Analysis and evaluation of the institutional, technical, and financial governance of the World Organisation for Animal Health

Executive Summary

Administrative Working Document
1. **Overview (section I)**

1. **At the turn of its centenary, the World Organisation for Animal Health (WOAH) commissioned an external and independent analysis and evaluation of its institutional, technical and financial governance with a view to identifying in a first stage areas for possible improvement. In the context of WOAH (and other organisations), “governance” refers to the legal framework, acts, and processes of governing or overseeing the control and direction of the organisation. WOAH’s institutional governance comprises the Assembly, Council, Regional Commissions, and Director General. Technical governance consists of the Specialist Commissions, Working Groups, ad hoc groups, and Reference Centres. Finally, financial governance refers to the rules and processes governing WOAH’s regular budget, World Fund, Regional and Sub-Regional Representation’s budget, and any other sources of funding. The analysis was prompted by questions regarding how fit-for-purpose the WOAH legal texts and its governance structures and processes are to meet the demands of its Members as well as the demands on an international organisation in the twenty-first century. The analysis would inform whether a second stage the Organisation’s Basic Texts would be revised to reflect any agreed changes in governance structures and processes.**

2. **The report is the output of the first stage. It consists of a description of WOAH’s current governance legal framework, structures, and processes as well as an analysis of those frameworks, structures and processes with 21 recommendations for possible action to enhance those. The descriptive elements of the report are based on a comprehensive desktop review of the Organisation’s legal instruments (over 70) that currently regulate its structure and function. These documents were supplemented by previous analytical works commissioned by WOAH (including previous attempts to revise the Basic Texts). Interviews/workshops with members of WOAH’s governance bodies (including the Council and Specialist Commissions) and relevant WOAH officials were also conducted to strengthen understanding of the functioning of WOAH’s governing bodies and legal instruments.**

3. **Due to the wide scope and complexity of the exercise, the analytical parts of the report focus on 15 governance areas identified through a consultative process involving WOAH’s senior management and the Council. These 15 governance focus areas are grouped in four major themes: WOAH’s legal framework, WOAH’s governance structure and institutional governance, WOAH’s technical governance and WOAH’s financial governance.**

4. **There could be more aspects of WOAH’s governance that might also warrant a detailed analysis and recommendations for action. In view of the time available for the review and the resulting limited span of consultations with WOAH’s constituents, some of these additional aspects are briefly flagged as other options for consideration under the relevant focus area. These additional options could serve as additional context for the consideration of the 21 recommendations. The relationship between these areas is shown in Annex 1.**

5. **The analysis of the focus areas relies on a combination of the consultants’ own knowledge and experience alongside targeted benchmarking of intergovernmental organisations that have comparable mandates, structures, processes and challenges.**

6. **This executive summary is intended to provide an overview of the major findings around the four major themes and 15 focus areas in the report, the resulting 21 recommendations and the proposed sequencing in pursuing the revision of WOAH’s Basic Texts.**
2. WOAH’s legal framework (section II.1)

7. Certainty, clarity, coherence and transparency of an organisation’s legal framework are among the essential principles of good governance. For mainly historical reasons, these could be significantly improved at WOAH.

8. The provisions contained in the Organisation’s founding texts (the 1924 International Agreement creating WOAH and the Organic Statutes attached to it) are extremely short and basic. Over time, these provisions have been progressively abandoned, modified or supplemented by different means, leading to the juxtaposition of almost 70 scattered legal instruments (Annex 3) which today define the Organisation’s composition and mandate, the obligations associated with membership, its organic structure, the relationship between its various governing bodies, decision-making processes, its mode of financing, etc.

9. In addition to the founding texts, the Organisation is now governed by several sets of rules, such as the Organic Rules, the General Rules, the Financial Rules, the terms of reference and internal rules of several bodies, a myriad of Assembly resolutions on specific aspects of WOAH’s governance, as well as many sets of procedures, guidelines, Standard Operating Procedures and similar instruments adopted under different authorities. This complexity is compounded by the coexistence alongside these texts of non-codified practices, the most striking being the procedures governing the adoption of the two codes and the two manuals (the Terrestrial Animal Health Code, the Aquatic Animal Health Code, the Manual of Diagnostic Tests and Vaccines for Terrestrial Animals and the Manual of Diagnostic Tests for Aquatic Animals).

10. The adoption of these instruments or the introduction of these practices has not always taken place in accordance with a predefined normative hierarchy or in a coherent or orderly fashion. As a result, there are numerous obsolete provisions, gaps, as well as ambiguities, inconsistencies or contradictions between these numerous instruments or between texts and practices.

11. There is accordingly at present no commonly accepted definition or meaning of the instruments which, taken together, should be considered as the Organisation’s Basic Texts.

2.1 Reorganisation of the legal framework (section II.2.D)

12. This state of affairs alone would justify a thorough review of WOAH’s rules and practices to ensure a coherent and up-to-date legal framework. Nevertheless, the way in which such a review is carried out necessarily depends on changes that might be introduced in the broader context of the evaluation of the Organisation’s organic structure through the analysis of its institutional, technical and financial governance, which is also the subject of this report. It has therefore been deliberately decided to defer consideration on the best approach to the overall review of WOAH’s legal framework until such time as WOAH has taken a position on each of the other governance focus areas analysed. For this reason, no recommendation is made at this stage on the reorganisation of WOAH’s legal framework. However, some possible avenues are outlined in Annex 4 of the report.

