Task Force on Resource Mobilization and Management Strategies

Final Report
Abstract

The analysis, views, proposals and recommendations in this document are those of the internal Task Force on Resource Mobilization and Management Strategies alone. According to its mandate, the Task Force makes its recommendations to the Director-General and the Global Policy Group. Therefore, while the Task Force did consider the feasibility of its recommendations, these do not represent an official stand of the Organization and they will not necessarily be implemented. Some of the recommendations have already been implemented, others have not been pursued, and others are pending consideration. The recommendations are presented as they were expressed by the Task Force, in order to reflect the comprehensiveness of the Task Force’s work and to illustrate the complex interlinkages among the diverse array of actions that the Task Force considers necessary to substantially improve WHO’s resource mobilization and resource management. The recommendations are presented as expressed by the Task Force and have not been altered to reflect any subsequent decisions by others.

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Foreword

In August 2012, the Director-General established a Task Force on Resource Mobilization and Management Strategies, co-chaired by the Deputy Director-General and the Regional Director for the WHO European Region, to review the Organization’s current financial situation and to propose a strategy and a clear action plan to enable WHO to fully finance the programme budget (PB) 2014–2015 and beyond.

The Task Force has worked in the dynamic environment of WHO reform, and there has been continuous interaction at both management and policy levels of the Organization throughout. Two interim reports were submitted to and discussed by the Global Policy Group, which consists of the Director-General, the Deputy Director-General and all the regional directors. Several of the findings and recommendations of the Task Force have been included in the reform and are being taken forward by other groups in different contexts. Thus, implementation of some of the recommendations did not await the final report. The Task Force decided to prepare its final report with the recommendations agreed by its members and to report the status of each recommendation in a separate document, Monitoring and action plan.

The Task Force benefited from the fact that its members represented all the major offices of WHO, with long, in-depth experience of technical programmes, administration, field programme implementation, governing bodies and high-level policy. The discussions took place in a frank corporate spirit.

As one of its first steps, the Task Force analysed the strengths, weaknesses, opportunities and threats of the Organization in relation to the observed misalignment between planned results and the resources available for their delivery. The analysis showed that there is no single cause; rather, the misalignment is a symptom of interlinked internal and external factors. Several of these must be addressed in order to make the sustained changes required to ensure full alignment of funding for the PB.

The recommendations in the Task Force’s final report fall into 10 broad areas, within which detailed practical proposals are made. The Task Force is aware that several of the proposals will require considerable managerial attention, perseverance and time in order to achieve full, aligned funding of the PB.

Dr Anarfi Asamo-Baah
Deputy Director General

Ms Zsuzsanna Jakab
Regional Director,
WHO European Region

1 The analysis is available in the Situation and diagnosis report prepared by the Task Force after its first face-to-face meeting on 15–16 October 2012.
Executive summary

The Task Force on Resource Mobilization and Management Strategies conducted extensive analyses and reviewed options for action to overcome the challenges that were identified. In summary, the analyses revealed the following.

Considerable progress has been made for PB 2014–2015 in terms of focus and division of labour across the three levels; however, there are still shortcomings in, for example, defining clear accountability, priority-setting, the principles for mobilizing, allocating and managing resources and the granularity (detail and specificity) with which support is provided for fund-raising and resource management.

WHO has been successful in generating resources, receiving US$ 1.1 billion in assessed and core voluntary contributions and nearly US$ 3 billion in other voluntary resources every biennium. Financing is nevertheless uneven over technical areas and locations. Further, resource predictability and transparency is limited. Although every part of WHO is involved in resource mobilization, it is poorly coordinated, and the corporate perspective is missing. The absence of common tools and processes for quality assurance and for tracking individual resource mobilization efforts might have an adverse effect on financing risk management and could eventually strain donor relations.

There is a perception that technical staff members spend a disproportionate part of their time seeking funds for their own and their projects’ survival. The way that resources are mobilized in WHO is considered to be inefficient and to contribute to fragmentation and misalignment of financing across the Organization.

Ten donors provide 80% of all voluntary resources. Therefore, WHO is highly vulnerable to changes in their priorities and to their political and economic situations. In addition, because of the size and focus of their contributions, these donors contribute to imbalances in WHO’s programme portfolio. Resource mobilization at country level reflects three different situations and challenges: (i) WHO seeking resources to fund what is planned in the approved PB; (ii) WHO helping the host country to mobilize funds for implementation, some of which eventually come through WHO; and (iii) WHO helping donors or partners by managing funds for implementation.

The current misalignment between budget and financing is due in part to the way in which the Secretariat mobilizes and manages funds. Change will involve building confidence that the Secretariat is able to manage resources in a way that is results-based, effective, transparent and based on clear principles and approved financial rules and regulations. The best argument for mobilizing resources is a good track record of delivering. Possible causes of underperformance include: constraining resource conditionalities; delays in allocation of resources, recruitment and government clearances; lack of understanding of the project and slow implementation; diversion of funds; and slow, incomplete or poor reporting.

Introduction of the General Management System (GSM) provided an unprecedented wealth of data. Turning these data into information, knowledge and action, however, requires corporate

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2 The Financial Rules and Regulations were not addressed by the Task Force on Resource Mobilization and Management.
analytical and advisory capacity, which is currently not available. Resource flow issues are at times compounded by performance issues, further complicating the matter.

WHO is unique and has obvious comparative advantages. Yet, its boundaries of operation are poorly understood, and WHO is perceived as having too many priorities. Further, there are misperceptions about the Organization’s performance, and it is a challenge to make known the thousands of deliverables produced each year.

On the basis of this analysis, the Task Force has made recommendations in 10 broad areas:

1. to make the PB the main tool for resource mobilization, performance and resource management;
2. to maximize the potential of the Financing Dialogue for resource mobilization and alignment;
3. to improve, coordinate and harmonize tools and processes for quality assurance and for tracking the "pipeline";
4. to professionalize WHO’s resource mobilization;
5. to reduce vulnerability by broadening the donor base, including involving the humanitarian forum;
6. to improve resource mobilization and management at country level;
7. to devise explicit, transparent mechanisms for resource allocation and management;
8. to improve WHO programme and project delivery and performance to facilitate resource mobilization and management;
9. to improve the monitoring and evaluation of resource flows and performance; and
10. to better position WHO and to communicate its uniqueness, contributions and deliverables.

The specific recommendations in each of these areas are given in the report and its annexes.
Introduction

The Task Force on Resource Mobilization and Management was established in the second half of 2012 to review resource mobilization and resource management in WHO and to make recommendations to the Director-General and the Global Policy Group on how to improve these areas in the context of WHO reform.

Within a conceptual framework for the WHO financing cycle (Annex B), the Task Force has made recommendations in 10 areas:

1. making the programme budget a more powerful tool for resource mobilization, performance and resource management;
2. maximizing the potential of the Financing Dialogue for resource mobilization and alignment;
3. improving, coordinating and harmonizing tools and processes for quality assurance and for tracking the “pipeline”;
4. professionalizing WHO’s resource mobilization;
5. reducing vulnerability by broadening the donor base, including involving the humanitarian forum;
6. improving resource mobilization and management at country level;
7. devising explicit, transparent mechanisms for resource allocation and management;
8. improving WHO programme and project delivery and performance to facilitate resource mobilization and management;
9. improving monitoring and evaluation of resource flows and performance; and
10. better positioning WHO and communicating its uniqueness, contributions and deliverables.

Each section starts with the main challenges, followed by recommendations for the short, medium and long term. The body of the report can be read alone; more details of the analysis and recommendations are in the annexes.

