

## *Press Release*

# WHO Heading Towards New Disastrous Era of Health Financialization

*\*WHA76 decisions on sustainable financing raises concerns\**

**Geneva, 24th May 2023**

The ongoing 76th World Health Assembly (WHA) is discussing, among many important agenda points including tackling "Matters Emanating from the Working Group on Sustainable Financing." For a long time, WHO has been facing a funding crunch, coupled with a very inefficient sourcing of its funding. The resulting financial weakening of the WHO has had significant implications on the agency's core work. Civil society organisations and academics have been raising questions calling for stopping the freezing on WHO funding for decades. Finally, two years ago, a Working Group on Sustainable Financing was established with the task of assessing reasons for the funding crunch and making recommendations to resolve it.

The Working Group correctly analysed that WHO is suffering from a structural lack of flexible funding that is adversely impacting its work and priorities. The 75th WHA adopted the recommendations of the Working Group and entrusted the Secretariat with developing a replenishment mechanism to broaden the financial base. In a surprise turn, the decision on replacement mechanism, attached here, calls for earmarked funding alongside unearmarked funding. This is nothing but the institutionalisation of the earmarked contribution that has led to the dismal functioning of the WHO at various levels, including the increasing penetration of the private philanthropic sector in the organization.

At a press conference today, civil society organisations raised serious concerns about the issue of WHO funding and the pathways being created for private sector investments. "The draft decision goes against the very objective of the recommendation of the Working Group. As per the approved budget of USD 6834.1 million for the 2024-25 biennium, USD 5685.8 million is to be funded through Voluntary Contributions (VCs). The institutionalisation of earmarked funding would further stabilize donor driven priorities and compromise the credibility, independence and integrity of WHO," Lauren Paremoer of PHM said.

"Philanthro-capitalist influence cannot be the destiny of the WHO. It has come to be accepted as the normal state of affairs but has to be resisted in every way possible. We call on Member States to ensure sufficient and predictable assessed funds to safeguard the leading role of WHO in international health," said Baba Aye from Public Services International.

The draft decision provides the mandate to the WHO Secretariat to organise the investment round. As per the A76/32 to support the investment round a WHO Investors' Forum would be established. "Health is surely not an expenditure but the most important political investment in and for society, yet the current WHO investment approach towards public health is highly problematic, as it inherently reproduces the extractive logic of the banking and financial system, not the long term mentality that health policies require," commented Nicoletta Denticio of Society for International Development (SID). "We of course need to increase public funding, but the devil is hidden in the multilateral development community's fixation with leveraging the private sector in healthcare using public money to de-risk

investments. That is why the creation of an Investors' Forum at the WHO looks now the new attempt to advance health financialization at the very core of the agency's governance" stated Denticio.

As K M Gopakumar of the Third World Network (TWN) said, "the idea of WHO Investors' Forum would seriously undermine the role of the vast majority of Member states in WHO's governance. The Forum participants consisting of a rather impenetrable network of philanthropic foundations and the private sector would *de facto* control WHO's priorities. Further, it also legitimises the white washing of money and images of the private sector through WHO Foundation."

**Note to the editor:** [Document A76/32](#) on Sustainable financing reveals a shifting perspective about *how* the WHO should be funded. While the new funding aims to increase assessed contributions, up to 50% by 2028, only 20% of the current base segment of the budget comes from assessed contributions. Gaps will be filled by the financing mechanism (FM), also known as the replenishment mechanism, which comprises voluntary (earmarked) contributions. Voluntary Contributions (VCs) come with strings attached. The dictation based on the earmark system keeps the WHO dependent on voluntary contributions and effectively narrows decision-makers to a small group of wealthy state and non-state donors who will be able to disproportionately determine the WHO's priorities during the investors forum. VCs may thus form a barrier for the WHO to fulfil its normative mandate. Moreover, VCs make it difficult to set priorities, as it may not always be predictable what donors will want to spend their donations on. Lastly, through the proposed mechanism and investment forum, there is a risk of limiting the voice of Global South countries in the WHO, despite the fact that they make up the majority of WHO membership and are often the focus of the WHO's programs and policies.

WHO is funded through three sources. Governments contribute towards its core financial capacity through the so called "assessed contributions". The WHO is free to use these funds independently according to its priorities – currently, only 14% of the WHO's funding. The second type of contribution is by donors who give unearmarked funds, though the proportion is much less. The third type is earmarked funding by donors. Over the years, earmarked funding has increased dramatically, overtaking other types of funding and squeezing WHO's freedom to operate. Currently, as much as 83% of WHO's financial support comes from earmarked donations. This heavily compromises the independent function of the WHO.

#### **About Us:**

*A press conference was held today by four organisations – People's Health Movement (PHM), Society for International Development (SID), Public Services International (PSI) and Third World Network (TWN) – in Geneva, Switzerland to highlight their serious concern regarding financing of the World Health Organisation (WHO).*

#### **Contacts:**

Jyotsna Singh: +91 9999332811 (WhatsApp, Signal, Telegram)

Lauren Paremoer, PHM: [lauren@phmovement.org](mailto:lauren@phmovement.org)

Nicoletta Denticio, SID: [ndenticio@sidint.org](mailto:ndenticio@sidint.org)

Baba Aye, PSI: [baba.aye@world-psi.org](mailto:baba.aye@world-psi.org)

K. M. Gopakumar, TWN: [kumargopakm@gmail.com](mailto:kumargopakm@gmail.com)