



# WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD  
117th Session  
Provisional agenda item 3

EB117/3  
23 January 2006

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## Report of the Programme, Budget and Administration Committee of the Executive Board

1. The third meeting of the Programme, Budget and Administration Committee of the Executive Board was held in Geneva from 18 to 20 January 2006, under the Chairmanship of Ms J. Halton (Australia). The list of participants is annexed. The Committee adopted the provisional agenda.<sup>1</sup>

### Agenda item 2 Strategic directions

2. The Chairman said that she had proposed this agenda item in order to ensure that Member States, through the Committee, not only had a better understanding of the management reforms being undertaken but also were able to contribute substantially to critical managerial issues.

#### 2.1 Management reforms and processes in WHO: overview (Document EBPBAC3/2)

3. The Committee generally supported the managerial reforms being undertaken, and raised some concerns about their monitoring and assessment, and their interlinkages. It was emphasized that, with increased resources at regional and country levels, strengthening WHO's work at the country level was crucial. In response to queries, it was confirmed that the reforms were being implemented across all levels of the Organization, with benefits already being felt in many areas. It was noted that full benefits of some changes would only materialize with the implementation of the global management system in 2007.

4. The Committee welcomed the important improvements achieved in the management of financial resources. Members also discussed the consequences of the changing pattern of funding over recent years, whereby more than 70% of resources now came from voluntary contributions. The Committee also drew attention to the earmarking of voluntary contributions and the need to ensure alignment with the agreed priorities as set out in the programme budget. It asked about the adequacy of the level of programme support costs; further analysis was warranted. In relation to resource mobilization, it noted the need to ensure a more strategic and coordinated approach Organization-wide, while maintaining a successful decentralized implementation.

5. The Committee discussed the management of human resources in depth in the light of the various reforms being introduced. It noted the importance of performance management and the fact that the introduction of a mobility and rotation policy had been delayed pending improvements in human resource planning across the Organization.

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<sup>1</sup> Document EBPBAC3/1.

6. The Committee was also updated on the state of staff relations in the Secretariat, in particular in headquarters. It noted that the redistribution of resources agreed to in the Programme budget 2006-2007 would decrease the number of staff in headquarters, and that an unprecedented number of support measures had been put in place. It was recognized that staff anxieties in such circumstances were inevitable, and that effective strategies to manage them would be very important.

7. The Committee concluded that the subject of management reforms and processes should be regularly placed on the agenda of its meetings, and updates should be provided as the reforms proceeded.

### **Agenda item 3 Matters for review by and/or recommendations to the Executive Board**

#### **3.1 Eleventh General Programme of Work, 2006-2015 (Documents EB117/16 and EB117/16 Add.1)**

8. The Committee noted the critical importance of the Eleventh General Programme of Work in defining a global health agenda and identifying the role of WHO in its achievement. The Committee noted the consultation process through which Member States and a broad range of partners had provided input.

9. The Committee commended the Secretariat's work in developing the draft Eleventh General Programme of Work as a strategic document. Recognizing that it would be further elaborated through the medium-term strategic plan, the Committee noted the need to identify clearly the value-added role and mandate of WHO in relation to other public-private health partners, and to articulate better the implication of WHO's core functions. It emphasized the need to ensure that the Programme was a dynamic instrument that could be effectively monitored and its achievements evaluated, and would enable WHO to address changes in the health situation and respond to unexpected crises.

10. The Committee made a range of general comments, and some more detailed, on the text. It considered that it could not recommend to the Board that the current document should be forwarded to the Health Assembly. It proposed that the document should be revised to take into account comments received during consultations and those made by Committee members, in order to include the following points:

- there was broad agreement on situation analyses, gaps, and the global health agenda, but the objective of the Eleventh General Programme of Work and the way in which it differed from previous ones needed to be clarified
- a more balanced discussion was needed in such areas as the "medical" field, health determinants, reproductive health, health promotion, communicable and noncommunicable diseases, the role of ministries of health and medical personnel in national public health, the role of the private sector, in particular in relation to trade and medicines, the role of individuals and communities in decision-making, and so forth
- the global health agenda was all encompassing; there should be an ordering of priorities
- WHO's role had been insufficiently discussed and should be more ambitious; ways in which WHO would change in order to respond to the global health agenda, and WHO's future role in a reformed United Nations system should be indicated; and the role of external partners, and their work with WHO, should be clarified.

