

Due diligence, management of risks & transparency

**Informal consultation
on WHO's engagement with non-State actors**



**World Health
Organization**

Definitions

- **Due diligence**

Investigation (assessment and screening) done by the WHO Secretariat prior to agreeing on an engagement

- **Managing of risks of engagement**

Management decision on modalities of engagement based on a risk – benefit analysis on a particular engagement with a particular entity (engage – mitigate risks – don't engage)

- **Transparency**

Public communication by the WHO Secretariat on the present and past engagement (on the nature of the engagement and the nature of the actor)



Due diligence – current situation

An in-depth screening performed by an internal unit and focusing on projects involving the private entities, targeting its activities, practices, reputation and financial strength. It is conducted using inter alia the following criteria:

- Avoiding commercial enterprises whose activities or connections are incompatible with WHO's goals, objectives and work, such as the tobacco or arms industries.
- Respect of human and labor rights; good business practices (ethical, environmental, anti-competitive, anti-corruption and anti-fraud records)
- History of collaboration

Due diligence – current tools

- Searches in public, media and commercial databases and assessment tools:
 - To access to comprehensive raw data on the entity (financial records, governance and decision making, corporate reports, affiliation)
 - To uncover the history, reputation, controversies of the entity
- Verification, cross-checking and documentation of findings
- Filtering the information for its relevance for the proposed project

Challenges with current due diligence

- Not applied systematically (i.e. not applied for applications of NGOs to enter into official relations)
- Criteria have been developed over time but not formally defined.
- No clear separation between due diligence and management of risk (lack of clarity on standard operating procedures, definition of risks, decision making competencies, etc)
- No defined adjustment of level of due diligence to potential risk of project

Due diligence – possible changes

- Expand due diligence to interaction with all non-State actors
- Clearly defined and transparent criteria
- Better separation of due diligence and management of risks of engagement
- Possibly introduce a public scrutiny
- Need to adjust intensity of due diligence to level of risk (depending on kind of engagement and kind of entity)

Challenges with current management of risks of engagement

- Largely based on the results of the due diligence and an appreciation of the public health outcome of the project
- No explicit definitions of the risks of engagement
- Lack of standard operating procedures
- Risk – benefit analysis is left to line managers and can therefore not be consistent

Possible changes to risk management

- Use a comprehensive risk management approach for engagement
- Explicit definition of risks of engagement
- Coherent application for all parts of the Organization, based on standard operating procedure including clear definition of decision making process
- Better documentation of the process and earlier decisions
- Clear management of institutional and personal conflicts of interest

Possible description of risks of engagement

- **Conflicts of interest.** A conflict of interest is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest. A conflict of interest can be individual or institutional. It can be based on a commercial or financial interest or a private interest such as an intellectual bias or fixed policy position.
- **Reputational issues.** Even if conflicts of interest are only perceived or they are properly managed or if there is no undue influence on WHO's processes, the perception of an interaction can have an impact on WHO's reputation.
- **Using WHO's name, brand and emblem.** WHO must protect its brand and logo from association with actors or activities that could compromise its value and trustworthiness or that could be perceived as a commercial endorsement. This aspect will be further elaborated in the Communications strategy.
- **Competitive advantage.** WHO's collaboration/ interaction with a non-State actor should first and foremost be aimed at attaining public health benefits, rather than at generating a competitive advantage for the non-State actor. WHO collaborates with and has other interactions with non-State actors on a non-exclusive basis only. Any non-State actor interested in and capable of collaborating/interacting with WHO in the same way as another non-State actor, should, in principle, be given the opportunity to do so.
- **Unduly improving a partner's corporate image** through an association with WHO.
- **Undue influence on WHO's priority setting.**
- **Dependency.** Even if an interaction and the non-State actor as such are not problematic, the interaction should not make WHO or a specific programme financially or otherwise overly dependent on a single interaction or non-State actor.

Transparency – current situation

- List of names of NGOs in official relation is public, while the database with more information is not public
- Affiliation of NGO delegates to governing body meetings is not specified
- Annual amounts of contributions received from non-State actors are reported
- Individual collaborations are announced on a case-by-case basis through press releases, webpage, etc.

Transparency – possible reforms

- A transparency register accessible by internet could provide information on all non-State actors WHO interacts with and the kinds of interaction
- Basic information on the entity would have to be provided by the non-State actors (such as constitution, governance and decision making, financial records, sources of funding, links to reports of activities, affiliations, etc.)
- WHO would report on the types of engagement
- Disclosure of information by non-State actors as condition for engagement