1. Making the programme budget the main tool for resource mobilization, performance and resource management

Challenges

Considerable progress has been made in preparing the proposed PB 2014–2015 and particularly in its focus and the division of labour across the three levels of the Organization. It nevertheless still has a number of shortcomings, including insufficient clarity about accountability; priority-setting; the principles of mobilization, allocation and management of resources; and determining the granularity for fund-raising and resource management (see also Annex C).

For membership, schedule of meetings and outputs, see Annex A.
Main recommendations

Before the second Financing Dialogue (in November 2013), operational planning should be advanced to supplement PB 2014–2015 (see also Annex D) by:

- a breakdown of the output indicator targets (which countries are part of the baseline target for 2014–2015) to be presented to the regional committees for endorsement; and
- a further breakdown of the budget by category, programme and country according to estimated costs of delivering the outputs.

In the medium term (for PB 2016–2017 and beyond), alternative models for the PB should be explored:

- More flexibility should be found to allow countries to address fluctuations in project and implementation funds, for example, by dividing the budget into a “base” and a “project” component, only the former having fixed ceilings approved by the World Health Assembly (see also section 6).
- A more appealing prospect should be presented of what WHO will achieve during the 2-year period and at what cost, providing a basis for detailed accountability and “investment options”. This could be done, for example, in a “people-focused” document of a maximum of 20 pages that “tells the story” with few numbers and details, stopping at the level of the output or major office (intermediate outcome, see Annex C). The document would be accompanied by detailed budget documents, such as by category or major office, reflecting proposed bottom-up planning in terms of both achievements and costs.
- A proposal for effectively involving individual Member States and regional committees in preparing PB 2016–2017 should be drafted and presented to the regional committees in the second half of 2013.
- Nine proposals that could make the PB a better, more powerful tool for resource mobilization and management are presented and justified in Annex C.

2. Maximizing the potential of the Financing Dialogue for resource mobilization and alignment

Challenges

WHO has been successful in generating resources, receiving US$ 1.1 billion in corporate funds (assessed and core voluntary contributions) and nearly US$ 3 billion in other voluntary resources every biennium. Nevertheless, there are still both visible and hidden “pockets of poverty”, with uneven financing of the PB for some technical areas and at some locations (major offices and countries). Further, the predictability and transparency of resources are limited. The Financing Dialogue is expected to address some of these challenges.

Main recommendations

The Task Force made a number of recommendations, some with an immediate and some with a longer-term perspective.
The main immediate strategy, continuing with a longer-term perspective, would be to make the Financing Dialogue the main vehicle for raising and coordinating voluntary contributions to the Organization. The main characteristics of a successful Financing Dialogue are seen to be: transparency, targeting the right programmatic and budget levels, congruence with the approved PB, and trustworthy information on the programme, cost and financing details of the PB. In an organization as technically, organizationally and financially complex as WHO, getting the Financing Dialogue right will probably take more than one biennium.

The Task Force made detailed recommendations and suggestions for the first round of the Dialogue, to take place in 2013 (see Annex D).

3. Improving, coordinating and harmonizing current tools and processes for quality assurance and for tracking the “pipeline”

Challenges

Every part of WHO is involved in resource mobilization: it is everybody’s business. Technical staff are raising most resources at project level, but resource mobilization is poorly coordinated, and the corporate perspective is missing. The absence of common tools and processes for quality assurance and for tracking individual resource mobilization efforts might have an adverse effect on managing financing risk and could strain donor relations.

Main recommendations

On the basis of its review of existing processes and tools, the Task Force recommends for the medium term (2014–2015), the institution of:

- category networks, led jointly by a regional director and an assistant director-general, which would corporately identify, describe and actively mobilize resources to fill gaps and align budgets and resources within each category, across levels and locations; and
- an Organization-wide system and database for writing proposals, quality assurance and tracking and monitoring proposals, to ensure:
  - coherence: All proposals submitted contribute to the strategic priorities and the planned outputs of the Organization.
  - transparency: Information about committed and expected financial resources at all levels of the Organization is accessible at all levels.
  - accountability: Responsibilities for the processing, quality assurance, reporting and clearance of proposals are clear.
  - efficiency: Proposals are quickly processed, and prompt replies are given to donors’ queries; projections of financial resources and identification of gaps are rapidly available in order to inform the Financing Dialogue and resource allocation and mobilization.

See also Annex E.
4. Professionalizing WHO’s resource mobilization

Challenges

While hundreds of millions of US dollars are successfully raised each biennium, there is a perception that technical staff members spend a disproportionate amount of their time seeking funds for their own and their projects’ survival. The way that resources are mobilized in WHO is considered to be inefficient and to contribute to fragmentation and misalignment of financing across the Organization. During the past 10 years, several attempts have been made to establish and coordinate a corporate resource mobilization strategy. The Task Force concluded that the situation cannot be improved without professionalizing WHO resource mobilization.

Main recommendations

The Task Force therefore recommends that a consultancy be commissioned with an external firm to map current capacity and to make proposals for professionalizing and organizing resource mobilization across the Organization. The consultancy will specifically:

- map the human and financial resources currently used for resource mobilization;
- assess the background and skills of the individuals currently engaged in resource mobilization;
- assess the efficiency and effectiveness of current resource mobilization, including the possible opportunity costs;
- propose alternatives to professionalize and organize resource mobilization in WHO in order to achieve greater efficiency and effectiveness; and
- implement the proposed changes.

For draft terms of reference, see Annex F.

5. Reducing vulnerability by broadening the donor base, including involving the humanitarian forum

Challenges

Ten donors provide 80% of all voluntary resources to WHO. The Organization is therefore highly vulnerable in the face of any changes in the priorities of these donors and also in their political and economic situations. In view of the size and focus of their contributions, these donors contribute to imbalances in WHO’s programme.

The remaining 20% of voluntary contributions come from hundreds of small and medium donors, some of which provide fully flexible funds and others strictly specified contributions. It has been known for some time that there is an unexploited opportunity to expand and diversify WHO’s donor base. An initial assessment suggests potential in the following segments:

- emerging donor countries
- foundations
- wealthy individuals
consumer marketing initiatives

country-level resources (for example decentralized donor funds, United Nations Development Assistance Framework, multidonor trust funds)

Bretton Woods institutions (World Bank, regional development banks)

innovative financing.

Little is known, however, about the real potential of these sources and how they could contribute to the full funding of the approved PB.

The question of supplementary assessed contributions, according to Article 50(f) of the WHO Constitution, has been brought up several times in discussions on reform during the past year. At least some countries in each region have shown interest, but the potential and eventual modalities remain to be explored.

While WHO’s humanitarian activities might appear to be well funded (for example, funding and expenditures for the outbreak and crisis response segment exceeding the budget approved by the World Health Assembly), the numbers mask the fact that funding is flowing only for response, while access to humanitarian funding is “denied” for the basic capacity and preparedness components, as the donors expect that those costs are financed from some “core funding” within WHO. The result is severe underfunding of basic capacity and preparedness.

**Main recommendations**

The Task Force considered that there is merit in addressing these challenges.

**Short term**

- Immediately commission a study of the potential contributions of the identified donor segments for the next biennium and beyond, first as targeted resource mobilization and later integrated into the Financing Dialogue (for draft terms of reference for the study, see Annex F).
- Include further discussion on modalities and exploration of the potential for supplementary assessed contributions on the agendas of regional committees and in the Financing Dialogue (see also Annex D).

