15.2 Financing of the Programme budget 2018–2019

Contents

In focus

A71/30 reports on the state of financing of PB18-19 (A68/7) as at 31 March 2018. It makes grim reading. As of 31 March, 3 months into the biennium, only 73% of the budgeted expenditure is secure.

Figure 1 depicts significant funding shortfalls for a range of important programmes. Fig 2 highlights the 10 programme areas which receive 80% of specified voluntary contributions.

Background

See also:

- A71/29 which presents the audited financial statements for the year ending 31 Dec 2017, the second half of the 16-17 biennium; see in particular the undersubscribed Emergencies Contingency Fund;
- A71/INF./2 which reports on voluntary contributions by fund and by contributor, for 2017; much of the data reported on here is also included in A71/28 in various infographics;
- Tracker links to discussions of 'strategic budget space allocation' for more information on how the PB is constructed; see PHM comment on Item 20.2 at WHA69 for more detail about how the budget is constructed; and
- the WHO Budget Page and WHO PB Portal.

PHM Comment

The underfunding of WHO and the donor chokehold over the Secretariat's work program are shameful acts of global health vandalism. It has led to:

- critical limitations on Secretariat capacity to carry out its job;
- substantial distortions of the mandate of the governing bodies by the donors who choose what they will or will not fund and, because of the freeze on ACs, have almost total power over the budget; and

- exacerbation of silo behaviour and organizational fragmentation as units, clusters and regions compete for donor visibility and funding.

The % of the PB18-19 with assured funding is estimated to be 73% (at 31 March 2018); seriously unstable.

79% of WHO revenues were derived from VCs in 2017, 72% tightly earmarked. In view of the budget lines which have to be funded through ACs, this leaves the governing bodies with very little flexibility.

The alignment of the expenditure budget to global health priorities is skewed by the knowledge of what the donors will and will not fund. However, the actual funds mobilised for agreed budget lines is also very unbalanced. See Fig 1 for seriously underfunded budget lines.

PHM appreciates the efforts of the DG and Secretariat to mobilise funding and to do more with less. However, the agreed budget is ridiculously small - even if it were funded.

Member state delegates are urged to lift the freeze on the budget ceiling and lift the freeze on assessed contributions and untie their voluntary contributions.

Notes of discussion at WHA71

Committee B - Meeting 4

Item 15.2 Financing of the Programme budget 2018–2019

Discussion on documents A71/30 and A71/46.

Mexico: Transparency on funding required and increase VCs and increase flexibility of funds. determinants, including access to water. Present budget notes +ves but when financing NCDs and support functions sees decreases. Notes that prog. budget dependent on not v flexible fund streams from small number of donors.

Australia: Transparency can be strengthened by clarity of current vs projected funds, and budget portal. Query accuracy of statement - notes polio transition into base segment. Concerned reduction in core VCs and shortfalls in ncds and health emergencies - latter particularly worrying wrt Ebola outbreak.

Switzerland: Same programs affected as in the past - NCDs and HE mngt. Core VCs being promoted by DG is good to see. Regret decision of WHO not to provide a complete statement.

Netherlands: Highlight point 3 of PBAC session. Lack of funding a major concern. What are the reasons? Why wont donors commit to NCDS? Can DG facilitate a process to find out?

Germany: Still haven't addressed some key challenges - same issues as before and will face same shortfalls. How will DG overcome this structural challenge? Supports WHO as key coordinator, so coz this area is underfunded it's a problem. Why can't ACs be used to cover this function? Resource mobilisation has not been successful. Silo thinking a key deterrent. Key is how we raise funds, and for what? Earmarked funds from G went to those areas WHO asked for funding.

Tanzania: Importance of timely payment of ACs; WHO must advocate for flexible VCs.

US: WHO progress on accountability; appreciates web portal; recognises need for fixed and flexible funding; we are the largest contributor and look to align with the budget. Quality is an issue but when an appeal is made to Ebola then we know it goes to core burget. An internal culture - can who work with staff to ensure VC requests are prioritised and better coordinated internally.

Japan: Will 3% be verified? HE fund is challenging.

UK: Big risk is polio transition - 700 staff served redundancy what will Who do what progs will lose out why should donors continue to fund polio? not a case of tight earmarked vs fully flexible - there are in between interpretations. move away fro mad hoc funding requests.

Brazil: Trop disease and NCDs emphasised - move to VCs must be reviewed.

Director PRP speaks: Never planned to give too much detail. but will give more detail at next EB. This report is just 3 months work. Can see improvements - we have 86% of the funding needed and this is not bad compared to other organisations. Overall, cautiously encouraging. Prog budget 20/21 will be presented but a bit differently - presented at major office level but wont get into detail yet so can discuss with MS on issues of prioritisation. Will present full budget next Jan. On Polio not a Q for 18/19 budget - it;san issue but for later discussion under ComA agenda item. Nice to see +ve comments on the web portal.

Controlleur - on Polio amd prog continuity, yes a financial risk for WHO and appears as a top risk in our register. We're looking at this closely for staff liabilities that will come and $50m reserved for that. ComA will be discussing later today.

Dep Director of Corporate Relations: we are acutely aware of underfunded areas. Aware of silo issue too. On HE - GPW notes HE and HSS are two sides of the same coin; if want to avoid future HE then need HSS. On resource mobilisation - reaching out to new donors. Coordinating across the levels of the Org. Putting the C into coordination? Highlights the spectrum of VCs as Germany says - there are a number of ways of providing flexible financing. Moving towards more themed funds and away from small earmarked funds. If we can build confidence in transparency then MS more confident to give flexibility.

Tedros: on HE - it's one of the three strategies. Whether we get funding or not it should get priority. So we allocated 58m to the response because of the shortfall. If we say it is a prioty then we have to fund it from the core. 80% of this went to the countrees. It shows who commitment to stick to its priorities. That's why we ask you for the flexibility so we can fund the underfunded area. Yes, there has to be asectrum but i prefer the flexible one, then earmarked on our priorities. But this kind of funding is low.

Coordinated resource mob - were building structure to have centralised mobilisation but we need to transition so now we're using centralised and decentralised, and will continue doing it this way for a while.

On polio - resources not only been used for polio but also routine immunisation. This is rational and logical to ask part of funding to continue to be allocated for routine imm. Well being of child is the end point, it's not just polio.

A71/46 agreed