13. Before turning to the focus areas relating to WOAH’s institutional, technical and financial governance, it is worth pausing to consider three essential aspects relating to the Organisation’s foundations, which do not fit in the context of any of the three aspects of the governance analysis commissioned.

2.2 WOAH’s mission/mandate (section II.2.A)

14. The Organisation’s mission and functions, as defined at the time of its creation, have naturally evolved over its hundred years of existence. This evolution has been reflected in its legal framework in different ways, either implicitly through the implementation of new programmes or activities (e.g. the development of capacity building activities, biothreat reduction activities, wildlife), or explicitly in the form of Assembly resolutions affirming the extension of the Organisation’s initial mandate (for example, the 2002 resolutions on animal welfare and animal production food safety), or more recently in the context of the adoption of five-year strategic plans or global initiatives (such as One Health or Antimicrobial Resistance).
15. The scattering of the mandate across several legal instruments of varying importance is undoubtedly at the root of the problems of legal certainty and visibility of WOAH’s mission. Yet, it is normally the mandate of an organisation that should guide and delimit its actions, whether in relation to other actors on the international scene with whom it is called upon to cooperate, or when determining its own priorities, particularly in terms of standard-setting.

16. Other international organisations faced with evolving mandates have sought to keep the definition of their mandate and main functions in a single legal instrument, typically their constitution, or in texts of similar importance (such as solemn declarations, often annexed to their constitutions).

17. It would therefore be important for WOAH to also consider consolidating the definition of its current mandate and means of action in a single text at the highest level, to better guide its future action and define its role vis-à-vis other international organisations (recommendation 1).

2.3 WOAH’s membership (section II.2.B)

18. WOAH’s founding texts do not define the type of entities that may become Members of the Organisation, so that from the very creation of the Organisation, States sit on an equal footing with non-independent territories.

19. Moreover, WOAH’s founding texts do not define any particular conditions or procedures to become a Member, the mere deposit of an instrument of accession with the depositary of the 1924 Agreement (i.e. the French government) being sufficient. However, since its 81st General Session in 2013, the Assembly has introduced additional membership procedures and conditions in its Resolution 11, without specifying whether and to what extent they modify the provisions of the Organisation’s founding texts.

20. Apart from the obligation to finance the operation of the Organisation, the obligation to notify the occurrence of cases of certain listed diseases, or the right of any Member to take part in the decision-making of the Organisation, the 1924 Agreement does not define any other consequences of membership. Other rights and obligations have been added, implicitly or explicitly, without being enumerated and defined in the founding texts, which every new Member undertakes to respect upon becoming a Member: for example, the loss of voting rights in the event of non-payment of statutory contributions, the obligation to transpose the international health standards contained in codes and manuals into their national legislation, the right to request an assessment of the national veterinary service, etc. This is a highly unusual situation compared to other international organisations.

21. Indeed, although the coexistence of States and territories or other non-independent entities is common in other intergovernmental organisations, their founding treaties systematically contain precise provisions on which entities may become Members.

22. Similarly, organisations which allow membership of entities other than States (such as non-independent territories, but also intergovernmental organisations, NGOs, etc) specify in their founding treaties the procedures and conditions required for the application of each type of Member.

23. Finally, the founding treaties of most intergovernmental organisations also define the rights and obligations deriving from membership, depending on the type of Member where applicable, as well as the possible consequences of non-compliance with said obligations, and the conditions to withdraw from membership.

24. Given the above, it would be in WOAH’s interest to clarify in its basic texts the entities eligible for membership of the Organisation, as well as the conditions and procedures for becoming or ceasing to be a Member (recommendation 2).

25. At the same time, it would be advisable for the Organisation to consider bringing together in a single legal instrument all the rights and obligations deriving from membership of the Organisation, as well as the consequences of non-compliance with such obligations (recommendation 3).
2.4 WOAH’s legal status *(section II.2.C)*

26. Most international organisations define in their founding treaties the legal status that all its Members commit to grant to the Organisation. That legal status generally consists of a number of immunities and exemptions aimed at ensuring equality between Members as well as the conditions necessary for the Organisation to operate under the sole authority of decisions made collectively by the Members, independently of preferences or interference from any individual Member. Those immunities are necessary for the Organisation itself, the representatives of its Members vis-à-vis other Members and the officials and experts of the Organisation when acting on behalf of the Organisation. Beyond those essential immunities and exemptions, international organisations also tend to conclude bilateral agreements with the countries where they have permanent offices or where they hold international conferences and meetings to obtain additional facilities and privileges.

27. In the case of WOAH, no general obligation incumbent on all its Members to respect essential immunities and exemptions is contained in any of its basic texts. Instead, its legal status is exclusively defined in bilateral treaties concluded by the Organisation with the countries where it has its offices. While most recent agreements concluded with countries hosting some of its offices provide for a status going beyond the essential immunities and exemptions referred, such is not the case with older agreements, including the Headquarters agreement concluded in 1977 with the French Government.

28. To ensure that the Organisation, its experts and officials, as well as the representatives of its Members participating in official meetings convened by WOAH enjoy the necessary status and protection, the Organisation should consider the formalisation of an obligation in this regard that all its Members commit to abide by *(recommendation 4)*.