**Medium term**

- Concerning resource mobilization for humanitarian action, the ideas of the Secretariat and the governing bodies should be aligned, new dialogue and negotiations should be opened with humanitarian donors, and structures adapted. Restructuring might include segmenting humanitarian action as an entity, rather than splitting it into one part in the base and the other in the emergency segment of the PB, as is the case in the proposed PB 2014–2015.
6. Improving resource mobilization and management at country level

Challenges

Three situations exist with respect to resource mobilization at country level: (a) the head of the WHO country office, the regional office and/or programmes seek resources to fund planned activities that are in the approved PB and clearly within WHO’s core mandate; (b) the country office helps the host country to mobilize funds for implementation, some funds eventually coming through WHO; and (c) WHO helps donors or partners by receiving and managing funds for implementation, rather than having them sent directly to governments or other entities in a country.

Main recommendations

The Task Force made three recommendations.

- Situation (a) is that used for resource mobilization in WHO and thus falls within the recommendations already made.
- Situations (b) and (c) frequently involve considerable amounts of money and should therefore be examined to determine whether the situations should be accepted and, if so, how issues of budget ceiling and programming should be addressed, as they can be effectively addressed only in the PB structure (see also section 1 and Annex C).
- Proposals and agreements for all funding are cleared through the same procedure. Funds in situations (b) and (c) should be submitted to an even stronger examination of their “acceptability” (see also section 3 and Annex E).

7. Devising explicit, transparent mechanisms for resource allocation and management

Challenges

Within the overall vision of full, upfront funding of the PB, all resources should be managed by similar principles and mechanisms, with no difference in allocation or management according to source of funding. The World Health Assembly-approved PB is the tool of control (results-based) rather than the resource (input-based). Realizing this vision will require a change of “thinking and talking” by Member States, contributors of voluntary funds and the Secretariat alike. Some of the terms that were widely used in discussions over the past several years will therefore become irrelevant, and their continued use will cause confusion:

- *cross-subsidization*: It does not matter which funds are used for which activity, as long as World Health Assembly-approved outputs are adequately funded.
- *gap-filling*: Gaps should be managed actively, either by allocating or reallocating funds from any source or by reducing budget and results targets. It does not matter where the funds come from as long as the output in question is part of the World Health Assembly-approved PB.
carry-forward: This term has a negative connotation of “left-over” and something that should be avoided. While the funds made available for implementing a particular biennial PB should be used in that biennium, the vision of upfront funding for a biennium requires that a large amount of funds be available at the end of each biennium to fund the next.

appropriation: This term dates to the time when the PB and assessed contributions were one and the same. That time is long gone, and assessed contributions are now only one of several sources of funds to finance the entire PB (see section 1).

The current misalignment between budget and financing is due partly to the way in which the Secretariat mobilizes and manages funds. Realizing the vision will require building confidence among Member States and contributors of voluntary funds as well as among WHO staff that the Secretariat is able to manage resources in a way that is results-based, effective, transparent and grounded in clear principles and approved financial rules and regulations. This will take time, with incremental progress during the next two bienniums.

**Main recommendations**

The Task Force recommended a series of basic, corporate, managerial and resource-specific principles to be applied in the short term for 2014–2015 and evaluated.

- Basic principles are deemed relevant for adoption of the programme budget (see also section 1 and Annex D):
  - Given the urgency of ensuring stability, for example, in relation to human resources plans, the Task Force recommends considering two scenarios for 2014–2015, while working on a more permanent and long-term solution:
    - Scenario 1: funds from assessed contributions are allocated upfront to major offices according to their 2012–2013 allocation.
    - Scenario 2: 80% of assessed contributions are allocated to major offices proportionately to their 2012–2013 allocation. Assessed contributions are used to “protect” core functions and strategic priorities, facilitate minimum funding thresholds and prevent “pockets of poverty”. The remaining 20% are allocated with other corporate funds during the biennium to facilitate resource alignment. This might, however, require the corporate principles of allocation described below, when fully developed and agreed with the governing bodies.
  - All mobilized voluntary contributions must contribute adequately to all budget elements of the funded outputs and deliverables: activities, staff and administration, and management.
  - Assessed and voluntary contributions available at the level of the PB (fully and highly flexible) will not be used for the emergency segment.
- The corporate principles should be presented during the first Financing Dialogue in order to build confidence (see also Annexes D and G).

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4 The Financial Rules and Regulations were not addressed by the Task Force on Resource Mobilization and Management.
— By May of the first year of the biennium, all relevant programmes at all locations must have known sources of funding for at least XX% of their budgets.
— By January of the second year, all relevant programmes at all locations must have known sources of funding for YY% of their budgets.
— Corporate decisions on the allocation of resources that are flexible at programme area level are taken by the programme area network, overseen by the category leadership (regional director and assistant director-general), on the basis of an assessment of financing gaps and the urgency of achieving results.
— Corporate allocations of resources that are flexible at PB and category levels will be made four times per biennium to the programme area headquarters and region on the basis of a calculated 50–50 combination of financing gap and risk of running out of funds.
— Specified funds must be fully allocated at least as far down as prescribed by their specification within 4 weeks of becoming available.

In the medium term (2016–2017 and beyond), the resource allocation and management principles will be developed, refined and endorsed by the governing bodies in order to realize the vision of the PB as the governance tool; the resource allocation and management principles will become the executive managerial means to deliver on the PB. Central to this vision, will be an evaluation of experience with the Financing Dialogue and with application of the allocation and management principles in 2014–2015 (see also section 9).

More explanation and details of the principles are given in Annex G.

8. Improving WHO programme and project delivery and performance to facilitate resource mobilization and management

Challenges

The best argument for resource mobilization is a good track record of delivering. The vision is therefore that WHO will rank among the best-performing international organizations in terms of timeliness, efficiency and quality of reporting.

While the introduction of GSM enhanced performance and oversight, there is room for improvement. Possible causes of underperformance include constraining resource conditionalities, delays in allocating resources, delays in recruitment, delays in government clearance, lack of understanding of the “project” and slow implementation, diversion of funds and slow, incomplete or poor-quality reporting.

Main recommendations

The Task Force made three recommendations, to be instituted immediately:

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5 Not all programmes are relevant at all locations: only those planned to produce specific “deliverables” and “output” at a location are deemed relevant.
• Improve the quality of donor agreements and funding, including consideration of realistic
timing, for example, for getting staff in place and obtaining government clearance (see also
section 3 and Annex E).
• Establish steering committees for complex activities to be implemented in different major
offices or countries, and use the composite work plan and performance management
facilities in GSM to track resource distribution, progress and impediments to
implementation.
• Establish a high-level monitoring and advisory function (see section 9).

For the medium term, the Task Force recommends that:
• WHO benchmark key factors for “delivery”, such as allocation of funds and lead time for
recruitment, with comparable organizations.

9. Improving monitoring and evaluation of resource flows and performance

Challenges

Introduction of GSM has provided an unprecedented wealth of data on funding in WHO.
Nevertheless, the financing of the Organization is and will remain, even in the best of cases,
extremely complex. Turning GSM data into information and knowledge for improving the
situation will require corporate analytical and advisory capacity, which does not currently exist.
Resource flow issues are at times compounded by performance issues, further complicating the
matter.

The experience of the Advisory Group on Financial Resources in 2005–2009 showed that
complete membership, involving all regions and clusters, meant that each defended its individual
interests, compromising the impartial advisory function of the Group. The approach to corporate
resource allocation and monitoring pursued during the past few years has reduced transparency
and led to loss of trust.

Main recommendations

The Task Force made two linked recommendations for immediate implementation.
• Establish a high-level, Organization-wide advisory group to monitor and evaluate budget
implementation, performance and resources and to advise the Director-General and the
Global Policy Group accordingly. The group should consist of three directors of
programme management and three assistant directors-general (representing regions and
headquarters clusters), chaired by the Deputy Director-General. The group should meet
face-to-face twice a year.
• Establish a global secretariat for the above group, reporting to its Chair. The Secretariat
should have two full-time professional staff and link with appropriate regional staff. The
group (global secretariat and regional counterparts) should meet once a year.

