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Who decides on our health?

The influence of Philanthropic foundations on the WHO

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Introduction

Forbes Special Philanthropy Issue headlines 'Entrepreneurs can save the world'. Philanthropists and their foundations are making a presence on the international stage. Governments and institutions are applauding them for pledging their wealth, fame, and entrepreneurial talents to solve the world's problems ranging from climate change to poverty eradication. In the field of health, the World Health Organization's (WHO) involvement with private actors has increased over the years. To date, philanthropic foundations have become leading players in global health and also one of the WHO primary funding partners. Even though these agencies can play a significant role in global health by using their resources for the advancement and promotion of public health, there is quite some controversy over harmful effects and conflict of interest have been identified. (Richter J., 2012) Because a significant amount of WHO budget is from voluntary donations (philanthropic foundations), it puts these charitable organizations in an influential position to make global health decisions and policy. These organizations have moved from the notion of just being donors to be intimately involved in activities such as policy discussions, advocacy, and problem analysis. Their involvement from the start to the end of the programs with their experts, setting goals, program design, and outcome sidelines the WHO expertise in setting standards and credibility in shaping the development agenda which leads to institutional weakening. (Martens J. et al., 2015) Further, the intentions of these organizations are not always clear, and there is always the danger of a 'conflict of interest.' Charitable organizations are regarded as good-doers with good intentions but

often pursue private goals that stand in contradiction with the public interest. For example, multinational enterprises engage in partnerships with these organizations for the sake of economic and commercial opportunities.

This paper analyzes the influence of philanthropic foundations on the WHO and how and why they became influential actors in the global health arena. In the first section, the financial crisis of WHO, its current funding methods and why it seeks a new source of financing is discussed. Further, the world leading charitable organizations are presented, how their influence shaped development concepts and policies, the benefits of the contributions, the controversy and conflicts of interests with their involvement with private-for-profit corporate institutions and their approach to solving global health problems is reviewed. We conclude with demands and proposed alternatives.

1. The financial crisis of the WHO: why does the WHO accept funds from non-state actors?

Normally, the financing of the WHO is through assessed and voluntary contributions. Assessed contributions come from WHO member states, and voluntary contributions comprise of grants from member states and non-state actors. Non-state actors refer to organizations such as NGO's, private sector entities, philanthropic foundations, and academic institutions. Assessed funds from countries allow WHO to plan its priorities independently and more efficiently. On the contrary, voluntary contributions are very unstable. Above that, WHO is not free to spend this money. They are 'earmarked': which means the donor decides for which particular program the money is used. (WHO, 2014) The proportion of voluntary as compared to assessed contributions is striking, being approximately 77% of the organizations budget for the period 2014-2015. (Adams B. and Martens, 2015)

Since 1966, the international community made a paradigmatic shift and called for a horizontal approach in the field of health, which means a stronger focus on bolstering health systems as a cornerstone of better-integrated health systems. This shift led in 1978 to the Alma-Ata Declaration on health for all by 2000. The WHO continued to promote the Alma-Ata Declaration, but in the early 1980s, high-income countries froze their assessed financial contributions to the organization. The WHO began to experience its financial crisis when its budget became more reliant on funds raised

through private donors. Amid this period the World Bank and the International Monetary Fund (IMF) were also implementing their structural adjustment programs which turned out to be a cure worse than the disease and led to the privatization of public services and health systems in developing countries. The World Bank proposals for health were more market-oriented and thus profitable for private enterprises. The Declaration of Alma-Ata was not adhered to and quickly denounced as "unrealistic" and "costly." Its high principles were only maintained in a very rigid way which led to the return of vertical disease-specific interventions. During the 1980s and 1990s, the efforts to reform the health system in low and medium income countries resulted in massive cuts in public health spending. The cuts in public health spending left the majority of health systems in developing countries in tatters with poor infrastructure, unmotivated workforce, a decrease in resources and increased infiltration of the private sector. The cost for health services was shouldered by the patients, exposing the population to a greater risk of financial impoverishment with consequences regarding health equity. (Detavernier K. et al., 2016)

As a result of this belief in market-led solutions, the influence of private donations to the WHO increased significantly. In 2014, contributions from foundations and the private sector make up 20 per cent of total voluntary contributions. Half of the top 20 contributors of voluntary funding to WHO were non-state actors. (Adams, B. and Martens, J., 2016)