29. Considering that most official meetings and activities of WOAH are conducted at its Headquarters in France, as well as the insufficiency of the legal status recognised in the 1977 Headquarters agreement, WOAH should also consider renegotiating that agreement to ensure an appropriate basic status as well as conditions similar to those enjoyed by other intergovernmental organisations headquartered in France *(recommendation 5)*.

3. WOAH’s Institutional and regional governance *(section III.1 and III.2)*

30. The Assembly and the Director General were WOAH’s two only governing bodies when it was first established. Occasionally referred to as ‘principal’ or ‘primary’ governance organs, these bodies were established by the founding texts. Organisations change throughout time and add governance bodies, often known as ‘subsidiary’ governance bodies, which are not able to make decisions. To fulfil its goal, WOAH has expanded its governance structure to include subsidiary governance groups including the Council, Specialist Commissions, Regional Commissions, or working groups.

31. The interactions between primary and subsidiary governance organs in international organisations may face difficulties if their assignment of tasks and responsibilities is insufficiently clear. The Regional Commissions and the Specialist Commissions at WOAH have distinct mandates that are generally complementary to those of the other entities; however, the Council's functions and its connection to the Assembly and the Director General have created more ambiguity over time.

3.1 Roles and Responsibilities of governance bodies *(section III.3.A)*

32. The Assembly convenes all WOAH Members and is WOAH’s supreme governance body. It is the highest authority within the Organisation and performs a variety of tasks including financial, technical, strategic, political, and governance related. The Assembly's yearly gathering is heavily burdened since it is the only governance-level decision-making body of WOAH. It seems that there is room for the Council to take on a more significant role in supporting the Assembly’s decision-making processes.
33. A small number of Members make up the non-plenary governance body known as the Council. It began as a sounding board for the Director General but now has broader functions. The Assembly granted the Council the ability to make decisions by enacting resolutions or rules and regulations. Article 8 of the Organic Rules outlines the powers and obligations of the Council, and the General Rules describe its additional responsibilities, including representing the Assembly in between General Sessions.

34. The Council's functions and responsibilities cover a wide range of themes related to all facets of WOAH's operations and activities. A portion of these responsibilities entail the Council advising the Director General, while others call for the Director General and the Council to work together on specific topics. Additional duties come under supporting the Assembly, wherein the Council undertakes a pre-review and makes recommendations on a particular topic, or it may suggest a course of action on its own initiative.

35. In addition, the Council approves or decides on matters, including urgent matters that cannot wait until the following Assembly. The Assembly has the last say on how these choices are made. The Council may make decisions on its own in some circumstances, but because it is a subsidiary governance unit, its decision-making power would be exercised under the Assembly's authority.

36. Like the executive boards of other international organisations, the Council's main responsibilities include setting the agenda for the plenary sessions, carrying out the decisions made by the plenary body, advising on the budget, and making decisions on urgent matters while the plenary body is not meeting.

37. If it were a principal governance body, the Council could also take on other duties that non-plenary bodies in certain comparator organisations have, such as managing the Organisation's Secretariat (the term used in the report to describe WOAH's body consisting of the Director General and all employees reporting to him or her). It would be crucial to make clear the Council's current tasks and obligations, especially those that have to do with the Director General's duties or are advertised as joint efforts between the Council and the Director General.

38. The Assembly elects and oversees the Director General, whose primary responsibilities are soliciting contributions from Members and selecting and dismissing staff. The Basic Texts and other legislative instruments bestow numerous responsibilities on the Director General.

39. The Director General's duties, which include supporting WOAH's governance and handling activities pertaining to finances and the budget, are mostly associated with the Organisation's administration. Certain duties seem to fall under the Council's purview; there is no explicit explanation of who is responsible for what or what occurs when the Council and the Director General hold different opinions. Aspects of regional governance are covered by other duties outlined in the Basic Texts. Examples include setting the agenda for meetings of Regional Commissions, calling regional conferences, and scheduling the locations and times of meetings of the Regional Commissions' bureaus.

40. There does not appear to be a policy on delegation of authority that could streamline WOAH's operations and decision-making processes. In carrying out its mandate, the Secretariat and the Director General of WOAH play a crucial role.

41. Based on the above overview, WOAH may wish to integrate the roles and responsibilities of the Assembly, Council, and Director General into a single legal instrument, adjust them to ensure clarity, clear lines of accountability, and appropriateness, remove any overlaps, and introduce a delegation of authority policy (recommendation 6).
3.2 Director General’s term

42. The Director General is elected by the Assembly for a five-year term that can be extended, in theory, for multiple terms and indefinitely. To achieve equilibrium between fresh ideas and continuity and to bring WOAH practice in line with that of comparator organisations, WOAH Members may wish to introduce a limit of only one term extension equal to the duration of the Director General’s tenure (recommendation 7).

3.3 Relations with other entities (section III.3.B)

43. Since WOAH’s founding, its relationships with other entities have grown considerably in number. The Organic Rules attribute responsibility to the Assembly establishing relationships with other international organisations that help achieve WOAH’s, and the other organisations, aims.

44. These kinds of collaborative agreements generally go through the following process: the potential of collaborating with a new organisation is raised by WOAH personnel, and the Assembly has occasionally specifically instructed the Director General to get in touch with those organisations that could be interested in such a partnership. A proposed agreement is negotiated once a shared interest has been found, brought to the Council for discussion and approval, and signed by the Director General or a designated representative following Assembly final approval.

