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THE FUTURE OF FINANCING FOR WHO

Note for Regional Committees - 2010

1. In January 2010, the Director-General convened an informal discussion on the future of financing for WHO. It was agreed that a formal report on issues raised at the consultation would be presented by the Secretariat to the Executive Board in January 2011. The report will be informed by the views of Member States by means of a web-based consultation and discussions during the 2010 Regional Committees.
2. The document provides a framework for discussion with regard to issues and questions related to: (a) WHO's core business; (b) Health and development; (c) Partnerships; (d) WHO country support; (e) Technical collaboration; (f) Implications for WHO governance; (g) Priority setting and communication; (h) Implications for financing: not more but better.
3. The document is submitted to the Regional Committee for discussion and comments.

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BACKGROUND

1. In January 2010, the Director-General convened an informal discussion on the future of financing for WHO. The consultation was not a decision-making meeting but the beginning of a strategic conversation: identifying key issues in relation to WHO's work at global, regional and country level; acknowledging differences of opinion where they exist; and charting a way forward to bring the debate into the more formal ambit of WHO governing bodies. Over the course of two days, participants reviewed the changing landscape for global health, acknowledging the growing number of actors involved, the consequent risks of fragmentation and duplication of effort, the competing demands on WHO's resources, and the way that current approaches to financing WHO influence priority setting.

2. It was agreed that a formal report on issues raised at the consultation would be presented by the Secretariat to the Executive Board in January 2011. The report will be informed by the views of Member States by means of a web-based consultation and discussions during the 2010 Regional Committees.¹

3. This Note for Regional Committees provides a framework for discussions during the 2010 Regional Committees. The issues and questions below are drawn from the initial consultation, early responses to the web questionnaire, and informal discussions with Member States at the 63rd World Health Assembly and the 126th Executive Board.

WHO'S CORE BUSINESS

4. Questions about the way WHO is financed cannot be tackled without prior discussion of priorities and the changing nature of WHO's core business. At the initial consultation, normative and standard setting work was generally seen as being core business and central to maintaining WHO's role as the world's technical authority on health issues. Similarly, there was a consensus around WHO's role in relation to surveillance of and response to international health threats. On other aspects of WHO's core business opinions were more diverse.

5. There are many different perspectives on how priorities in global health should be defined, and thus where the boundaries of WHO's work should be drawn. Questions arise about WHO's role in relation to the social determinants of health and the links between health and other areas of global and national policy including trade, security, intellectual property, environment, economics, education, human rights and foreign affairs.

While health is indisputably central to human development, many of the social, economic and environmental determinants of ill-health fall beyond the control of the traditional health sector. What should be the extent and nature of WHO's involvement in addressing the broader determinants of health?

6. The negotiation of treaties and international agreements such as the Framework Convention on Tobacco Control; the International Health Regulations; the Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property; and the Code of Conduct on Health Worker

¹ The web consultation began in April and will continue until the paper for the 127th Executive Board is prepared. The full meeting report and the questionnaire used in the web consultation are found at http://www.who.int/dg/future_financing/en/index.html

Recruitment have a major influence on global public health. The demand for WHO to facilitate intergovernmental negotiations which set out rules, responsibilities and commitments appears to be increasing. Given the sensitive nature of the issues, negotiations can be time and resource intensive, and reaching common ground can be elusive.

What are the implications for WHO's staffing, skill mix and ways of doing business if this trend continues?

7. In the face of more and more unpredictable crises that impact on health there is a general consensus that WHO should continue to be engaged in humanitarian action. WHO's role in coordinating the health cluster in declared emergencies is generally accepted, but can be strengthened. There is also a view that WHO should act as the world's health conscience - drawing the attention of political leaders and their populations to the major drivers of health and disease - including the impact of conflict.

What is WHO's comparative advantage in the domain of humanitarian action given the role of other international and nongovernmental organizations? How can work in this area be made more effective?

HEALTH AND DEVELOPMENT

8. In low and middle income countries governments seek to improve health outcomes with limited resources. They are too often faced with a proliferation of partners that compete for national resources, provide conflicting advice and influence priority setting in different directions. In relation to health security and humanitarian action governance/coordination arrangements are reasonably well-established. In the more crowded domain of health and development, this is not the case.

9. It is also the domain of WHO's work where the views of Member States are most divergent. Some urge WHO to withdraw from the development field altogether, in favour of more normative work. Others suggest that WHO should situate itself as one among other actors - based on a clear understanding of comparative advantages. Others again insist that WHO be more assertive in coordinating other actors and thereby help to reduce growing fragmentation.

