

Item 24.3 Sustainable financing: WHO investment round

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In focus

In response to the request in decision [WHA76\(19\)](#) (2023), the Director-General will provide a full plan, with modalities and expected costs and efficiencies, for the WHO investment round ([EB154/29 Rev.1](#)). The plan has been developed through multiple consultations with Member States and includes proposed next steps. The Board is invited to consider the report and provide further guidance

Background

[Tracker links](#) to previous discussions of WHO financing

[A health return: investment case for a sustainably financed WHO](#)

[GHF \(10/1/24\) "WHO Seeks to Raise US\\$7 Billion in First Ever Investment Round in 2024. Executive Board to Consider Proposal This Month"](#)

PHM Comment

Purpose and vision for success

Under the heading 'Purpose and vision for success' the report tells us that the "WHO investment round aims to safeguard the global political momentum for health in order to rally stakeholders behind the General Program of Work 14 and move the Organization's finances towards more predictability and flexibility". Typically, the base segment gets fully financed, eventually. So, it's never really been a problem to 'rally' 'stakeholders' behind the GPW. It could now become a problem, depending on whether the IR is a success or not. But the sums of money involved are tiny, so it's unlikely to deter funders. The returns in fully funding the base segment are, of course, very significant.

“The success of the WHO investment round will not be measured solely by the funding raised but will also consider predictability, flexibility, broadening of the donor base and increased efficiency” (para 8).

“With regard to predictability, important markers will be the funding that is available through voluntary contributions at the beginning of the four-year period of the GPW 14 (baseline for the period 2020–2023: 17%) and the number of contributors pledging for the full four-year period (baseline for 2020–2023: seven)” (para 9).

The amount of funding raised by IR is crucial, so it feels as though the Secretariat is covering its bases here. If the IR does less well in raising money than the current arrangement, then it should be judged a failure regardless of whether the funding is more predictable, flexible, or has a broader donor base. The likelihood of the IR securing more flexible funding is quite low, and the flexibility will mostly be achieved by the increase in ACs. Nevertheless, it remains the aim (despite US efforts to wriggle out of its commitments) for the base segment to be fully flexible, so it's important that the quality of VCs shifts to being more flexible.

Markers/indicators of success

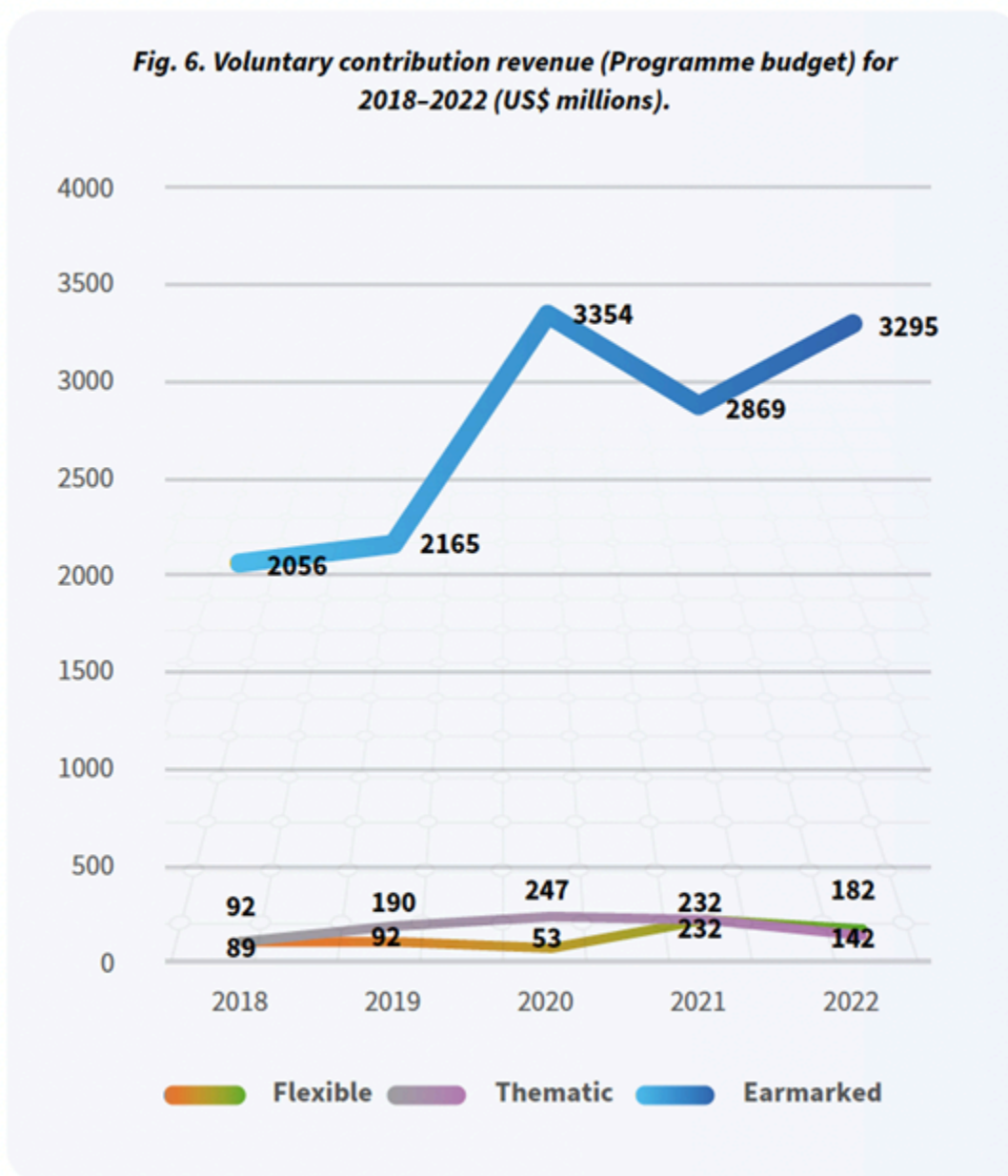
The first marker -17% of the total VCs at the beginning of the period. We know from the draft GPW 14 that the "indicative financial envelope" is around US\$11.13bn for the period 2025-2028 of which US\$7.14bn in VCs will have to be raised through the IR. 17% would = US\$1.21bn. We know from EB154/27 Table 4 that the projected VCs for 2024-25 are US\$1.28bn, so achieving an extra US\$70m doesn't seem too much of a stretch!