45. WOAH has in place more than 70 agreements with international organisations, both universal and regional in nature and every year more are added. However, the process is involved and might cause bottlenecks and delays. It is anticipated that the quantity of partnership agreements will rise, and the character of partnerships might change as other types of long-term partners become necessary for international organisations to carry out their operations.

46. To avoid delays in entering into such agreements, a few organisations have given their executive heads the power to sign them; nonetheless, these agreements will always remain subject to the plenary body’s ultimate authority. WOAH may wish to similarly provide some flexibility to the Director General in entering into such agreements.

47. Although WOAH has developed a tight relationship with research and technological institutes, it may choose to expand and fortify ties with other entities, including non-governmental organisations, by means of cooperative reference centres or other similar partnerships. WOAH may wish to devise a strategy that restricts the Assembly’s participation in specific categories of agreements, assigning the Director General the power to engage in agreements or collaborations beyond those parameters, and to establish a framework or strategy regarding the involvement of non-state partners, intergovernmental organisations, or entities that are a part of WOAH’s pool of expertise, like Reference Centres (recommendation 8).

3.4 Role of Permanent Delegates (section III.3.C)

48. WOAH has a system of Member representation, wherein specific Delegates represent their respective nations in the plenary body, namely WOAH delegates are generally the chief veterinary officers in their countries. In this system, delegates are well-versed in technical aspects of the themes examined by the Assembly, and they have a thorough awareness of WOAH and its operations due to their close involvement.

49. Nonetheless, the Assembly’s remit encompasses a broad variety of subjects, including technological, financial, strategic, governance, and operational issues. Since only the Delegate has the authority to speak on behalf of WOAH Members, it is implied that they must bring expertise to each of these areas. There will not normally be higher or political level involvement in the decision-making at the Assembly. This may result in the Organisation missing opportunities to raise its profile, which in turn may have an impact on its ability for resource mobilisation.

50. Most comparator organisations give their members the freedom to choose the person who will represent them in the plenary body, enabling Members to customise their delegations to fit the agenda items for a particular meeting of the plenary body. By doing so, the load on Delegates may be lessened, and where necessary, specialised knowledge may be brought in.
WOAH might want to increase the number of WOAH Members’ eligible representatives who can attend the Assembly and Council in an active capacity (recommendation 9).

3.5 Council composition (section III.3.D)

Between the Council’s introduction and its codification in the Organic Rules in 1973 the number of its members increased from four to nine. Despite the significant increase in membership since then, the size of WOAH’s Council has remained unchanged. Currently, approximately only 5% of Members are represented on the Council.

Two primary considerations influence the right size of the Council: representativeness and efficiency. Efficiency indicates that in order to facilitate effective decision-making and maintain appropriate operational costs, bodies such as the Council should be small. Representativeness refers to the importance of bringing in all current interests and viewpoints in order to have in-depth understanding of all pertinent facets of an organisation’s activity and to keep the trust of all member nations.

It is likely that efficiency played a major role in determining the size for the Council 50 years ago. Nonetheless, the representativeness element might suggest that the Council needs more members to be most successful in organising and directing the Assembly's activities (recommendation 10).

With two representatives from each of the Regional Commissions for Africa, the Americas, Asia and the Pacific, Europe, and one from the Middle East, the Council currently has nine members. In this regard, a number of factors can be taken into account, such as which body ‘appoints’ the Council members and if the distribution of seats among the various regions is reasonable.

The way the Assembly chooses the Council members is similar to how many other international organisations do it. This election system has the advantage of representing the organisation's membership as a whole through the Council. A different model to the WOAH system would be one in which the regions themselves select their representatives on the non-plenary body. The close relationship between the Council and the Regional Commission members is one of this system’s advantages.

With the aim of supporting the work of the Bureaux, clarifying and strengthening their relations with the regional members of the Council and WOAH Regional offices, the Regional Core Group mechanism was developed. It aims at better linking and coordinating the work of the Bureau, the Council and WOAH, at enhancing the responsiveness to regional needs and at facilitating regional inputs to the work of the Organisation. If WOAH Members are thinking about increasing the size of the Council, they might want to explore the possible advantages of having one or more members of the Bureaux of the Regional Commissions on the Council. This could lessen or perhaps eliminate the necessity for the Regional Core Group and provide the relationship between the regions and the council representatives a formal place in WOAH’s governance.

One concern expressed in relation to the Council composition relates to the fact that the Middle East is allocated one seat while the other regions have two representatives on the Council. The number of countries in a region, the number of animals living there, the significance of WOAH in that region, or the amount of contributions WOAH receives from a region are some of the variables that may affect how many seats are allocated among regions or countries. Compared to the regions of Europe and Africa, the Middle East has less countries per Council seat. In contrast, the Middle East region has more countries per Council seat when compared to the other two.

In the event that an increase in the number of Council seats is contemplated, it would be crucial to allocate the available seats using an open, clear, and membership-acceptable formula.

The allocation of Council seats per region is also influenced by the Past President's position. International organisations with a non-plenary governance body do not typically have the concept of a previous President continuing to serve. In line with that practice, it may be considered to remove the position of the past President.
61. The regional allocation of seats among WOAH regions and the relationship between Regional Commissions and Council representation would need to be carefully studied if WOAH decided to expand the membership of the Council (recommendation 11).