11. The Committee suggested a process for revision that would involve discussion by the Executive Board of the substance of the document, taking into consideration the comments of the Committee and other substantive issues raised in consultations held since the draft was produced. It was suggested that the Chairman of the Executive Board could specify in his summing up for the record the Board's substantive recommendations and conclusions so that the Secretariat could revise the document. The Executive Board might wish to delegate to the Committee the responsibility to ascertain that the Board's conclusions had been properly incorporated, by way of an extraordinary meeting of the Committee at the end of February (see paragraph 48 below).

### **3.2 Medium-term strategic plan (Document EBPBAC3/5)**

12. The Committee acknowledged the value of having a strategic plan and welcomed the consultative process for its development and adoption. Members stressed the importance of ensuring coherence and consistency among the General Programme of Work, the medium-term strategic plan and the programme budget. The Committee acknowledged the role of the medium-term strategic plan in providing continuity across bienniums while emphasizing the need to provide the necessary flexibility to enable WHO to respond effectively to emergencies and changes in the health environment.

13. Noting that the General Programme of Work established the framework for the medium-term strategic plan, the Committee raised concerns that the period covered by the medium-term strategic plan and General Programme of Work were not fully synchronized. As a result, the second medium-term strategic plan would be adopted before approval of the Twelfth General Programme of Work. The Committee agreed that options for the time periods covered by the General Programme of Work and the medium-term strategic plan should be set forth in the progress report on preparation of the medium-term strategic plan to be submitted to the Committee at its fourth meeting in May 2006.

14. The issue of attempting to align the periods covered by the medium-term strategic plan and national planning cycles was raised. However, it was suggested that such alignment was not essential as national plans were seen as providing input into the preparation of WHO's plans, and vice versa. In that context, the role of WHO's Country Cooperation Strategy in informing development of the medium-term strategic plan was noted.

15. Concern was expressed that in determining strategic objectives related to the Millennium Development Goals, the Eleventh General Programme of Work and the medium-term strategic plan should not envisage results that had lower expectations than the Goals.

16. Recognizing that within the United Nations system there were areas of shared responsibilities and acknowledging the need for active collaboration among organizations of the system and with other partners, the Committee noted the need to avoid duplication of effort. An essential element in development of the strategic plan would be an analysis of activities undertaken by organizations of the system and other partners in relation to the strategic objectives in order to identify where WHO's strengths lay.

17. Some members highlighted the importance of indicating priorities among the strategic objectives. It was noted that a prioritization would implicitly be undertaken through a review of the 15 strategic objectives in order to determine which would receive a high, medium or low level of investment.

18. The Committee acknowledged the need to establish realistic and measurable indicators that built on lessons learnt from preparing the programme budget and would permit effective monitoring of the medium-term strategic plan.

### **3.3 Guiding principles for strategic resource allocations, including validation mechanism (Document EB117/17)**

19. The Committee welcomed the Secretariat's work on this difficult topic.

20. The Committee received clarification on a number of issues, which it wished to bring to the Board's attention. It noted that this work aimed to strengthen WHO's results-based planning and budgeting, and that the objective of the validation mechanism was to determine whether the budgeting process met the need for equity and focus on countries in greatest need. It was informed that the ranges derived for the validation mechanism did not constitute allocations, and that the different components of the mechanism reflected the work of WHO, providing aggregated regional resource ranges, and did not prescribe how resources should be used within a region.

21. Some members questioned the validity of the engagement component and were advised that removal of the engagement factor would have little effect on the outcome as the regional range included the fixed-based component and the needs-based component; many different factors could be increased or decreased, none of which would lead to major variations. The Committee expressed confidence that a balanced approach had been taken in the preparatory work.

22. Some members asked that all least-developed countries should be given equal weight with that of Members in decile 1 of the needs-based component in the validation mechanism. The Committee was informed that the mechanism provided significantly more weight to countries in greatest need, but did not single out least-developed countries as a particular group; because of the way such countries were categorized, not all fell within the applied definition of countries in greatest need. The impact of modifying the weightings was uneven across regions. No consensus was reached.

23. Overall, there was a consensus among members, in the context of the agreed guiding principles, on the proposed use of the validation mechanism. The Committee recognized that the mechanism provided a good approach for assessing results-based resource requirements. The Committee particularly welcomed the sharp focus on countries in greatest need, in particular the least-developed countries, and the inclusion of all sources of funds.

**The Committee recommended that the Executive Board should consider the report contained in document EB117/7.**

### **3.4 Real Estate Fund: progress report (Document EB117/18)**

24. The Committee welcomed the proposed strategic approach to managing and maintaining the Organization's real-estate assets. It expressed general support for and took note of the report and the proposed plan of action.

25. The importance of establishing a baseline for real estate, validating future needs by an external party and pursuing all financing options was stressed by some members of the Committee.

