

Rethinking the funding and financing strategies of the UN development system to deliver on the 2030 Agenda

Speaking points **Gaudenz Silberschmidt**

WHO started as a specialized UN agency funded by assessed contributions from Member States.

By 1990 WHO had still 50% of assessed contributions and 50% of voluntary contributions.

Since 1990 international financial flows for global health have increased from US\$ 6 to over 30 billion and WHO's budget had increased from US\$ 700 million to over 2 billion with no significant increases in assessed contributions. This led WHO by the time of the 2009 financial crisis to become an organization with a programmatic long term mandate but a project funding dependent nearly 80% earmarked voluntary contributions.

The financial crisis has stopped this steady project related income growth and led to the need to dismiss 1000 staff members. As a reaction to this situation the Director General Dr. Margaret Chan has launched a comprehensive reform programme with the financial reform at its centre.

Before this reform Member States appropriated the 20% of assessed contribution and only noted the 80% voluntary contributions. Since 2013 the World Health Assembly approves the entire programme of work and budget to be financed by assessed and voluntary contributions. This approval is followed by bilateral meetings with the main contributors and the WHO Financing dialogue to jointly attain the Financing dialogue principles:

Alignment & flexibility

Predictability

Transparency

Reducing vulnerability

This reform is a common journey needing changes by the WHO Secretariat and its Member States. While predictability of funding has significantly improved (62% available starting the 2012-13 biennium, 83% for 2016-17), alignment of voluntary contributions to the priorities decided by Member States at the World Health Assembly remains a challenge. While the Health Assembly has defined non-communicable diseases and emergency preparedness and response as high priorities we still don't manage to fully fund these programmes.

We have also significantly improved transparency of financing and results through the WHO programme budget webportal. This online web portal is the key tool as it shows the whole programme of work with all its deliverables and budget. Available and projected funding, financial flows and results achieved are easily accessible with the option to drill down into details for specific programme areas, offices and countries.

While we made major progress with this new financing model we have remaining challenges to work on. First and foremost no model can compensate the fact of insufficient overall funding towards agreed priorities. We still face a US\$ 400 million shortfall for the current 2016-17 biennium. We try to address this through a review of our model of resource mobilization where we need to improve

our engagement and collaboration with current and potential contributors and raise more resources at the country level. We also work on a further improved results chain with better communication on results achieved.