62. Council members cannot currently be replaced or have someone with specialised skills to speak on their behalf. The Council discusses all organisational issues, including institutional issues like governance and budgeting and accounting, as well as financial issues. Council members might not have the knowledge to speak on all such topics. Therefore, allowing additional representatives of the Council member's delegation or government to speak in the Council would support Council members in their duties (and be consistent with the practice of comparator organisations) (recommendation 12).

63. Regarding the qualifications and competencies of the Council members, one last point to make is that at least two of them are designated as Auditors. There might be alternative approaches to accomplish the provision of assurances in the increasingly complex financial systems and budgetary procedures of WOAH.

3.6 Regional governance (section III.3.E)

64. The governance of international organisations with a global membership frequently includes a regional element, which aids in arranging the makeup of non-plenary organs such as the Council and Specialist Commissions. This is predicated on the notion that if a region or culture is represented on the non-plenary body, members that are not represented will be more inclined to trust its deliberations. Many multinational organisations with a global membership also have regional commissions tasked with carrying out the organisation's goal in a particular region.

65. The interests at stake, as well as the goals and operations of an organisation, determine how members are divided into regions. WOAH comparator organisations divide their membership into five or six regions. Several international organisations divide their membership by interests other than geography, such as between relevant product producers and consumers. This enables individuals to align their positions and discuss a range of issues with others who share their interests.

66. To ensure regional needs are well addressed by WOAH and to pursue the Organisation's goals in every part of the globe, the five Regional Commissions were founded. The Regional Commissions are tasked with a multitude of tasks under their Terms of Reference. They typically convene once a year to prepare for the Assembly’s General Session. Most Regional Commissions’ activities, especially those pertaining to technical matters, are coordinated through the biennial Regional Conferences. A Bureau of four Delegates proposed by the Regional Commission and elected by the Assembly represents the Regional Commission throughout the year. There are no clear terms of reference or distributions of roles and responsibilities for the members of the Bureau.

67. WOAH may want to explore possibilities for strengthening the Regional Commissions’ efficacy as coordinating mechanisms and strengthen their connection to WOAH’s global governance. In light of any relevant governance changes it would take into consideration Recommendation 13.

4. WOAH’s technical governance (section III.4)

68. When the Organisation was created in 1924, all technical work was meant to be undertaken by the Director-General and the team in the Secretariat before being presented for discussion and adoption by the Assembly. No other organ (such as a Specialist Commission, committee or expert group) was foreseen in this regard.

69. Since then, a number of organs have been set up to prepare increasingly complex scientific and technical decisions in an Organisation with an increasingly broad and diverse mandate and membership.
70. The technical decisions that WOAH was originally called upon to take were mainly linked to drawing up the list of animal diseases subject to notification obligations and to collate veterinary knowledge for the detection, prevention and treatment of these diseases. Today, technical decisions include many more scientific fields, including the annual updating of the WOAH Codes and Manuals, the evaluation of the sanitary status of Members in relation to certain diseases, the global eradication of animal diseases, the evaluation and control of antimicrobial agents of veterinary importance, the certification of diagnostic kits, the adoption of recommendations, directives and guides in new fields relating to animal health which are not yet ready for the adoption of international standards.

71. The preparation of all these decisions is currently undertaken with the involvement of various bodies or groups: four Specialised Commissions, two Working Groups, several dozen ad hoc Groups and, more sporadically, with contributions from more general debates held at global scientific conferences or regional conferences convened on specific scientific or technical subjects. Many of these bodies refer their conclusions and recommendations to the Assembly for final decision, but some decisions are taken directly by these bodies in their own name or under delegated authority from the Assembly. While the composition and mandate of each of these bodies or groups is contained in a legal instrument, there is no text describing the system in its entirety or the interaction and hierarchy between the groups and the rationale.

72. As with other aspects of WOAH's governance, the current situation is thus a patchwork of bodies and procedures that have been over time added to each other rather than a coherent pre-conceived system.

4.1 Simplification and consolidation of technical [subsidiary] governance organs (section III.5.A)

73. As just described, five different types of bodies of different composition, functioning modalities, appointment authorities and responsibilities participate in the development of technical decisions, with no clearly defined distribution of roles and responsibilities or reporting lines between them, especially with regard to the adoption or revision of Standards as the system is based on the Terms of Reference of the Specialist Commissions and evolving practices.

74. The overall review of WOAH's governance structure therefore appears to be the right opportunity to rethink, simplify and streamline the types of technical subsidiary bodies necessary for the preparation of technical decisions, and clarify in particular where these subsidiary bodies take decisions on their own or under delegated authority from the Assembly. The report suggests simplifying and consolidating the various subsidiary technical bodies around three categories according to their nature, composition and expected results to provide greater flexibility in establishment and operation (recommendation 14).

4.2 WOAH's expert base (section III.5.B)

75. Individual and institutional experts play an essential role in WOAH's technical work and do so at minimum cost to the Organisation as no compensation is foreseen for their work or time devoted to WOAH. Yet, their contribution is not formally recognised in any of the basic texts of the Organisation. The report therefore suggests a formal, visible recognition in WOAH's basic texts in consideration for their important contribution to the achievement of the Organisation's goals (recommendation 15).