10. International resources for health have increased significantly, but at the price of greater fragmentation. The incentives that influence the structure and functioning of the international system too often favour high profile, issue-specific, initiatives. Coordinating bodies tend to take on a life of their own, competing for funds with those they wish to coordinate. Small secretariats tend to grow and mandates expand in proportion. The net results is that the countries that are most in need of external support are often those that have to bear the greatest transaction costs in managing a diverse network of partners.

11. While better coordination at a global level is necessary and urgent, it will be insufficient without the development of national policies, strategies and plans around which development partners can align their support (see section 4 below).

What should be WHO's objectives in relation to the governance of health and development at a global or regional level and how might they best be achieved?

PARTNERSHIPS

12. At a *global level*, it is useful to distinguish between partnerships established primarily to raise and channel funds from those concerned primarily with advocacy. In relation to the former the issue is one of clarity of role: ensuring that standards and protocols developed by WHO are used in the development and implementation of proposals, and that financing organizations do not establish competing normative capacity.

How should WHO seek to define a clear division of labour based on its comparative advantage in relation to funding partnerships such as GAVI and the Global Fund?

13. The role of global partnerships that see their role primarily in terms of advocacy and/or policy coordination is more controversial. One view holds that such partnerships risk duplicating the convening and coordinating role of WHO and that demands by partnerships in relation to human and financial resources can undermine the capacity of the Organization in which they are hosted. The alternative view - equally strongly expressed - is that some global health issues require a response that is both rapid and focused and that engages stakeholders - as equal partners - that are not necessarily part of WHO's normal constituency.

What are the potential advantages and/or drawbacks of partnerships hosted by WHO? How should they evolve in the future?

14. While WHO's natural partner at *country level* is the ministry of health, there is a need to embrace other ministries (particularly finance and foreign affairs) and be more effective in forming a wider network of relationships with those that influence and inform national health policy in central or local government, in parliaments, civil society and the private sector.

15. There is evidence that the approach of "delivering as one" across the UN can have positive results. WHO has been urged to continue with its support for UN reform, accepting the authority of others when it was appropriate to do so - proactively seeking a lead role where this can add value. An alternative view suggests that the benefits of working as part of an integrated UN Country Team are far from guaranteed. Proponents of this view would prefer that WHO revert to a situation where specialised agencies stick to dealing with their own natural counterparts at country level.

How can WHO more effectively develop effective partnerships at country level, while remaining the key supporter of the ministry of health and playing an active role in the UN Country Team and the wider network of development partners?

WHO COUNTRY SUPPORT

16. As a Member State organization WHO should be of demonstrable value to *all* countries, with support geared to their particular needs and circumstances. In some countries, support is provided through a physical presence and a WHO country office, but in others it is not.

What criteria should be used to ensure a good match between the level of WHO support and country development needs? In what way can effective support be ensured in Member States

that have no country office? How can the idea of phasing out the need for a country office be made attractive to the countries concerned?

17. Robust national policies and strategies, developed and owned by national authorities, are the bedrock around which harmonization and alignment can take place. In countries where WHO is physically present along with many other development partners, the primary role is not one of coordination, but *facilitation*. In line with the Paris Declaration and Accra Action Agenda, articulating national policies, strategies, and plans is a country responsibility.² The role of WHO is firstly to assist national authorities as they seek to coordinate development partners and ensure alignment with national priorities. Secondly, the role of WHO is to improve the *quality* of national strategies and not act as the referee in determining their content.

In countries with many development partners, how can WHO become more effective in supporting national authorities as they seek to coordinate development partners?

18. Despite codes of practice and memoranda of understanding to guide behaviour, indiscipline among partners remains rife. Incentives for the staff of development partners including WHO, need to be aligned with the principles of the Paris Declaration to make a real difference.

What does WHO itself need to do in order to be more compliant with the objectives of the Paris Declaration and Accra Agenda for Action?

TECHNICAL COLLABORATION

19. Technical collaboration and support to countries has been and remains one of WHO's core functions - from the Constitution to the Medium-term strategic plan (2008-2013). It is therefore of concern when the consultation pointed out that this is the area in which WHO's performance most needs to be improved.

In what areas of technical support provided by WHO is improvement most needed, and how can this be brought about?

