



2022

Financing the future of WHO

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The Lancet, Vol. 399, Issue 10334, 2022, Pp. 1445-1447.

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Financing the Future of the World Health Organization

Published in *The Lancet*

March 23, 2022

DOI: [https://doi.org/10.1016/S0140-6736\(22\)00533-5](https://doi.org/10.1016/S0140-6736(22)00533-5)

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WHO has anchored the global health architecture since its founding in 1948, and it is impossible to imagine another institution filling the void if the international community were to let it atrophy. While also confronting and guiding the response to COVID-19, WHO is engaged in the most consequential reforms since its founding, including negotiating a global pandemic agreement and revising the International Health Regulations. Underpinning all these reforms is the need for robust and sustainable financing.

WHO's resources have consistently lagged behind its constitutional mandate. There is a deep misalignment between what governments and the public expect WHO to do and what the organization is resourced to do. WHO is challenged by low levels of political will to increase its financing, strained government treasuries, and a battle over control of priorities.¹ These tensions were clear when the Working Group on Sustainable Financing, chartered by WHO's Executive Board, did not reach consensus

by the January 2022 deadline.¹ WHO's Executive Board has now charged the Working Group with identifying a viable plan before the World Health Assembly in May 2022.²

There is no time to lose. WHO's resourcing strategy must match its mission with assured financial support from member states buttressed by proven, innovative financing methods. By defining its priorities, delivering on them, and being transparent and accountable, WHO can more boldly pursue its public health mission.

WHO's revenue model has always been politically contentious with its first budget slashed by 23%, thus "preventing us from being an operating agency to any extent."³ In 2022, WHO is expected to support a world health agenda with a budget less than that of a major research hospital or mid-sized subnational health agency.

The constitution of WHO gives the organization flexibility to receive voluntary contributions from state and non-state actors to supplement mandatory assessed contributions from member states. That should have augmented its funding. Yet voluntary contributions have skewed WHO's revenue model such that more than 80% of its income now derives from them.^{4,5} Voluntary contributions risk prioritizing the parochial interests of major donors over collectively driven all-of-society activities. WHO has little control over its budget, suppressing fiscal predictability, lessening purchasing power, undermining longer-term investments, and diminishing the opportunity to attract and retain world-class scientists consistently.

Former German Chancellor Angela Merkel urged a special session of the World Health Assembly in 2021 to increase assessed contributions from member states to 50% of WHO's base program budget.⁶ Yet despite high-profile advocacy, and that assessed contributions represented roughly half of WHO's budget in 2000,⁷ the Working Group could not reach agreement. Member states variously cited already stretched government budgets, the need for WHO to work within its existing means, and the desire for governance reforms,¹ reflective of the need to ensure fiscal legitimacy, fairness, and justice.⁸ From a purely financial perspective, however, there is an opportunity to connect increases to assessed contributions with the inevitable tapering of country spending on the acute phase of the COVID-19 pandemic. Such expense substitution is politically easier to accomplish than newly taxing already pressured national budgets.

The tension for control between funders and implementors is nothing new, but a special dynamic exists when underwriting the activities of an intergovernmental organization. For member states, there is little prospect for a financial return on investment and contributions are made from public treasuries. These realities unsurprisingly cause funders to engage in more risk-averse behaviors than other suppliers of capital, such as company shareholders or charitable foundations. Voluntary contributions, moreover, have become a way to dictate the terms of WHO's activities. The key questions for the future are who gets to set the global health agenda, and will WHO be relegated to an agency that simply implements particular donors' projects?

If the COVID-19 pandemic has taught us anything, it is that the global health agenda should be elevated above the political fray. Yet as a membership organization of sovereigns and thus a political institution, WHO has faced stiff political opposition to achieving ample and sustainable financing. Prominent heads of state must become champions of WHO, expending political capital to generate global will. Finance ministers, who are powerful domestic political figures, must be invited as regular, fully engaged

participants in WHO's programs and financing, and be persuaded assessed contributions could save orders of magnitude of economic pain later.

Organizational credibility underpins any potential long-term commitment to support WHO financially. WHO can achieve that by clearly defining its priorities, delivering on them, and promoting that it did so. Despite WHO's expansive world health remit, prioritization is necessary and inevitable, even between essential activities and other valuable pursuits. WHO released an investment case⁹ before COVID-19, a sound method used by other global health actors to articulate goals and financing needs. The organization must now maintain and refine its mission so that it is transparent about its priorities, successes, shortcomings, and how it incorporates fresh thinking.

This approach could lead to additional pools of capital. Public and private actors are more apt to boost funding if they believe their investments can be leveraged. For example, sovereigns pool their money in multilateral development banks to access attractive capital markets pricing collectively¹⁰ and will partner with the private sector to co-finance and co-research basic biomedical science.¹¹ As the Humanitarian Finance Forum has proposed, there are also "leaders in humanitarian institutions, international organizations, investment banks, insurance companies and government" who may be interested in championing WHO's mission and could "assist in the development of sustainable financing tools at scale."¹²

Holding a periodic replenishment conference would boost resources and gain support from civil society and stakeholder communities. Such a meeting could syphon potential contributions to WHO's overall strategic plan. Alternatively, replenishment goals could be geared towards acute priorities in WHO's budget to address one-off investments, such as supporting the new mRNA vaccine hubs in Africa,¹³ thus ensuring that assessed contributions are reserved for ongoing activities.

More tactically, WHO could pursue new in-kind services, refine its purchasing methods, partner with other actors to achieve concessionary pricing, or design an incrementally more aggressive investment policy. Additionally, the self-imposed 13% cap on program support cost fees that WHO charges should be reconsidered.¹⁴ A meaningful increase, combined with smart application, such as only applying them to voluntary contributions, could release some pressure.

All these proposals involve risk, but there is an existential risk of doing nothing and backsliding into irrelevance. Björn Kümmel, Chairperson of the Working Group on Sustainable Financing, told WHO's Executive Board in January 2022 that "what we are discussing is not just the financing of WHO. It is the future of WHO."¹⁵ It is also a choice between integration and fragmentation, higher or lower health outcomes, and thriving or pressured economies. The world needs an empowered, well-financed WHO at the center of the global health architecture. WHO is an essential investment.

Professors Gostin and Klock lead the O'Neill Institute and Foundation for the National Institutes of Health (FNIH) project on an international instrument for pandemic prevention and preparedness. The FNIH provided funding to the O'Neill Institute for the project. Professor Gostin is the Director of the WHO Collaborating Center on National and Global Health Law. WHO is an intellectual non-financial partner to the FNIH-managed GeneConvene Global Collaborative. The Right Honourable Helen Clark was Co-Chair of the Independent Panel for Pandemic Preparedness and Response. The other authors declare

no competing interests. The views in this Comment are those of the authors and do not necessarily reflect the views of the FNIH.

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