76. The identification of experts and their appointment to WOAH's various technical subsidiary bodies was intended to be conducted under a unified process, codified in the 1980s in chapter 10 of the General Rules. Since then, experts have been identified and appointed under more or less formal and transparent processes depending on the body to which they are appointed. The report invites WOAH to consider a more consistent approach to the appointment of experts to technical bodies, building on the work already undertaken and experience gained with the recently implemented system for the election of members of Specialist Commissions, and ensuring more transparency in the case of non-elected experts appointed to other technical bodies (recommendation 16).
Particular mention should also be made to the network of Reference Centres which constitute most of WOAH’s expert base. The procedure for their designation and recognition as WOAH’s partners is among the most elaborate and labour-intensive decision-making process. A review of international organisations which also rely heavily on external partners for the provision of scientific and technical expertise shows that lighter, more effective recognition procedures are conceivable.

4.3 **Formalisation of standard setting-procedures and streamlining of other technical decision-making processes** *(section III.5.C)*

The adoption of Standards for terrestrial and aquatic animals is the most important means of reaching WOAH’s aspirational goal of ensuring global animal health and welfare. It is also WOAH's most complex and elaborate workflow and the lengthiest governance process, requiring contributions from several expert bodies and involving a large consultative process with Members and other interested parties before a draft standard is deemed ready for adoption by the Assembly.

While WOAH has been recognised, since 1995, as the source of Standards for animal health and zoonoses in the World Trade Organisation Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), standard setting is the only WOAH technical process that is not formalised or regulated in a comprehensive manner in a legal instrument or published procedure.

All those involved in standard-setting at WOAH, as well as the international community at large, would benefit from a codification of the whole standard setting process to ensure certainty, transparency and legitimacy *(recommendation 17).* All other organisations tasked with the adoption of international standards in their field of competence have clear and accessible procedures defining roles and responsibilities of all those involved in the development of standards and the various steps required in their elaboration. That is certainly the case for WOAH's two 'sister organisations' in the SPS Agreement: the Codex Alimentarius and the International Plant Protection Convention. A summary of their governance structure and standard setting processes is contained in Annex 2 of the report.

Moreover, the repository of recommendations that are the WOAH Standards, contain at present both procedural and substantive standards, as well as some binding standards alongside non-binding or advisory standards. A clearer distinction would contribute to a better understanding and readability of the WOAH Standards *(recommendation 18).*

Other WOAH decisions of a technical nature, such as the determination of diseases and emerging diseases in the context of notification obligations, the official recognition of animal health status, validation of diagnostic kits, etc are regulated at different levels of detail in one or several legal instruments. For the same reasons mentioned with respect to the Standards, the transparency, legitimacy and accessibility of those important decisions would benefit from the integration of each of their respective processes into a single comprehensive legal instrument defining the key players, steps, roles and responsibilities *(recommendation 17).*

5. **WOAH’s financial governance** *(section III.6)*

The Report’s section on financial governance describes the rules and processes applicable to WOAH’s financial governance, including statutory contributions made to WOAH and the implications of Members’ not doing so, management of WOAH resources and its budgetary processes.
5.1 **Modalities of determining statutory contributions** (section III.7.A)

84. Statutory contributions allow WOAH to carry out its mission by offering funding stability, reducing reliance on voluntary contributions, and enabling resource allocation and alignment with the Organisation's goals and plans. Members can select from six categories to determine their statutory contributions under the terms of the Founding Treaty. If a Member Country wants to switch categories, the Organic Statutes only permit contributions in a higher category. In reality, there is no formal procedure or guidelines on this and, in practice, Members are able to select a lower category of contributions.

85. The system of six categories used by WOAH Members to calculate their annual mandatory payments has been adjusted as a result of multiple Assembly Resolutions. By permitting ‘least developed countries’ (‘LDCs’) to pay half of their contributions due under the category of their choice, additional categories have been formed. Furthermore, two rates for extra-ordinary contributions have been set, giving Members an additional two options from which to select when calculating their yearly contributions to WOAH. In 2018, the Assembly decided that, when calculating the contributions for the following year, WOAH will take into account the annual Consumer Price Index (‘CPI’) of the Organisation for Economic Cooperation and Development for the previous year.

86. The above-mentioned extra-ordinary contributions are fixed, but the remaining categories are predicated on projected spending for the following year as well as on the CPI for the previous year. This makes it harder to estimate to what extent extra-ordinary contributions can support activities. Some Members have indicated that they will provide the maximum amount of ‘extra-ordinary’ contributions for several years into the future, but they can amend this as and when they see fit.

87. To help both Members and WOAH plan ahead, the Organic Rules contemplated that the annual contribution rate be established for a three-year period. The practice is however that the contribution rate is established yearly adding to uncertainty about the available funds.

88. WOAH’s World Animal Health and Welfare Fund (World Fund) mobilises complement resources to WOAH’s Regular Budget through voluntary contributions. It can be challenging to ascertain the Organisation's financial needs in a logical manner because of the model's reliance on voluntary contributions and activities supported by those contributions.

89. WOAH’s financing mechanism gives Members and resource partners a lot of latitude in determining how much to contribute to the Regular Budget and/or the World Fund, resulting in the Organisation having little consistency and predictability in terms of resources required for its activities. The Organisation’s share of fully flexible and predictable funding continues to decline compared to voluntary contributions entirely contingent on the generosity and priorities of resource partners.

90. To address this issue, in the past 20 years, WOAH has frequently requested its Members to increase their statutory contributions to meet its budgetary needs for the implementation of its mission and factoring in inflation. For example, WOAH Members have generously agreed to a substantial increase to their statutory contributions for the 2023–2025 period. However, this is not a sustainable solution for the Organisation’s lack of predictable funding. The funding model for WOAH can be enhanced by learning from the experience of other international organisations.