After the recession in 2009, the financial burden of the WHO increased, many of its traditional donors were also experiencing their budgetary pressure and WHO sought to attract new donors and explore more public funding. A proposal was made to widen WHO resource base, drawing more funds from foundations and the private and commercial sector. (Judith richter, 2012; Martens, J et al., 2015) A framework, called the Framework of Engagement with Non-state Actors (FENSA), followed with the aim to set up rules for the relations between the WHO and non-member state actors. (WHO, 2016)

We could applaud the effort for FENSA to ensure WHO position as directing and coordinating authority in global health. FENSA strives to strengthen WHO engagement with non-State actors while protecting its work from potential risks such as reputation risks, conflicts of interest, and undue influence from external actors. However, we

don't trust that this framework will provide enough security to protect WHO. Instead, it legislates undue influence by the corporate and philanthropic sector. The initial goal of FENSA was for WHO to reassume its role in global health governance, decision-making, and policy. Today, this intent has narrowed to WHO's relationship with private sector entities. There are concerns about the implementation of FENSA, the procedures associated with the admission of non-state actors regarding the registry and the lack of information on some of these actors in official relations with WHO. There is no outline in the record regarding the programs of cooperation with non-state actors which are crucial to ensure clarity and transparency regarding how decisions are made to include them in official relations. There is also a lack of information on the action taken by the Secretariat to warrant conflicts of interest, risk assessment and risk management and due diligence. (WHO 2017; Bill Jeffrey et al., 2017)

The executive board has decided to admit five non-state actors into formal relations; one of which is the Bill and Melinda Gates Foundation, which we will discuss below. The board will continue formal ties with 58 other organizations. Through the Program Budget and Administration Committee (PBAC), the board will consider the partnership with each non-state actor every three years. (WHO 2017)

In conclusion, we can say that the increasing need for private donor funding in the WHO is because of the deficiency of its member states to support the organization's long-term budget adequately. Governments are embracing donor's involvement as a way of easing pressure on their budget and funding responsibilities of the WHO. What is often neglected, is that the underfunding of the organization makes that the WHO can not fully implement its projects. Its position as the global health decision maker is also jeopardized because of the WHO's growing dependence on private-for-profit entities. By consequence, it is losing sight of its original mission. (Martens, J et al., 2015)

2. The philanthropic foundations

Recently available data from 2015 shows that the 27 biggest philanthropic organizations have assets of more than 360 billion dollars and give roughly 15 billion dollars annually to charitable causes. Their annual expenditures concentrate on health and other sectors like agriculture and climate change. 19 of the 27 groups are from the USA. Only four are European. The United States itself is also the biggest giver of

assessed contributions. (Martens, J et al., 2015; John Vidal, 2016)

The contributions made have a significant influence on global development as they shape development concepts and policies. They are highly earmarked and based on the fundamental beliefs and commercial interests of the charitable organizations, and may as such be in contradiction with the general public interest.

2.1 The Bill and Melinda Gates Foundation

The Bill and Melinda Gates Foundation is the leading private actor in global health. It spends extensive resources on global health programs and has a significant agenda setting power in global health governance. For example, in 2016 only, the Foundation granted over 71 million dollars to the WHO, making it the largest non-state funder of the WHO and the second largest donor after the USA. (Martens, J et al., 2015) From their side, the organization obtains earnings from investments made in the forms of stocks, mutual funds and corporate bonds managed by a different legal entity known as the Bill and Melinda Gates Foundation Trust. (Bill Jeffrey et al., 2017)

The Foundation is one of the driving forces behind public-private partnerships (PPP). Their primary focus is biomedical solutions and vaccines to the rescue, by which representing a vertical approach as a quick-win solution to global health challenges. In 1960, the international health community employed similar vertical programs in less developed countries targeting specific diseases such as eradicating malaria. Afterward, it became apparent that disease-specific interventions, like communicable disease campaigns, work well only if they are backed up by the widest provision of primary health care by strengthening health systems. We refer to this as the horizontal approach. Population health does not improve through parallel programs that are isolated one from another. (Detavernier Koen et al., 2016)