For more details, see Annex H.
10. Better positioning WHO and communicating its uniqueness, contributions and deliverables

Challenges

WHO is unique and has a clear mandate and obvious comparative advantages, yet its boundaries of actual operation are blurred and poorly understood. Within WHO reform, the Organization has attempted to set stricter priorities for its work, as it was perceived that WHO had too many priorities. Nevertheless, even when priorities are well described, resource mobilization and resource flow are not always directed to support agreed priorities, and the Organization is unable to terminate programmes. Furthermore, the Organization’s performance is poorly perceived. An important challenge is to make known the thousands of deliverables produced each year by staff and in countries. Ineffectiveness and inefficiency in delivery, often manifested to the outside world as no-cost extensions and late reporting, tarnish the image of the Organization.

Main recommendations

Addressing these challenges requires a mix of internal and external and short- and medium-term measures. The Task Force made four recommendations.

Short term

- Create a web platform to describe in detail the many achievements of WHO in countries and by programmes that are frequently not included in consolidated corporate reporting.
- Include “performance” as a focus area in the corporate communication strategy.

Medium term

- Use the agreed criteria for prioritization, in particular, that of the comparable advantage of WHO, to more clearly define the boundaries of the Organization’s core business and to differentiate WHO from other players in the health field.
- Use the agreed criteria as a platform to rebrand and remarket WHO.
Annex A. Task Force members, organization and outputs

The Task Force was co-chaired by Dr Anarfi Asamoah-Baah (Deputy Director-General) and Ms Zsuzsanna Jakab (Regional Director, WHO Regional Office for Europe).

Members
Dr Bruce Aylward (Polio, Emergencies and Country Collaboration, WHO headquarters)
Dr Mohamed Jama (General Management, WHO headquarters)
Mr Michael McCullough, replacing Dr Poonam Singh (WHO Regional Office for South-East Asia)
Dr Erik Blas (WHO Regional Office for Europe)
Dr Samir Ben Yahmed (WHO Regional Office for the Eastern Mediterranean)
Dr Irene Klinger, replacing Dr Priscilla Rivas Loria (WHO Regional Office for the Americas)
Mr Michael McCullough, replacing Dr Poonam Singh (WHO Regional Office for South-East Asia)
Dr Erik Blas (WHO Regional Office for Europe)
Dr Priscilla Rivas Loria (WHO Regional Office for the Americas)
Dr Corinne Capuano (WHO Regional Office for the Western Pacific)
Dr Matshidiso Moeti (WHO Regional Office for Africa)
Dr Etienne Krug (Violence and Injury Prevention and Disability, WHO headquarters)
Dr Denis Daumerie (Neglected Tropical Diseases, WHO headquarters)
Mr Menno Van Hilten (Noncommunicable Diseases and Mental Health, WHO headquarters)

Secretariat
Dr Erik Blas (WHO Regional Office for Europe)
Dr Priscilla Rivas Loria (WHO Regional Office for the Americas)
Mr Menno Van Hilten (Noncommunicable Diseases and Mental Health, WHO headquarters)

Resource persons
Mr Chris Maddock (Planning, Resource Coordination and Performance Monitoring, WHO headquarters, support to the Secretariat)
Dr Elil Renganathan (Planning, Resource Coordination and Performance Monitoring, WHO headquarters, resource person to the Task Force)


For the meetings in February and April, the Task Force co-opted Dr Anne Marie Worning (formerly at the Office of the Director-General, WHO headquarters), Dr Gaya Gamhewage (Communications, Office of the Director-General, WHO headquarters) and Mr Imre Hollo (WHO Regional Office for Europe). For the meeting in April, the Task Force further co-opted Ms Bersabel Ephrem (General Management, WHO headquarters).

The Task Force also had two teleconferences (on 30 August 2012 and 15 April 2013) and formed an EzCollab community, in which background, analysis and draft documents were shared and discussed.

The Task Force has already prepared:

- a report of the 15–16 October 2012 meeting, including an analysis of the situation by major office; a detailed diagnosis of the causes of the situation, with strengths, weaknesses, opportunities and threats; and a tentative framework for organizing action;
• a status report for the Global Policy Group in November 2012, summarizing the situation and diagnosis and describing six proposed lines of action;
• an interim report for the Global Policy Group in March 2013, with draft recommendations for five work streams (feedback from the Group on this report is incorporated in the current report); and
• a draft final report for the Global Policy Group in May 2013, with all the annexes in the current report except Annex C.

During the teleconference on 15 April 2013, the Task Force members provided extensive feedback to the Office of the Director-General and the WHO reform team on a draft financing paper.
Annex B. The WHO financing cycle

Financing of WHO is a 3-year cyclical process, the next cycle starting before the first is concluded. It involves mobilization, allocation and management of resources for achieving and delivering the targets set by the World Health Assembly in the approved programme budget. The aim is to reach full, upfront funding of the total approved budget.

PB, programme budget; WHA, World Health Assembly; RM, resource mobilization; PBAC, Programme, Budget and Administration Committee; EB, Executive Board; RC, regional committees
Annex C. Making the programme budget a better tool for resource mobilization and management

Examples with justifications that could make the programme budget (PB) a better tool for mobilizing resource and for managing resources, including allocation, are proposed below.

Proposal A: Redefine current outputs as “intermediate outcomes”\(^6\) (“uptake by Member States” of Secretariat outputs) and the current key deliverables as “outputs”.

**Justification:** Most of the current output indicators are formulated as “number of countries” that have done or are doing something. This is inconsistent with the results chain definition, which is that the Secretariat is solely accountable for the outputs. Intermediate outcomes would be the shared responsibility of Member State and the Secretariat.

Proposal B: Ask regional committees, early in the PB preparation process, to determine which outcomes and intermediate outcomes are regional priorities.

**Justification:** This would strengthen specificity and ownership, stress joint accountability and make it more explicit that prioritization means making choices.

Proposal C: Break down intermediate outcome targets by region.

**Justification:** This is a logical consequence of proposal B. The intermediate outcomes are the main results-based drivers of the budget. It is also for these targets that Member States commit individually and collectively.

Proposal D: Make intermediate outcomes and outputs exhaustive, so that they represent all that WHO wants to achieve and produce.

**Justification:** The cost of producing the outputs and key deliverables, as these are now defined, will not add up to the total budget, because the Organization is conducting activities and delivering results that are not captured in the current formulation. For the purposes of resource mobilization and management, it would appear that outputs and key deliverables currently are over-budgeted.

Proposal E: Consider the PB document as the key corporate tool for resource mobilization, resource management and accountability. Develop a new format with, for example, the main priorities and targets in a reader-friendly format accompanied by annex(es) providing sufficient granularity with regard to budgets, results and accountability for direct use of the PB.

**Justification:** The PB 2014–2015 is insufficiently detailed regarding what is to be delivered where and at what cost to in order to serve as a useful support for fund-raising and resource allocation and management. The lowest levels of budget granularity are the programme, total of country offices and regional office, for example, US$ 30.26 million (country office) and US$ 15.6 million (Regional Office) for HIV/AIDS in the African Region. Why is the Regional

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\(^6\) In order to reduce the risk of confusion, the following terminology is used: “intermediate outcome” for the current “outputs” and “output” for the current key “deliverables”.
Office for Africa’s budget for tuberculosis about half that of the Regional Office for South-East Asia, when the former has more than four times the number of countries? There might be a good explanation, but the PB does not give any hints. As a consequence, much fund-raising will require additional documentation in order to satisfy potential donors and to justify the spending. Such “double sets” of documentation might compromise budget integrity, resource allocation and accountability.