91. WOAH Members have less options in determining their contribution when compared to organisations that use a similar funding model. Wealthier nations also make comparatively smaller contributions to WOAH than they do to comparators, even those applying the same category-based system.

92. The majority of international organisations with a global membership, most notably the United Nations (UN) system, employ assessment scales where each member is assigned a specific percentage of the organisation’s operating costs. This strategy is founded on the solidarity concept that underpins the UN system, according to which wealthy nations promised to foot the bill when they founded the UN agencies.
93. WOAH Members may donate more to the organisation through a voluntary contribution mechanism, although this is much less predictable and puts them at risk of selecting and allocating their resources to programmes that are significant to them but perhaps less so for other Members. Some comparator organisations receive practically all of their funding from statutory contributions; they only rely on donations voluntarily for limited-time, project-specific initiatives.

94. In summary, the WOAH funding mechanism offers minimal predictability and stability for the organisation and is not particularly transparent. To strengthen WOAH's financial model and ensure that it continues to be successful in addressing the issues that its members face, other options should be investigated.

95. In other organisations, the determination of contribution scales is normally made using several objective factors, such as interest rates, the amount of external debt, and payment capacity as well as gross national product. The contribution scale may also be driven by the interests of Members in the Organisation.

96. Few international organisations adopt a contribution system based on a voluntary choice of contribution categories and even among those that have a similar system to WOAH it stands out as having the least difference between the highest and lowest contributions. This difference between the highest and lowest contributions becomes even starker when comparing WOAH to organisations that operate a system of contribution scales.

97. In order to improve financial predictability and stability and guarantee sufficient resources to carry out its mandate, it is advised that WOAH look into alternatives to its current funding model (recommendation 19).

5.2 Treatment of non-compliance with members’ financial obligations (section III.7.B)

98. Membership penalties, such as the loss of voting rights, are frequently imposed by organisations on members who do not pay their dues. Losing the ability to vote is the most frequent sanction; however, it can have different levels of severity. Different kinds of sanctions are used by certain organisations.

99. There were no consequences for non-payment of statutory contributions until the General Rules were adopted in 1973. Under the General Rules, Members not meeting their contribution obligations for a period of two years would be excluded from voting. However, it appears that there is a low threshold for granting waivers to this sanction.

100. The Director General's report to the Assembly on the financial year 2022 featured a colour-coded map depicting the distribution of Members per statutory category, however the outstanding amounts are not provided in written form nor mentioned in the Assembly. The WOAH records that are available to the public and even those to the Delegates do not reflect the actual contributions paid by Members or any arrears due.

101. In contrast, in most other organisations, contributions and potential arrears of each Member are systematically reported and made public. There appears to be nothing currently in the Basic Texts that would prevent WOAH from publishing information regarding Members’ contributions and arrears and following widespread practice in other international organisations.

102. To help lower the amount that is overdue to the Organisation, WOAH could be more open regarding Member contributions and their arrears. Furthermore, conscientious secretariats will consistently remind participants of their financial responsibilities. In order to improve the predictability of WOAH financing, WOAH may incorporate sanctions for Members that fail to make contributions on time into the same legal instrument as the obligation to pay; it may also specify which governance bodies the loss of voting rights pertains to; it may make public members’ contributions and any arrears; and it may investigate the best ways to deal with members who fall behind on their payments (recommendation 20).
5.3 Strategic and budgetary processes (section III.7.C)

103. Because WOAH follows an annual budgeting cycle, its strategic and budgetary processes are labour-intensive for the relevant governance bodies as well as the Secretariat. A two-year budget cycle has become the norm for many organisations because it provides several advantages, including less work for the governance bodies and secretariat, more flexibility in budget allocation within the budgetary period, opportunity for consultation with WOAH Members and other stakeholders, leading to increased transparency and financial predictability for the Organisation and its Members around budgetary and financial decisions.

104. If WOAH decides to implement a two-year financial period, it would be important to determine whether the strategic period should be changed to four or six years (recommendation 21). Comparator organisations with four-year strategic periods split those into two biennial finance periods. While it might be advantageous, matching the term of the Director General to the strategy cycle is not straightforward and nor would it be for the Council term to be aligned with the fiscal period.

6. Conclusion (section IV)

105. While certain recommendations from the report can be implemented independently or in isolation, it is crucial to recognise the intricate interconnections among the majority of the 21 Recommendations. Accordingly, the authors of the report suggest Members consider the report holistically, whereby the entire set of recommendations should be treated as an integrated framework. The initial focus should be on assessing potential alterations to the Organisation's structures and processes. Only after obtaining consensus within WOAH's membership regarding any changes to governance structures, consideration should be given to how best to incorporate those modifications in WOAH's Basic Texts. A revision of the Basic Texts should aim at ensuring a relevant, integrated, accessible and transparent legal framework that allows for more flexibility in responding to the evolving needs of the Organisation, thereby ensuring its sustainability (Annex 4 to the report).
## Annex 1: Recommendations

**Table 1. Recommendations for WOAH’s legal framework, institutional and regional governance, technical governance and financial governance**