The second marker, seven contributors, also seems on the face of it relatively easy to secure. Multi-year commitments of VCs to the Program budget from donors are actually on the increase - rising from US\$818m in 2022 to US\$964m in 2023 (A76/17, p10). Figure 5 of the report lists the top ten contributors to the base segment. It will be very interesting to see who of these will pledge for the duration of the GPW. Given the amount of money each of the top five contributes, not getting their commitment will mean that the amount of money secured for the period will be relatively low, undermining the potential utility of predictable funds.

The third marker: "With regard to flexibility, the indicator will be the percentage of available voluntary flexible funding for the base budget for the four-year period (baseline for 2020–2023: 16%)". Again, unless you're familiar with the different kinds of VCs, this might be confusing. The least flexible VCs are 'specified' or 'earmarked' VCs, which contribute most of the VCs to the base segment. There are also 'thematic' and 'core' VCs. Core VCs are the most flexible and are often referred to as 'flexible' VCs for that reason.

To get a sense of the relative weighting of these VCs see the figure below from A76/17. The 16% marker is quite a challenge. As A76/17 points out: "The proportion of flexible and thematic funding decreased by US\$ 140 million from US\$ 464 million in 2021 to US\$ 324 million in 2022,

which represents just 9% of total voluntary contributions". This is part of the reason why the IR has been set up. It will struggle to meet this target.



The fourth marker or indicator of success: broadening the donor base. Here's the text: "Finally, the number of contributors that increase the amount of their contributions will demonstrate not only the broadening of the donor base but also the commitment of existing donors". On face value, 'broadening the donor base' does not necessarily mean increasing the number of donors. Rather, the 'broadening' condition is satisfied if more existing donors increase their

contributions. That might demonstrate an increase in commitment, but it does not demonstrate a broadening of the donor base.

Modalities

The report gives us some more information about how the IR will proceed. Here's the description: "The event, which will provide an opportunity for all Member States and other contributors to participate, virtually or in person, and to make financial pledges to the GPW 14 base budget".

Tedros introduced 'investment cases' when he took the helm as DG as a way to secure donor support. He launched [the first investment case](#) in 2018 and clearly articulated the economic case in the 2022 report [A Healthy return](#). A new investment case is being developed for the IR building on previous cases. It's hard to see why this is necessary. There is little need for the DG to provide another 'investment case' to donors. The WHO is a global public good and is necessary for international health cooperation. The 'case' for WHO is self-evident.

Resource mobilisation

We know how much money the IR will have to secure (recall that the IR is only concerned with funding the base segment of the budget). Of the total US\$11.13bn for 2025-28, US\$7.13bn will need to come from VCs. Ensuring the IR delivers will depend on the reach and intensity of advocacy. It will be enabled by broadening the definition of 'thematic' funding to include greater programmatic and geographical flexibility; a review of the Resource Allocation Committee's operations; and the rollout of a standardised report template.

Costs and benefits of the IR

A CBA was conducted (but does not appear to have been published). Because "WHO's resource mobilization capacities are already lean" there won't be much additional cost but "the potential for organizational efficiencies and increased effectiveness is significant". In monetary terms, the overall cost of the IR will be in the range of US\$ 3.25-5.55m. Efficiency savings, on the other hand, will be in the range of US\$15-40m plus the unquantified benefits of staff retention from more predictable funding.

Risks

The three risks with the greatest impact and probability are: (a) the financial risk of not meeting the target; (b) the reputational risk of the investment round being portrayed as a failure; and (c) the structural risk of WHO's resource mobilization approach not being optimized for an investment round.

These are serious risks - existential even. The mitigation strategy is not particularly convincing: "having a clear set of indicators for success beyond simply the total amount raised; leveraging the unique strength of WHO's resource mobilization approach; and having a strong results

framework and investment case with a clear communication plan". The indicators are deliberately not dependent on total moneys raised (even though this is really important).

Notes of discussion