1. Further to (i) World Health Assembly Decision WHA66(8) to establish a Financing Dialogue on the financing of the Programme Budget, and (ii) the 24 June 2013 launch of WHO’s Financing Dialogue, the Director-General on 25-26 November 2013 convened a follow-up Financing Dialogue meeting. Two hundred and sixty-six participants from 92 Member States and 14 non-State partner organizations participated in the meeting in person or via webcast.

2. The Financing Dialogue aims to ensure a match between WHO’s results and deliverables as agreed in the Member-State approved Programme Budget, and the resources available to finance them, with the ultimate objective of enhancing the quality and effectiveness of WHO’s work. It is designed to improve the alignment, predictability, flexibility and transparency of WHO’s funding and to reduce its vulnerability. The specific meeting objectives were to (i) review progress since June towards full funding of the 2014-2015 Programme Budget; (ii) identify areas of underfunding in view of expressed financing commitments/intentions, and, (iii) identify solutions to address areas of underfunding and improve the quality of WHO’s funding.

3. The meeting was chaired by Dr Dirk Cuypers, Chairman of the Programme, Budget and Administration Committee (PBAC) of the Executive Board (EB). Mr Keshav Desiraju of India, Dr Anders Nordström of Sweden and Dr Nils Daulaire of the United States of America moderated sessions and Dr Chris Elias of the Bill & Melinda Gates Foundation and Ms Elissa Golberg of Canada were discussants.

4. Following a report by the Director-General on actions taken since the June meeting and a short orientation to the new Programme Budget web portal, the Assistant Director-General, General Management presented the current financial situation for 2014-15 and participants discussed opportunities to concretize solutions to address the remaining funding challenges. Day two of the meeting was devoted to review and discussion of issues identified as being of interest to Member States and other contributors: administration and management financing; coordinated resource mobilization; reporting on results, and evaluating the Financing Dialogue.

5. **Predictability:** The overall level of funding of the 2014-15 Programme Budget, as at 31 October 2013 is better than at the same time in the previous biennium, with 61% of required funding available, compared with 51% as at 31 October 2011. For the first time, as a direct result of the Financing Dialogue, 18 Member States and other contributors shared firm funding projections totalling US$ 935 million, which will assist in programme planning, deepen the understanding of where the residual shortfalls will be and help in the allocation of flexible resources. Available and projected funds thus total 85% of the Programme Budget. It was noted that expected voluntary contributions from several Member States and other contributors were not yet included in the projections. Continued dialogue with these partners is expected.
during the next several months, which is likely to result in the budget being fully funded in terms of the total amount. The importance of extending the financing discussion beyond a narrow, two-year window was stressed and the need for a stronger link to the six-year General Programme of Work was highlighted.

6. **Alignment and Flexibility:** This overall strong financial picture, however, masks serious shortfalls in some programs and challenges of fully aligning resources between staff and activity costs: achieving full alignment of funding will be the organization’s biggest financing challenge. The Director-General, in consultation with the Regional Directors, has allocated 80% of assessed contributions to ensure that each category of work has funding for operational continuity at the beginning of the biennium. Several Member States expressed their willingness, in the event that a programme to which they are providing funding becomes over-subscribed, to consider re-allocating their funds to under-funded areas. The steps to be taken in a situation in which a contributor wishes to provide funds to a fully-funded area were presented:

   (i) the option of the new funds being provided for the fully-funded area, but reprogrammed as a multi-biennial grant, thus also available for the next biennium, would be explored;

   (ii) the option of the contributor allocating the new funds to an under-funded area would be explored;

   (iii) a discussion with other contributors to the fully-funded area would take place, to explore their willingness to re-allocate their funding to an under-funded area, thus making room for the new contribution (the possibility of proactively reflecting openness to this eventuality via a clause in MOUs between contributors and WHO was suggested);

   (iv) if no other solution could be found, as a last resort, an offer of a contribution to a fully-funded area would be turned down.

Meeting participants called for additional detail on the allocation of available and projected funding, which will contribute to a better understanding of the most vulnerable areas of work and facilitate actions to address these vulnerabilities.

7. **Transparency:** the initial release of the new Programme Budget web portal was warmly welcomed as powerful tool for accountability and transparency. Its potential to provide critical inputs to well-informed decisions about voluntary contributions and to provide easy access to reporting on results and expenditures was noted. Meeting participants requested that they be consulted on the further development of the web portal.