**Proposal F:** Separate the budget into three parts, (1) base PB, (2) “outbreak and crisis response” and (3) “projects”, to allow better alignment of base segment funding while providing flexibility for fund-raising and implementation, in particular at country level, but also for example for focused scaling-up of programme implementation within the other two parts of the budget.

**Justification:** Many of the activities in the PB 2014–2015 are project-, resource- and donor-driven. The “real” base budget of WHO probably amounts to no more than about US$ 2.3–2.4 billion. The remainder is earmarked for polio, emergencies, special programmes such as HRP and TDR, and financing of programme implementation in countries, simply because large donors like GAVI, the Global Fund and the European Union and the “receiving” countries find it convenient to use WHO as a transaction or implementation vehicle. The “base PB” segment should be seen in the context of US$ 900 million in assessed contributions, US$ 200 million in core voluntary contributions and US$ 180 million in programme support costs. Therefore, more than half the base PB segment could already be funded from predictable, “alignable” resources.

**Proposal G:** Allocate the base programme budget to the major offices using a formula and, within each major office, according to the prioritized base programme budget results (intermediate outcomes and outputs) to be produced in a given biennium.

**Justification:** A formula is the only objective mechanism for allocating budget across major offices. Applying the formula to the base PB segment only would avoid skewing budget allocation by, for example, inter-biennial fluctuations in “response” and “project” funding.

**Proposal H:** From early on, build the PB on the basis of the estimated costs of intermediate outcome targets and the outputs to be produced by the Secretariat using “bench-markable” standard unit costs.

**Justification:** For prioritization, resource mobilization and management and to enhance efficiency and accountability, it is essential that there be a direct link between the results and the budget (and resources). All else being equal, fewer resources mean fewer results: more results require more resources. Currently, there is no such obvious direct link, as the establishment of targets and “budgeting” are separate processes.

**Proposal I:** Annex both the full and the split budget of the WHO Regional Office for the Americas/Pan American Health Office to the WHO PB and to any results and resource reporting.

**Justification:** The way the budget of the WHO Regional Office for the Americas/Pan American Health Office is currently linked into the PB skews the PB, resources and results. The WHO

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7 These special programmes were established by the World Health Assembly precisely because they were not considered core functions of WHO.

8 This is different from allocation of funds. The two will be the same if the total base programme budget equals the funds available for this part of the budget and that funds are used without restrictions.
Regional Office for the Americas/Pan American Health Office allocates all locally mobilized funds to the Pan American Health Office part of the budget and not to the WHO Regional Office for the Americas part. Therefore, that of the WHO Regional Office for the Americas appears to have a larger funding gap than in reality. In comparison, about 75% of all voluntary resources (other than core voluntary contributions) of the regional offices for Europe and the Western Pacific are mobilized locally. Note that the Pan American Health Office was included in PB 1994–1995 and from 2002–2007.
Annex D. The first Financing Dialogue

The Financing Dialogue involves two meetings: a 1-day meeting in June and a 2-day meeting in November of WHO’s overall financing cycle (see Annex B). Within the overall objective of achieving full, upfront funding of the PB, the objective of the Financing Dialogue is: to increase transparency, promote alignment and assure as much funding as possible before the start of implementation.

The Task Force strongly recommends that the second Financing Dialogue take place only after all the regional committees have met.

**The Dialogue should focus** on the base PB segment, excluding the emergency segment (polio, outbreak and emergency response), which has different needs and fund-raising processes. Within this focus, the level of detail in the Financing Dialogue is extremely important, because it determines its credibility. The assumption is that a budget shown at that level of detail, matched by resources, will have no “internal” funding gap. The higher the level, the more likely it is that hidden “pockets of poverty” will be overlooked and the less likely it is that contributors will buy-in. However, we do not currently have a solid basis for providing many details, as the PB process was not bottom-up and is not based on estimates of costs to deliver the outputs (see also Annex C). A decision should be taken very soon in order to prepare for the Dialogue. The table below shows various options, all of which are based on the assumption of splits between major offices and the three levels of WHO.

<table>
<thead>
<tr>
<th>Focus</th>
<th>Justification or rationale</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong> (headquarters and regional offices/all countries)</td>
<td>Convenient for the Secretariat and keeps the Dialogue at a high, manageable level</td>
<td>Unless a considerable number of contributors are willing to pledge or provide funding at this level (should be checked), this level of detail is less likely to provide full funding without “pockets of poverty” and would mean less transparency than currently.</td>
</tr>
<tr>
<td><strong>Category</strong> (headquarters and regional offices/individual countries)</td>
<td>The first priority of some contributors may be, for example, a particular country and, within that, broader health issues.</td>
<td></td>
</tr>
<tr>
<td><strong>Programme</strong> (headquarters and regional offices/all countries)</td>
<td>This is probably how much funding is currently provided, with much of the further specification added by the Secretariat.</td>
<td>During recent brainstorming at the WHO Regional Office for Europe with Member States, they objected to the proposal to use the level of, for example, HIV infection in region X</td>
</tr>
<tr>
<td><strong>Programme</strong> (headquarters and regional offices/individual countries)</td>
<td>This would help contributors that have a country focus, including contributors with a decentralized structure. It would also show which countries are less attractive to donors.</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong> (headquarters and regional offices/all countries)</td>
<td>The governing bodies have emphasized “what the Secretariat produces”, defined in the results chain as “outputs”. It is for the outputs that costs are expected to be estimated.</td>
<td>The current problems with outputs are: 1. They are not fully the responsibility of the Secretariat and therefore costs are not only those of the Secretariat. 2. The costs are not estimated in the PB.</td>
</tr>
<tr>
<td><strong>Output</strong> (headquarters and regional offices/individual countries)</td>
<td>Same rationale as above, plus the output indicators are defined as “number of countries ….”</td>
<td></td>
</tr>
<tr>
<td><strong>Deliverable</strong> (headquarters and regional offices/all countries)</td>
<td>Deliverables are produced by the Secretariat and are therefore what it needs resources for.</td>
<td>Deliverables are not currently exhaustive, costs of outputs are not calculated, and such focus would be unmanageable. However, cost estimation should start here for credibility.</td>
</tr>
<tr>
<td><strong>Deliverable</strong> (headquarters and regional offices/individual countries)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Task Force’s suggestions are:

- To focus the June meeting on the **programme (headquarters and regional office/all countries)**. One purpose of the June meeting and between the two meetings would be to determine the detail required for the November meeting.
- Prepare for the eventuality that the November meeting will focus on the **output (headquarters and regional offices/all countries)**. Operational planning (staff, activity and resources) should include information for each country, that is, one level below the focus of the dialogue, including a breakdown of the output indicator baselines and targets by region and which Member States are part of each; otherwise, it will not be credible.

**June meeting (24 June)**

*Expected result:* Information shared, ground rules explained (will have been defined by the World Health Assembly), process explained, operational planning and further priority-setting with the agreed criteria explained, willingness by and requirements of contributors tested, November focus and format (see above) tested. It must be stressed that neither the June nor the November meeting is a governance meeting: both are meetings with all Member States and non-Member State contributors.

