Dr Margaret Chan Director-General of the World Health Organization

Geneva 31 October 2016 - Excellencies, ambassadors, representatives of Geneva missions, colleagues in public health, partners in financing the work of WHO, officials from our sister UN agencies and public health institutions, ladies and gentlemen,

A very warm welcome to this financing dialogue. I am pleased to see so many present.

When last May's Health Assembly adopted the increase in the programme budget for the new health emergencies programme, many of you expressed a need for more information on how the funds would be used.

We are now providing you with the necessary details regarding financial needs and the remaining gaps, which are substantial. We will also alert you to some additional serious funding shortfalls in the 2016-2017 programme budget.

As you will learn, without further financial contributions, the current programme budget cannot be fully financed and cannot be fully implemented.

The problem can be succinctly stated. You expect a great deal from WHO. The Organization is uniquely mandated to deliver. But someone must invest the requisite funds.

I understand that some of you have come with specific commitments from your governments. Others have questions and seek clarification. We are at your disposal.

The new financing model introduced as part of WHO reform took us some steps forward in terms of the predictability, alignment, and flexibility of funding.

However, for this biennium, we face a double challenge. You have asked us to do more, especially through the health emergencies programme. At the same time, income from voluntary contributions has not increased. In the case of core voluntary contributions, income has decreased.

The health emergencies programme is the most important underfunded programme, with only 56% of the required $485 million being funded.

The hard lessons from the Ebola outbreak underscore the need for WHO to have sufficient core capacity and readiness in place before the next crisis emerges. These are not capacities that can be built in the chaotic fray of a crisis.

During this session, WHO representatives from outbreak-affected countries and regional emergency directors will give you a first-hand account of the impact the new programme is having on the ground.

The world has never been so close to the finish line for polio eradication. The investments in this initiative have been enormous. I want to thank so many countries and partners for their generosity. We need to see this investment through, and not just to rid this world of an ancient and heart-breaking disease.

The strong capacity and networks of disease surveillance, health planning, immunization, and community mobilization built in countries through the polio eradication initiative have provided the anchor and the backbone for the operations of many other programmes.

Other newer high-profile activities, such as leading the response to antimicrobial resistance, are also endangered by inadequate funding.

Work on noncommunicable diseases is chronically underfunded. Even in a well-funded category, like promoting health through the life-course, the health of ageing populations is

chronically underfunded.

We have previously well-funded programmes that are now in trouble.

For example, WHO normally receives nearly a third of its financing for HIV through the UNAIDS secretariat. In 2016, these funds were reduced by 50%. In 2017, the it is expected that the allocation will be further reduced to only 15% of the previous amount.

For the biennium, this means a reduction from $35 million to $11.5 million.

The reduced financing is expected to result in a loss of about 50% of country and regional staff working on HIV.

These cuts come at a time when WHO guidelines recommend that antiretroviral therapy should be initiated in everyone with HIV at any CD4 cell count.

This is only one of several very specific examples we can provide, drawing on the detailed breakdowns of funding needs and gaps, geographically and by activities and expenditures on staff, made publicly available through the programme budget web portal.

Ladies and gentlemen,

Early in my administration I promised to exercise budgetary discipline. I have done so.

Expenditure on staff, which is the largest item in the budget, has been reduced by about 10% over the last six years. Corporate-wide finance, human resources, and information technology services were outsourced to Malaysia and Hungary, at lower staff costs than in Geneva.

Travel ceilings were established across all offices to cap travel costs and to encourage more use of teleconferences and online consultations.

Better procurement planning has allowed us to use economies of scale to get the costs down.

Nonetheless, we continue to face a long-standing problem of budgetary imbalance.

Assessed contributions are the lifeblood of several core programme areas and a catalyst in others. But assessed contributions currently finance only 20% of the budget.

Income from assessed contributions is predictable and stable, but stagnant at a time when health challenges are increasingly complex and more is being expected from WHO.

The stagnant level of assessed contributions and the decline in the portion of the budget they finance put into question the sustainability of WHO's work, now and into the future.

For these reasons, I will ask the next World Health Assembly to consider an increase in assessed contributions in order to assure a sustainable funding situation when I hand the Organization over to my successor.

I know that you expect the Secretariat to take steps allowing you to support this increase.

In order to further improve transparency and accountability, I am pleased to announce that WHO will be a member of the International Aid Transparency Initiative, or IATI, as of tomorrow, 1 November.

Countries and their partners, and parliamentarians and their taxpayers need accurate information about aid flows in order to manage resources and hold governments accountable.

IATI makes this information publicly available in a standard electronic format that improves transparency.

Joining the initiative aligns very well with our efforts to let our member states and partners and contributors see how their money is being spent, in great detail.

Thank you all for joining us in this financing dialogue.