<table>
<thead>
<tr>
<th>Major themes</th>
<th>Focus areas</th>
<th>Recommendations</th>
</tr>
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<tbody>
<tr>
<td>Legal framework¹</td>
<td>Mandate</td>
<td><strong>Recommendation 1</strong> – WOAH may wish to unify into a single legal instrument at the highest possible level its purpose and functions as they have evolved since 1924.</td>
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<td></td>
<td>Membership</td>
<td><strong>Recommendation 2</strong> – WOAH may wish to incorporate into the highest possible legal instrument the procedure contained in Resolution 11/81GS for accession to membership, including any adjustments concerning conditions for accession to membership and withdrawal from the Organisation. <strong>Recommendation 3</strong> – WOAH may wish to compile in the highest possible legal instrument the rights and obligations resulting from membership in the Organisation.</td>
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<td></td>
<td>Legal status in its Members</td>
<td><strong>Recommendation 4</strong> – WOAH may wish to acknowledge in the highest possible legal instrument the necessary legal status of the Organisation, representatives and experts from its Members and the staff, regardless of the permanent or temporary presence of the Organisation in any Member. <strong>Recommendation 5</strong> – WOAH may wish to renegotiate the Headquarters Host Agreement with France to provide for conditions equivalent to that foreseen in the general conventions on privileges and immunities and, to the extent possible, on conditions similar to that enjoyed by other organisations headquartered in France.</td>
</tr>
<tr>
<td>Institutional and regional governance</td>
<td>Roles and responsibilities of governance bodies</td>
<td><strong>Recommendation 6</strong> – WOAH may wish to integrate the roles and responsibilities of the Assembly, Council and the Director General into a single legal instrument; adjust them to ensure clarity, clear lines of accountability, and appropriateness, as well as remove any overlaps; and introduce a delegation of authority policy. <strong>Recommendation 7</strong> – WOAH may wish to introduce a limit of two terms of a specified period for the Director General’s appointment.</td>
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<td>Relations with other entities</td>
<td><strong>Recommendation 8</strong> – WOAH may wish to develop an approach that clearly delineates the categories of international agreements requiring Assembly involvement and those that the Director General would have the delegated authority to enter into. WOAH may also wish to adopt an approach to the engagement of partners that are not states, intergovernmental organisations or organisations that are part of WOAH’s expert base, such as Reference Centres.</td>
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<td>Role of Permanent Delegates</td>
<td><strong>Recommendation 9</strong> – WOAH may wish to widen the pool of official representatives of WOAH Members to actively participate at the Assembly and the Council.</td>
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<td></td>
<td>Composition of the Council</td>
<td><strong>Recommendation 10</strong> – WOAH may wish to determine the appropriate size for the Council given that the number of Member Countries has doubled since the Council was codified in the Basic Texts. <strong>Recommendation 11</strong> – Should WOAH decide to increase the size of the Council, the regional distribution of the seats among WOAH regions and the link between Regional Commissions and Council representation would need to be considered alongside the need for a past President on the Council.</td>
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¹ Any possible ‘Reorganisation of WOAH’s Basic Texts’ (see Annex 4 to the full report) will depend on changes proposed as part of the revision process.
<table>
<thead>
<tr>
<th>Region</th>
<th>Governance</th>
<th>Recommendation</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>Governance</td>
<td>12</td>
<td>WOAH may wish to identify the best way to bring in supplementary knowledge to assist Council members in preparing for the General Sessions of the Assembly and assess the usefulness of members of the Council being appointed as Auditors.</td>
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<tr>
<td>Technical</td>
<td>governance</td>
<td>13</td>
<td>WOAH may wish to revisit the functions of the Regional Commissions in coordinating positions on global topics among the Members of the Regional Commission and their relation to the Council. This recommendation should take into account any related governance adjustments made.</td>
</tr>
<tr>
<td>Expert base</td>
<td>Simplification and consolidation of technical governance organs</td>
<td>14</td>
<td>WOAH may wish to re-organise its technical organs around a fewer number of categories in terms that would allow for greater flexibility in their establishment and operation.</td>
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<tr>
<td>Formalisation of standard-setting procedures and streamlining of other technical decision-making processes</td>
<td>15</td>
<td>WOAH may wish to acknowledge the contribution of Reference Centres and individual experts to the work of the Organisation in the highest-level legal instrument.</td>
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<td>16</td>
<td>WOAH may wish to review the manner in which members of the Specialist Commissions are appointed to ensure that their composition corresponds to established criteria. It may also wish to better utilise open calls for candidatures to select experts appointed to other subsidiary technical bodies.</td>
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<tr>
<td>Financial</td>
<td>governance</td>
<td>17</td>
<td>WOAH may wish to document its standard setting process as well as other technical decision-making processes into a single legal instrument.</td>
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<td>18</td>
<td>WOAH may wish to better differentiate in the Codes and Manuals between standards that create obligations for Members and standards that constitute advice to Members, as well as between procedural and substantive standards.</td>
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<td>19</td>
<td>WOAH may wish to explore alternatives to its current funding model with the aim of enhancing WOAH’s financial predictability and stability and ensuring that it has adequate resources to sustainably deliver on its mandate.</td>
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<td></td>
<td>20</td>
<td>To encourage timely contribution payment from all its Members, WOAH may wish to increase its transparency of contributions and arrears, explore possible incentives, and clarify the scope of sanctions applicable to Members in arrears.</td>
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<td></td>
<td>21</td>
<td>WOAH may wish to adopt a two-year financial and budgetary period which could be aligned to the strategic planning and election cycles.</td>
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