*Participants:* All Member States, agencies and current non-state contributors, except private commercial contributors

*Roles:* Member States (collective and individual), governing bodies, Secretariat

- Chair (Chair, Programme, Budget and Administration Committee): to facilitate an exploratory, informative dialogue
- Member States, which do not necessarily contribute voluntary resources
- Member States that contribute voluntary funds already, giving only or predominantly fully flexible funds; should be given roles or visibility as advocates or role models
- Other contributors of voluntary funds (Member States and non-State), to talk for themselves (How far are they prepared to move? What more information and assurances do they need before moving?)
- The Secretariat, to provide factual information only

*Documentation:*

- An introductory paper, including the “rules of the game” for the Financing Dialogue and WHO’s financing cycle (This paper can be drafted but should be finalized only after the decisions of the World Health Assembly and should be based on them.)
- Short paper on operational planning, how the costs of outputs are calculated, priorities and indicator targets, including how far the process will be by the November meeting.
- Overview of budget and resource plan by programme (headquarters and regional offices/all countries) (see above), showing: budgets, known resources and anticipated resources if the same pattern is followed as in the current biennium, broken down to focus level

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9 Including funds already covered by agreements, even if they have not been released, and funds already shown as available for 2012–2013 but not expected to be spent in the current biennium.
• Paper describing the corporate resource management principles that will be applied, in addition to the basic principles presented to (approved by) the World Health Assembly (for example, in the programme budget resolution) (see Annex G)

• A tentative agenda and list of documentation for the November meeting

*Format:* Plenary in the Executive Boardroom, with call-in or e-mail possibilities (WebEx?). The roles of the participants should be reflected in the seating arrangements, which should be different from that of the usual governance meetings, with less prominence to the Secretariat, reflecting its information role.

*Agenda items:*

• Opening of meeting: purpose, where the Financing Dialogue fits in the overall WHO financing cycle (see Annex B), the “rules of the game” and expected results (Chair)

• How the Secretariat plans to operationalize the PB 2014–2015 resolution and what is currently known about the funding situation and shortfalls for 2014–2015

• Perspectives from selected contributors
  – Countries that are already providing all of funding as fully flexible (one or two, such as Denmark, Finland, Switzerland)
  – Countries that are currently providing a considerable share of fully flexible funding and intend to move further in this direction (one or two, such as Norway, Sweden, United Kingdom)

• General Member State perspectives; suggest one or two from each region
  – Needs, interests, constraints, etc. and proposals
  – Potential for supplementary assessed contributions

• Perspectives from other contributors of voluntary funds (state and non-state)
  – Needs, interests, constraints, etc. and proposals

• Plenary discussion on turning the proposals into solutions

• Review of proposed documentation, agenda, format and process for November meeting

**Operational planning and preparation for the November meeting (July–November)**

Many actions could strengthen the foundations of the Financing Dialogue, resource mobilization and management. Not all are realistically achievable, but the most important are:

• High-level individual consultations with selected contributors by a corporate team consisting for example of one regional director and one assistant director-general with the Director-General or the Deputy Director-General. Two groups of contributors will be targeted: those that, by the way in which they provide funds, will have a direct impact on alignment and predictability and those that can serve as examples or role models.

• The Secretariat prepares options for supplementary assessed contributions.

• The regional committees confirm and commit to details of “results”, such as
output indicator targets (which individual countries are part of the baseline, target for 2014–2015, target for 2016–2017, the latter assuming that work must start in 2014–2015) (100% scenario: funding to fully fund World Health Assembly-approved budgets),

allocation of budget across categories, programme areas and countries on the basis of estimated costs.

- Regional committees conduct side-event discussions on prospects and perhaps modalities for supplementary assessed contributions.
- The Secretariat completes cost calculations for outputs by location, advances operational planning and is prepared to answer the question of “what happens if not all funds become available” in three results–resource scenarios: 100%, 90% and 80% funding.

November meeting (25–26 November)

Expected result: Transparent mapping of all predictable resources for 2014–2015 and better alignment or “alignability” with the programme budget. The result of the second Financing Dialogue will form the basis for: (1) corporate resource allocation (assessed contributions and core voluntary contributions), (2) further targeted resource mobilization and (3) reprogramming to accommodate prioritization and specific increases or reductions in budget and targets, to be presented for approval to the Executive Board (World Health Assembly) in May 2014.

The Secretariat must use the PB and operational planning to “tell the story”, along three lines:

- programme: What will be achieved or delivered, where and why (priorities and countries)?
- budget: How was the cost calculated?
- resource: What resources (corporate, flexible and specified) are available from which sources, and where (programme and location) and how large are the financing gaps?

Focus of the dialogue: Programme area (headquarters and regional offices/all countries) with additional budget and cost information available at output (headquarters and regional offices/all countries) level of detail

Participants: As for June meeting but also potential new donors

Roles: See proposed agenda below

Documentation:

- Outputs with calculated costs for each programme area and major office, with detailed indicator baselines and targets for a 100% funding scenario. Information on 90% and 80% funding scenarios should be available to answer any questions.
- Budget and resource overview by programme area (headquarters and regional offices/all countries), showing: budgets, known available funds and gaps and detailed country budgets on request.

The format of the meeting should facilitate:

- better understanding of what the Secretariat can deliver and at what cost, that is, linking results and resources;
• willingness to indicate or pledge amounts and designation of contributions for 2014–2015;
• fewer strings attached to funding; and
• willingness to shift programme or technical emphasis on the basis of what others are intending to do, in order to achieve better overall alignment between the approved PB and resources.

The format should therefore be process-oriented, flexible and open to desired behaviour. The Dialogue would provide real-time information on, for example:

• **Screen 1**: Indicative contributions\(^\text{10}\) at programme budget, category and programme levels by amount and name of contributor (with the largest contributor at PB level first)

• **Screen 2**: Showing in a column chart for each of categories I–V the overall budget, the indicative amounts specified (a) below programme area level, (b) at programme level, (c) at category level and (d) how assessed contributions and PB funds could be apportioned to ensure an even (percentage) funding across categories

• **Screens 3–7**: (one for each category I–V and tables by programme): Each screen would have indicative resources provided at category and programme level, budgets and resources indicated below programme level and financing gaps by major office plus absolute and “alignment”\(^\text{11}\) gaps. “Temperature coding” could be used to identify the largest gaps.

It would look and feel like the New York Stock Exchange and could be just as informative and facilitating.

**Agenda items:**

• Introduction, explanation of expected results and process (Chair, Programme, Budget and Administration Committee)

• Recap of resource management principles (presented at the June meeting), re-programming milestones and implications of financing gaps and misalignments (Secretariat)

• Presentation of the 100% results (target) resource scenarios by category (I–V) with the resource prospects at the time of opening the Dialogue (category leads, regional director, assistant director-general)

• **First round** of indications entered into the database, displayed on screens and reviewed

• First negotiation
  – Persuade those donors that are earmarking to move up the ladder to programme area, category and PB levels, that is, to move to screen 1 and, within screen 1, up as far as possible. Use contributors already on screen 1 as “change agents or facilitators”,\(^\text{12}\) taking advantage of the informal, collegial approaches used in the governing bodies
  – Persuade those that have not yet indicated their contributions to do so. Use the “change agents or facilitators” approach described above.

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\(^{10}\) Including supplementary assessed contributions at these levels

\(^{11}\) What remains after the funding provided at programme and category levels has been distributed to even out financing

\(^{12}\) Including those willing to provide supplementary assessed contributions.
– Persuade those donors that earmark their contributions below the category level to shift their resources to areas in which there is relatively less funding. This would be a bit more formal and would be orchestrated by the category regional director and assistant director-general leads.