A key example is the Global Alliance for Vaccines and Immunization (GAVI). GAVI is an international organization founded in 2000. It brings public and private sectors together with the goal of creating equal access to new and underused vaccines for children living in the world's poorest countries. The Bill and Melinda Gates Foundation is a founding partner of GAVI and its grants represent 18,8 per cent of all of GAVI's donor contributions for the period 2011-15. The foundation's financing of GAVI is another way of indirect influence on WHO. (Adams and Martens, 2015)

By primarily focusing on disease-specific vertical health interventions, the GAVI-Gates-approach of global health has received numerous criticisms. GAVI has engaged pharmaceutical giants such as Pfizer and GlaxoSmithKline to speed up the production of vaccines for developing countries at an affordable price. These companies have signed legally-binding agreements to supply their vaccines at a cost no higher than \$3.50 US dollar for ten years, to be paid by GAVI and the countries receiving the vaccine. Doctors without Borders states that while vaccines prices have lowered, the cost to immunize a child was 68 times higher in 2014 than in 2001 because parallel investments in supporting resources as health workers was lacking. Even more important, private contributions are almost always temporary, and it is a challenge for countries to carry out their vaccination programs after losing GAVI support. However, Bill Gates dismisses their criticism saying immunization “is the cheapest thing ever done in health.” Second, GAVI's inclusion of pharmaceutical companies on the board of directors raises the eyebrow. In contrast, only one civil society organization representative is present. Several social organizations call for greater transparency in the negotiations to ensure public health care is given priority, and not the profits of Big Pharma. (Martens, J et al., 2015)

As said above, the Bill and Melinda Gates Foundation is despite its controversy one of the five non-state actors in formal relations with the WHO. There exists a joint collaborative work program prohibiting WHO involvement in commercial relationships, but sometimes the line is fragile. As discussed, some organizations like the Gates Foundation applying for an official relationship are involved in for-profit business activities in the nutrition and pharmaceutical industries and are openly promoting public-private partnerships.

In January 2017, 32 civil society organizations from across the world, amongst which the People's Health Movement, called for deferment of 'official relations' to Gates Foundation through an open letter addressed to the Executive Board. This demand is based on the non-state actor's ability to exert undue influence on WHO's decision-making process and conflict of interests coming from the foundation revenue flood. They are concerned that "the investments of the foundation make the Gates Foundation a beneficiary of sales of several categories of products that are the subject of WHO standard." They refer to the following: as reported by the United

States Government's Securities and Exchange Commission, the Bill and Melinda Gates Foundation Trust endowment has investments in the food, beverage, and physical inactivity-related consumer products that may threaten the current crisis of preventable heart disease, stroke, cancer, and diabetes. Some direct investments of the Trust are Coca-Cola (US\$ 466 million), Walmart (US\$ 837 million) - the largest food retailer in the US and a leading retailer of pharmaceutical drugs and alcoholic beverages, Walgreen-Boots Alliance (US\$ 280 million) - a large multinational pharmaceutical drug retailer. Under FENSA as per definition of a private sector entity, the Gates Foundation is regarded as a commercial enterprise and may influence WHO's work for their partner industries. Thus, the Foundations is not eligible for official relations. (Bill Jeffrey et al., 2017)

This involvement with the pharmaceutical sector may explain the Gates Foundation's focus funding choices. The Foundation spent billions on vaccines, drugs, and other diagnostics to tackle the three most infectious diseases in developing countries: HIV/AIDS, malaria, and tuberculosis (Martens, J et al., 2015). But in developing countries, there are also neglected tropical diseases, and the impact of these is comparable to malaria, tuberculosis, and HIV/AIDS. Only a few receive funding to improve treatment and research, while overall the funding is declining. The belief in health for all means tackling not just the big three (HIV/AIDS, malaria, and tuberculosis), but also all the neglected tropical diseases.

