that it had provided a supplement to assessed contributions on a voluntary basis.
  - 6.5. **Transparency:** Meeting participants endorsed a prototype of a web portal WHO is developing in response to Member State calls for increased transparency and accountability around WHO financing. The portal will provide access to real-time results and programmatic, budgetary and financial and monitoring information. It could also allow for tracking of pipeline funding. It was widely acknowledged that the web portal will be a key tool in supporting the Finance Dialogue principles and it was noted that the portal would also help facilitate policy coherence within Member States.
  - 6.6. **Continuing the discussion:** The discussion shall continue at the Regional Committees, to allow full understanding of this work so that member states can fulfill their responsibility also for the financing of the organization. It was also suggested that a specific discussion, complementary to bilateral discussions, should take place with partners providing core voluntary contributions.

7. In her closing remarks the Director-General paid tribute to Member States for the constructive dialogue, and their commitment to the principles of alignment, transparency, predictability, flexibility and broadening of the contributors base. Based on feedback received during the course of the meeting, she highlighted several actions the Secretariat will be taking that will feed into planning for the follow-up Financing Dialogue meeting in November.
  - 7.1. The web portal will be further developed based on feedback received, with the goal of having it operational in October. There was recognition that this would remain a work in progress for some time, including relating to the level of access to/openness of the web portal.
  - 7.2. Operational planning, a bottom-up process reflecting country-level priorities, is underway. It will establish costed outputs to complement the higher level information provided at the meeting.
  - 7.3. WHO will conduct bilateral follow-up with Member States and other funders as requested, to assist in funding decisions and will work with Member States and other funders to share this information ahead of the November meeting.
  - 7.4. The report of this meeting will be provided to Regional Committees and a synthesis of the Regional Committee discussions will be made available ahead of the November meeting.
  - 7.5. WHO will respond to Member State calls for a more coordinated approach to resource mobilization and income planning across all levels of the Organization as well as a plan for the work beyond November.
  - 7.6. WHO will work to broaden the contributors base, starting with Member States, and will continue to explore additional opportunities to increase income, including through “voluntary” assessed contributions, as has been suggested by some Member States.
  - 7.7. At the November meeting of the financing dialogue, the Director-General will give an indication of the strategic use of assessed contributions to ensure core programs are operational.

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