- **Second round** of indications entered into the database, displayed on screens and reviewed
- Second negotiation, with the same approach as in the first round
- **Third and final rounds** of indications entered into the database, displayed on screens
- **Secretariat** reflections on the result of the Dialogue and on next steps, which would include additional targeted resource mobilization, review of priorities and possible re-programming, not necessarily using a “lawnmower” approach to adjust budgets and targets in case of resource short-falls

*Reporting*: The Director-General will report the results of the Dialogue to the Executive Board in January, with the steps she has already taken and those that will be taken before the May meetings of the governing bodies to address any remaining resource gaps.
Annex E. Process and tool for assuring quality and tracking resource mobilization

On the basis of its review of existing processes and tools, the Task Force made the following specific recommendations:

Guiding principles

The proposed tracking system for resource mobilization is based on:

- **Coherence**: All proposals submitted should contribute to the strategic priorities and planned outputs of the Organization.
- **Transparency**: Information on committed and projected financial resources at all levels of the Organization is accessible at all levels.
- **Accountability**: Responsibilities are clear for the processing of proposals, quality assurance, reporting and clearance.
- **Efficiency and efficacy**: The proposals are quickly processed, and prompt replies are given to donors’ queries; projections of financial resources and identification of gaps are available in a timely manner to inform the Financing Dialogue and resource allocation and mobilization.

Tools

- **Existing delegation of authority from the Director-General to regional directors** to approve proposals for their respective regions, while adequately informing the Organization-wide category networks
- **Efficient mechanisms** for proposal tracking, monitoring and quality assurance already present in some regions will be harmonized as per proposal (see below). The aim is to have the same harmonized tracking system in all offices.
- A **global database will be established** to support tracking of donor proposals and will be linked or will communicate with the resource plan feature in the GSM in order to follow resource pipelines and allow early identification of potential financing gaps. This will result in coordinated resource mobilization, including the Financial Dialogue.

An overview of the proposed system for proposal development and tracking is shown on the next page.
### PROPOSALS DEVELOPMENT AND TRACKING SYSTEM

#### 1. Proposal development

<table>
<thead>
<tr>
<th>Technical unit or country office:</th>
</tr>
</thead>
<tbody>
<tr>
<td>initiates proposal, obtains proposal number, negotiates with donor, submits to proposal review committee and informs relevant category network</td>
</tr>
</tbody>
</table>

#### 2. Agreement preparation

<table>
<thead>
<tr>
<th>Technical unit or country office:</th>
</tr>
</thead>
<tbody>
<tr>
<td>prepares and submits draft agreement for review by regional director's office (Regional Office) or PRP (HQ)</td>
</tr>
</tbody>
</table>

| Regional director's office or PRP (headquarters): |
| reviews and polishes draft agreement, and submits it for clearance |

#### 3. Clearance and recording

| Budget unit, Finance unit and/or headquarters Legal unit |
| clears donor agreement |

| Regional director's office or PRP (headquarters) |
| submits cleared agreement to the regional office or assistant director-general/Director-General (headquarters) for signature |

| Regional director's office or PRP (headquarters): |
| sends signed agreement to donor for signature (technical unit or country office copied); submits final agreement to records, and submits award activation request to income and award management for award activation |

### Description
- Regional director’s office or PRP (headquarters), guides technical unit or country office in preparing appropriate type of legal document (e.g. memorandum of understanding, exchange of letters).
- Technical unit or country office negotiates with donor on technical content, budget, disbursement, reporting and other details of the agreement.
- Regional director’s office or PRP (headquarters) reviews and polishes draft agreement and submits it for clearance.
- Clearance by: technical division director, Budget unit, Finance unit and Director Programme Management or Deputy Regional Director (regional office) or ?? (headquarters)
- For any deviation from standard agreements, regional director’s office or PRP submits draft to headquarters Legal unit.
- Technical unit or country office and Legal unit may interact to clarify issues.
- Final draft agreement cleared with donor by email before routing for signature by the regional director or assistant director-general or Director-General (headquarters).

### Major offices that do not yet have an electronic database should establish one.

### A common process information technology platform for all should be developed and linked with other systems, such as, GSM.
Annex F. Draft terms of reference for a study of resource mobilization and a consultancy

The Task Force recommends that a study and a consultancy be commissioned, to be undertaken by the same or different contractors but supervised by the same internal reference group, consisting of the Executive Director, Office of the Director-General, the Director, Planning, Resource Coordination and Performance Monitoring, the Manager, External Relations, Resource Mobilization and Partnerships (WHO Regional Office for the Americas/Pan American Health Office) and one WHO representative.

The two contracts should be concluded before the end of 2013 and are proposed to be financed from WHO reform funds.

A. Study on the possibility of and approaches to broadening the donor base to support PB 2014–2015

Background and scope: Ten donors provide 80% of all voluntary resources to WHO. The Organization is therefore very vulnerable to changes in the priorities of those donors and in their political and economic situations. In addition, owing to the size and focus of their contributions, these donors contribute to imbalances in WHO’s programmes.

The remaining 20% of voluntary contributions come from hundreds of small and medium donors. Some provide fully flexible funds, while the contributions of others are strictly specified. It has long been considered that there are unexploited opportunities to expand and diversify WHO’s donor base, but little is known about the real potential and how it can be accessed to support full funding of the approved programme budget. An initial assessment suggests that the following donor segments might be investigated:

- emerging donor countries
- foundations
- wealthy individuals
- consumer marketing initiatives
- country-level resources (for example, decentralized donor funds, United Nations Development Assistance Framework, multidonor trust funds)
- Bretton Woods institutions (World Bank, regional development banks)
- innovative financing

The study would map the relevant donor environment and analyse and document the possibility contribution of each possible donor segment to the approved programme budget, including possible shared interests, the amount they could provide and, within each segment, quick matches. The study should further propose how to approach and negotiate with each segment.

Profile of the contractor

- **Essential**: documented in-depth knowledge of the international donor field
- **Desirable**: knowledge of and/or experience in fund-raising for organizations with diverse, complex mandates
B. Consultancy on professionalizing WHO’s resource mobilization

**Background and scope:** Each biennium, WHO successfully raises large amounts of voluntary resources; however, 80% of these resources are from only 10 major donors, which often request a more coordinated approach. Further, there is a perception that health technical staff spend a disproportionate part of their time seeking funds for their own and their projects’ survival. The way that resource are mobilized in WHO is considered to be inefficient and to contribute to fragmentation and misalignment of financing across the Organization. In the context of WHO reform, including the vision of full, upfront financing of the approved programme budget, the consultancy will:

- map the human and financial resources currently used for resource mobilization;
- assess the background and skills of the individuals currently engaged in resource mobilization;
- assess the efficiency and effectiveness of current resource mobilization, including the possible opportunity costs;

and propose alternatives to:

- professionalize resource mobilization in WHO in order to achieve greater efficiency and effectiveness;
- organize resource mobilization, including the numbers and distribution of staff, for more coordinated approaches to individual donors and to achieve full funding of the programme budget; and
- implement the proposed changes.

**Profile of the contractor**

- *Essential:* experience in organizational changes in international organizations with complex governance and management structures and in the organization of resource mobilization
- *Desirable:* experience in resource mobilization in the international health field
Annex G. Principles of resource mobilization and management

The **overriding principle is holistic management of all resources**, with the aim of funding the entire programme budget as approved by the World Health Assembly, for all outputs and at all locations, that is, not individual or ad hoc projects. The emergency segment will, however, be managed according to public health needs triggered by external events. The Task Force recommends that the principles outlined below be applied ad interim in 2014–2015 and evaluated appropriately during the biennium.