3. Who should decide on our health?

From a public health perspective, we have some concerns. First is the WHO financial crisis; the funding shortfalls make WHO dependent on private funding. This gap of financing has also influenced WHO priorities and has also compelled the organization to make cuts of budget allocation. An example is the budget cut for emergency preparedness which led to the late response of the WHO during the Ebola crisis. It is alarming how rich member states undermined the working of the WHO by reducing or threatening to withdraw its funding and instead encouraging donor's funds to relieve pressure on its budget. To date, more than 80% of WHO budget is from voluntary donations of which 93% is earmarked for targeted interventions. This funding strategy prevents the implementation of programs that are not supported by wealthy member states. (Martens, J. et al., 2015; De Ceukelaire, W, 2015)

Notwithstanding the strong influence, the Gates Foundation applies on global health policies; there has not been an evaluation of the effect of the policies it promotes. The basis for the lack of accountability is a false presumption that these foundations are not publicly accountable. These organizations intervene in public life through the political power they utilize as a result of their financial prestige. While they are publicly subsidized through tax exemptions, they emphasize the notion that charity can address inequity.

We thus see a privatization of global health governance. The commercial interests of powerful corporations pose risks and barriers to affordable health care. These companies have more interest in profit for them and their shareholders than providing affordable and efficient solutions. They have successfully embedded their products in global and national health systems around the world by which they can exert undue influence in public affairs and gain unfair competitive advantage over smaller or Southern-based companies. Public-private partnerships in the health sector are examples. An uncritical rush into these partnerships may erode member's states decision-making powers and undermine the UN system.

3.1 Where next? Strengthening public health systems

A part of the progressive civil society organizations believe in the horizontal and holistic approach to strengthening health system above disease-specific vertical health interventions alone. Financing of health systems increases the deliverance of quality services to its people. The public investment in the development of well-trained workforce facilities appropriates prevention, detection, and control of disease outbreak. In developing countries where general health services are predominantly weak and of poor quality, the absence of a well-trained workforce may hinder vertical programs in reaching their targets. In 1966 Halfdan Mahler, former Director-General of the WHO acknowledged that all communicable disease campaigns have overwhelmingly exhibited that they are effective when they are backed up with a strong primary health service. (Detavernier, K. et al., 2016)

Since the relative weight of private donations to the WHO, we demand on the short term that the WHO achieves a suitable framework for an agreement with private actors, in broad consultation with non-profit civil society groups, to protect the

organization from conflicts of interest. The framework should ensure that donations go to WHO programs goals rather than shaping programs to meet donor's interest. The framework should also oversee how philanthropic foundations operate and how they meet the long-terms goals of WHO.

We demand that WHO member states support the minimum 10% increase in regular contributions to the organization to enable its working, as has been proposed several times by the Director-General and some member states.

On the long term, we oppose all influence from private-for-profit actors. The WHO has to be politically and financially independent. An ideal situation would be to have the full budget of the WHO financed by member states on a fair and fixed base.

4. Conclusion

Even though philanthropic foundations can play a significant role in global health by using their resources for the advancement and promotion of public health, there are a lot of controversies, harmful effects, and conflicts of interest detected.

First, these organizations are indirectly setting the agenda of WHO by their specified and assigned programs. They decide what programs require funding, when and how which undermines the democratic functioning of the WHO.

Second, the foundations' interests go against scientific research. The prioritization of vaccine solutions as a quick, measurable and visible solution, weakens a more holistic approach. The promotion of market-based and biomedical approaches towards global health challenges is at the expense of the more complex socio-economic causes of health problems and the need to strengthen public health systems. The influence of these foundations affects governments and the UN development system: philanthrocapitalism, fragmentation, and weakening of global governance, unstable financing, and lack of monitoring and accountability mechanisms are some of the many critics raised.

Third, the charity's approach of mixing grant-making and profit-making and their involvement with private-for-profit multinationals (such as the pharmaceutical industry) raises concerns. Multinationals donating to and entering in partnerships with charitable organizations are regarded as good-doers with good intentions, but we see that they pursue commercial opportunities at the expense of the public interest.

Decision making within the WHO should be based on the democratic mandate a state

is given, not on the funding you can provide as an actor. In the WHO counts: one state, one vote, and not one dollar, one vote. Development, poverty eradication, social protection, and health is not a favor. It is a right. It is not the philanthropist, but the collective responsibility of member states to make a change to ensure these rights. It is the state's responsibility to ensure democratic control, sufficient budgets and coherent policies regarding development and health. (De Ceukelaire, W., 2016)

However, rules and control are important, but they do not guarantee changes. It is only through strong and massive social movements, where the most oppressed have a powerful voice that people defend their rights. In the end, it is the best guarantee for our right to health to be respected.



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