8. **Vulnerability:** the vulnerability inherent in the current situation that sees WHO rely on just 20 contributors for 80% of all voluntary contributions was highlighted (11 of these are non-Member State contributors, with several relying on the same small pool of Member States for funding). Member States were called upon to collectively ensure the agreed-upon priorities are financed and the Secretariat was encouraged to provide contributor benchmarking information (e.g. relating to
flexibility of funding and to ratios of voluntary to assessed contributions) to create incentives for Member States to improve the quality and increase the quantity of their financial contributions. Middle-income countries were encouraged to play a larger role in providing voluntary contributions. Supplements to assessed contributions on a voluntary basis were flagged as a potentially useful mechanism for some Member States to use to increase their funding of WHO. The support for WHO’s Financing Dialogue in the BRICS’ Health Ministers’ November 2013 Cape Town Communiqué was noted. The imperative of concluding the framework for engaging with non-State actors, in order to facilitate an expansion of the contributor base beyond Member States, was highlighted, particularly in light of the growing demands for international health-related financing.

9. **Financing Administration and Management**: the complexity of administration and management financing at WHO was broadly acknowledged. The need for WHO to keep the cost of administration and management low and demonstrate value for money was underscored by several meeting participants and the commitment to fully fund administration costs – if their value to programmes could be clearly communicated and cost-effectiveness could be demonstrated – was expressed. There was broad support of the move towards an integrated budget financed by assessed and voluntary contributions. There was also support for the real costs of WHO's programme administration and management to be accounted and attributed separately to each of the categories of work, with these costs being built into all voluntary contribution agreements, replacing existing service charges. There were however several calls to keep stewardship and governance as a separate category, noting that these costs are relatively fixed compared with the more variable costs associated with most programmatic work. The Financing Dialogue discussions will help guide Secretariat preparations for the January 2014 PBAC and EB meetings.

10. **Coordination of Resource Mobilization**: there was strong support for the framework the Director of the Regional Office for Europe presented on behalf of the Secretariat for a coordinated resource mobilization approach to fill the remaining Programme Budget funding shortfalls. Several participants noted that the new approach will require significant changes in behaviour by both the Secretariat and Member States and other contributors.

11. **Reporting on Results**: meeting participants endorsed the Secretariat’s vision for improving the clarity, timeliness, impartiality and fragmentation of its reporting and reducing its transaction costs. Several meeting participants underscored that high-quality, effective reporting was central to stakeholder confidence in the organization, while others noted that better reporting will lead to better implementation. Participants welcomed the news that future iterations of the web portal over the next two years would provide deeper levels of detail on WHO's use of funds and deliverables, and emphasized the importance of this enhancement.

12. **Evaluating the Financing Dialogue**: there was concurrence with the proposed focus and modalities of the evaluation of the Financing Dialogue and resource mobilization experiences called for by the Sixty-sixth World Health Assembly, which will be presented to the Sixty-seventh World Health Assembly in 2014. The
possibility of the need for a phase two evaluation was suggested, to allow for a full accounting of Financing Dialogue impact and results.

13. In his closing remarks the Chairman highlighted several actions the Secretariat will take in follow-up to the meeting:

13.1. Conduct further alignment analysis of the 61% available funding, and projected funding, to better understand shortfalls

13.2. Carry out coordinated, organization-wide resource mobilization to address shortfalls

13.2.1. Hold Financing Dialogue bilaterals with those contributors who have not yet committed funding

13.2.2. Expand efforts to broaden the contributor base, in the first instance among Member States, in particular middle-income countries, but also with philanthropic foundations

13.2.3. Provide comparative analysis of contributions

13.2.4. Explore other ways to improve funding quality, e.g. by encouraging supplements to assessed contributions on a voluntary basis and providing incentives for contributors of core voluntary funds

13.3. Ensure a longer-term view of organizational financing to ensure also funding for the first six months of the next biennium and by linking to the six-year General Programme of Work

13.4. Continue the Financing Dialogue with all Member States and other contributors, to ensure a common understanding of residual shortfalls and resulting implications for programme implementation and to inform financing decisions

13.5. Invite Member State and other contributor feedback on initial release of the web portal, to assist in its further development

13.6. Continue discussion on administration and management financing at January Governing Bodies Meetings

13.7. Strengthen the robustness, timeliness and transparency of reporting, and better define WHO’s contributions to results

13.8. Evaluate the Financing Dialogue and resource mobilization experience

13.9. Update Member States on progress towards each of the above commitments during 2014 Governing Body meetings.