**Basic principles** (might be reflected in the programme budget resolution endorsed by the World Health Assembly)

<table>
<thead>
<tr>
<th>Principle</th>
<th>Why?</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>80% of assessed contributions will be allocated by the major offices in proportion to the 2012–2013 allocation. Assessed contributions will be used to “protect” core functions and strategic priorities, reach minimum funding thresholds and prevent “pockets of poverty”. The remaining 20% of assessed contributions will be allocated with other corporate funds during the biennium to ensure resource alignment.</td>
<td>Member States have indicated that they are not prepared, at this stage, to fully delegate the responsibility for allocating assessed contributions to the Secretariat. Experience between 1998 and 2004 shows that allocation among the major offices is the most difficult to change.</td>
<td>Regional directors and assistant directors-general in headquarters will be accountable for how well the assessed contributions have been used to “protect”, facilitate and prevent. The Secretariat will be given the opportunity to build confidence that it can wisely manage the assessed contributions, increasing the possibility that more flexibility will be granted in the longer term.</td>
</tr>
<tr>
<td>All voluntary contributions mobilized must contribute adequately to all budget elements of the funded outputs and deliverables: activities, staff, and administration and management.</td>
<td>Otherwise, these funds and their conditions would drive the use of more flexible funds and thus contribute to misalignment of funding across outputs and locations.</td>
<td>WHO should not accept funds that cannot be used, for example, to fund the staff required to produce a deliverable, regardless of whether the staff required is at country, regional or headquarters level.</td>
</tr>
<tr>
<td>Assessed and voluntary contributions provided at the level of the PB (fully flexible) will not be used for the emergency segment.</td>
<td>The World Health Assembly does not control the budget for the emergency segment. Therefore, an increase in the budget and the associated financing gap in this segment could divert large amounts of flexible resources.</td>
<td>Apart from a possible initial fixed allocation of, for example, assessed contributions, all activities in the emergency segment must be funded by contributions earmarked for that purpose.</td>
</tr>
<tr>
<td>There is a threshold for specification of voluntary contributions, with incentives and disincentives.</td>
<td>The tighter the specification for individual contributions, the more difficult becomes management of the overall programme.</td>
<td>It is recommended that this be held over to the next biennium. Tricky, needs confidence, research and testing.</td>
</tr>
</tbody>
</table>
**Corporate principles** (to be decided before and shared at the June Financing Dialogue in order to show that the Organization knows how it will actually manage the resources)

<table>
<thead>
<tr>
<th>Principle</th>
<th>Why?</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>By May of the first year of the biennium all (relevant(^\text{13})) programmes at all locations must have known (actual and in GSM resource plans) sources of funding for at least XX% of their budgets.</td>
<td>If it is not possible to know with certainty the sources of financing for XX% and YY% of the output budgets by May of the first year and January of second year, WHO will probably be overstretched and will face widespread waste and/or unsustainable operation. The lead-time for adjustments is long.</td>
<td>If XX% and YY% cannot be achieved by the month indicated, the budget and targets will have to be reduced, for example, by dropping or reducing the scope of outputs and deliverables, including output indicator targets (number of countries). This means prioritization or re-programming.</td>
</tr>
<tr>
<td>By January of the second year, all (relevant) programmes at all locations must have known (actual and in GSM resource plans) sources of funding for YY% of their budgets.</td>
<td>A considerable proportion of the Organization’s resources are less specified than usually perceived.</td>
<td>This principle will ensure that funds are directed to the gaps and the most urgent technical needs and that funds cannot build up, that is, are not distributed without justification.</td>
</tr>
<tr>
<td><strong>Corporate decisions on allocation</strong> of resources that are flexible at programme level are taken by programme area networks (overseen by the category leads: regional director or assistant director-general) for headquarters and regions (regional office and individual countries) on the basis of an assessment of the financing gap and the urgency of achieving results.</td>
<td>This is the only way that allocation of flexible resources will be fully transparent and objective, while contributing to the vision of full funding of the World Health Assembly-approved PB.</td>
<td>The delegated managerial responsibility is respected; however, lower-level managers are held accountable for efficient further distribution and use of resources.</td>
</tr>
<tr>
<td><strong>Corporate allocation</strong> (four times each biennium) of flexible resources at PB or category level to programme area headquarters and region (regional office and all countries) according to a calculated 50–50 combination of financing gap and risk of running out of funds</td>
<td>Specified funds must be fully allocated at least as far down as prescribed by their specification within 4 weeks of being made available</td>
<td>Calculation for the corporate resource allocation can consider that all funds that are not fully distributed in the GSM are flexible below the level at which they are specified.</td>
</tr>
</tbody>
</table>

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\(^{13}\) Not all programmes are relevant at all locations: only those planned to produce specific “deliverables” and “output” at a location are deemed relevant.
Managerial principles (internal; should be worked out before the start of the next biennium)

<table>
<thead>
<tr>
<th>Principle</th>
<th>Why?</th>
<th>Implications</th>
</tr>
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<tbody>
<tr>
<td>The resulting gaps (as described above) are corporately monitored at output or location level and acted upon as required.</td>
<td>Monitoring should be done at a lower level than corporate distribution in order to provide information on pockets of underfunding and to assess the efficiency of resource management.</td>
<td>This principle will hold managers accountable for efficient, effective flow of resources for timely alignment with needs as determined by approved budgets and actual implementation.</td>
</tr>
</tbody>
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Specific resource principles

<table>
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<tr>
<th>Principle</th>
<th>Why?</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled or un-earmarked development funds (core voluntary contributions) should be used only for activities eligible for official development assistance.</td>
<td>According to the agreement with the Development Assistance Committee of the Organisation for Economic Co-operation and Development, these funds are reported by the contributor as official development assistance. WHO provides brief annual reports, but the Development Assistance Committee will probably require more details later.</td>
<td>Being eligible for official development assistance means that funds are “used in direct support of countries that are listed by the Development Assistance Committee as official development assistance-eligible”. WHO must demonstrate that at least 95% of such funds are used according to this criterion.</td>
</tr>
</tbody>
</table>
Annex H. Monitoring and evaluating resource mobilization and management

The Task Force recommends:

A high-level, Organization-wide advisory group should be established to monitor budget implementation, performance and resources and to advise the Director-General and the Global Policy Group accordingly. The group should consist of three directors of programme management, three assistant directors-general (representing the regions and headquarter clusters) and chaired by the Deputy Director-General. The group should meet face-to-face twice a year to:

- monitor and make recommendations to global technical programmes and regions on resource allocation and implementation for the approved budget;
- monitor and make recommendations to the Director-General, regional directors and global technical programmes on performance (mid-term and end-of-biennium reviews) and on performance issues raised by technical programmes;
- review and make recommendations to the Director-General on any requests for budget increases on the basis of consolidation by the department of Planning, Resource Coordination and Performance Monitoring (Budget unit); and
- commission an evaluation of the results of the Financing Dialogue and application of the interim resource allocation and management principles during the first year.

A global secretariat should be established for the above group, reporting to its chair and with appropriate regional counterpart capacity.

- The global secretariat would consist of one P6 and one P3 and have only analytical and supportive functions, that is, not be part of the day-to-day management of programmes, budgets or awards.
- The regional counterpart should be at a minimum P5 and report to the director of programme management. The total analytical and supportive capacity should correspond to at least one full-time equivalent in each region.

The global network (global secretariat and regional counterparts) should meet once a year.

Budget and resource implications:

- headquarters (global)
  - cost of two annual face-to-face meetings of the Organization-wide advisory group
  - cost of the secretariat (one P6 and one P3 plus a small budget for travel, ICT and activities)
  - cost of commissioning the evaluation
- regions
  - most, if not all, regions already have resource coordination focal point capacity
  - cost of travel of focal points for one face-to-face meeting of the global network once a year.

These costs should be covered from assessed contributions and the account for service costs under the category VI programme area, Strategic planning, resource coordination and reporting.