20. It was also suggested that WHO should focus its technical support at a more strategic and less operational level. This kind of support may require different staff profiles in country offices - specifically, fewer people with greater breadth of experience. It will also pose a challenge in terms of how to measure the outcome of such strategic support.

21. The demand for technical support has been greatly increased by the need for countries to prepare proposals for submission to global health initiatives. This has prompted suggestions that WHO should consider new approaches to the way in which it provides technical support. Rather than seeing itself solely as a provider of technical support - responding to country requests for assistance in proposal development and implementation - WHO should consider acting as a "broker" - helping national authorities access the best people and institutions; ensuring the quality of services provided; and building the requisite capacity in governments to manage the process themselves.

² A separate, but linked, discussion of WHO's role in relation to the development and implementation of national policies, strategies and plans will also be discussed at several Regional Committees.

Should WHO give more emphasis to new approaches to technical collaboration: for instance, by acting less as a provider and more as a broker; organizing exchanges of experience between countries; and/or facilitating south-south collaboration?

IMPLICATIONS FOR WHO GOVERNANCE

22. There was a broad consensus at the informal January 2010 consultation that the issues raised need to be addressed proactively and with real intent to bring about change, albeit without recourse to changing WHO's Constitution.

23. It was also agreed that national governments are no longer the only, or even the most influential actors, in shaping global health policy: a wider range of actors now have a role including civil society organizations, philanthropic foundations, patient groups, private companies, trade associations and many others.

24. Given the increasingly prominent role of philanthropic foundations and public/private partnerships, neither are national governments the only significant financiers of WHO.

Should the governance of WHO reflect this reality and become more inclusive of other stakeholders including civil society and the private sector? If so, what would be the best way of making this happen?

PRIORITY SETTING AND COMMUNICATION

25. Underpinning all of the issues discussed so far lies the question of how WHO sets priorities. This issue is particularly acute at a time when resources are scarce and the need for consolidation is paramount. Questions then arise about the *means* by which priorities are set; the extent to which priorities respond to country needs (and how these needs are determined); and the framework within which strategic choices are made (between strategic objectives; between headquarters, regions and countries; between normative and technical collaboration, and between different domains such as humanitarian action, health and development, health security etc.).

*Given the competing demands facing the organization what criteria and/or mechanisms should be used to define **overall** priorities? In which areas is WHO's role indispensable as opposed to being complementary to the roles of others?*

26. Health remains politically prominent as a global issue and a national concern for both developed and developing countries. However priorities for the Organization are determined, WHO has high brand value and social capital and trust in the Organization is one of its biggest assets. That said, there is a continuing need to persuade parliaments, and their constituents, of the value of WHO - both in terms of achievements and value for money. Good public communications, especially in donor countries, combined with effective country level performance - are key to influencing decision makers.

How can WHO better communicate the relevance and impact of its work to a wider audience, including demonstrating convincingly how it adds value to development budgets of donor countries?

IMPLICATIONS FOR FINANCING: NOT MORE BUT BETTER

27. The way WHO is financed is a key determinant of how the Organization performs and how, *de facto*, priorities are determined. The difficulties inherent in the current situation where less than 20% of income comes from Assessed Contributions, and the majority of Voluntary Contributions are highly earmarked are well understood. While better alignment between resources and agreed priorities is critical, it is hard to achieve given the present division of income. Equally, however, there is little prospect that Assessed Contributions will increase to past levels. New approaches are therefore needed.

28. To redress the current situation changes are needed both on the part of donors and on the part of the Secretariat. From the donor side predictability is key, to facilitate realistic planning and provide the security needed for management reform. In addition, it is important to avoid situations where, because of an insistence by voluntary donors on artificially low overhead rates in the form of project supports costs, assessed contributions end up being used to subsidise any shortfalls. Contributions should thus be based on the principle of full cost recovery.

What more can be done by donors to increase the predictability and flexibility of funding to WHO?

29. The Secretariat too needs to change. Increasing donor support for more and more flexible, funding will only result from greater clarity of purpose, tighter priorities, greater efficiency, excellence in delivery, timely reporting and the capacity to communicate effectively about how and where results are being achieved.

What can the Secretariat do to make it easier for donors to provide funds in a way that permit greater alignment with agreed priorities?

30. While maximising the use of existing sources of finance and increasing the efficiency with which those funds are used, WHO has also been urged to innovate - both in terms of widening the current network of donors, and exploring new processes for raising funds that would help increase flexibility and predictability.

How might WHO most effectively explore new processes for mobilising resources and new sources of funds?