**The Committee recommended that the Executive Board should take note of the report and plan of action contained in document EB117/18.**

### **3.5 Status of collection of assessed contributions, including Members in arrears in the payment of their contributions to an extent that would justify invoking Article 7 of the Constitution (Document EB117/19)**

26. The Committee noted the report, in particular the fact that at 31 December 2005 the rate of collection of assessed contributions was 90% for the year 2005 and 94% for the biennium 2004-2005. It also noted that arrears totalled US\$ 140 million, of which US\$ 58 million were due under special arrangements authorized by the Health Assembly.

27. The Committee welcomed the fact that a significant number of Member States had made advance payment of their assessment for 2006. It also noted that, since finalization of the report as of 31 December 2005, several Members had made full or partial payment of assessed contributions: Albania, Democratic People's Republic of Korea, Denmark, Fiji, Germany, Guyana, Iceland, India and Tuvalu in respect of 2006; Bulgaria, Chile, Democratic People's Republic of Korea, India and Lithuania in respect of 2005; and Chile, Kyrgyzstan and Tajikistan in respect of arrears.

28. Even though the progress made to resolve long-term arrears through the agreement of additional special arrangements was welcome, the Committee noted that some Member States continued to experience difficulty in meeting their obligations and that it was important that the Secretariat should seek to resolve the matter of long outstanding arrears through continued dialogue with the Members concerned.

29. Further information on the status of collection and Members in arrears in payment to an extent that would justify invoking Article 7 of the Constitution will be provided at the Committee's next meeting in May 2006, when it would formulate the necessary recommendations in connection with Members affected by Article 7.

**The Committee recommended that the Executive Board should take note of the report contained in document EB117/19.**

### **3.6 Human resources: annual report (Documents EB117/21, EB117/21 Add.1 and EB117/21 Add.1 Corr.1)**

30. The Committee welcomed the degree of detail and transparency in the report, taking particular note of the improvement in the representation of women in the professional and higher categories and the continuing efforts to broaden geographical representation, which in 2005 had been focused on countries in the Western Pacific Region. Members reiterated offers to assist WHO in its outreach activities, particularly in relation to recruitment of nationals from developing countries. They also requested that the impact of the strategic direction and competency review exercise on the geographical profile of the workforce at headquarters should be monitored. In particular, a report should be made on the change in the number of staff on short- and fixed-term contracts at the end of the exercise.

31. The Committee expressed its appreciation of the increased emphasis placed on leadership development and staff learning; the initiatives taken to encourage greater mobility of staff and the efforts to improve the workplace environment were also welcomed. In addition, members commended the continuing development of tools for facilitating decentralization of human resources management, including the human resources e-Guide and the electronic post description writing system, which was allied to the new United Nations Master Standard for classification of professional posts. The

Committee noted with concern the lack of advancement on the recruitment of nationals of developing countries.

32. The Committee asked that future reports should differentiate between, on the one hand, the number of staff appointed to internationally-recruited posts through a competitive process following the issuance of a vacancy notice and, on the other, the number of direct appointments made by the Director-General. Members also sought information on the mother tongue and language proficiency of staff. In response to the Committee's request for a report on the languages staff were proficient in, it was indicated that, although this was not currently possible given existing information systems, it might be feasible to provide such a report in the future, depending on the requirements concerned and the costs involved.

**The Committee recommended that the Executive Board should take note of the report contained in document EB117/21.**

### **3.7 Confirmation of amendments to the Staff Regulations and Staff Rules** (Document EB117/23)

33. The Committee was informed that the changes to the Staff Rules concerning the staff assessment scale stemmed from United Nations General Assembly resolution 60/248, which had been adopted at that body's sixtieth session on the basis of a recommendation made by the International Civil Service Commission. It was also informed that the salary costs stemming from the changes to the Staff Rules had been accommodated in the budget; such changes had no financial implications since they resulted in a reduction in gross salaries, with no impact on net salaries.

**The Committee recommended that the Executive Board should adopt the two draft resolutions contained in document EB117/23.**

## **Agenda item 4 Matters for information or action by the Committee**

### **4.1 External and internal audit recommendations: tracking of implementation** (Document EB117/20)

34. In response to questions from some members of the Committee, it was clarified that the tracking document as developed was essentially for internal management purposes. However, the internal and external auditors, both of whom submitted reports to the governing bodies, would have access to it, and would report on the status of implementation of their recommendations. Members emphasized that the sound tracking of audit recommendations was critical for good governance.

35. The representative of the External Auditor reminded the Committee that his report to the Health Assembly would include a schedule showing the status of implementation of significant recommendations, both past and present, and that if anything significant was apparent from the audit tracking, he would report on it.

36. The Committee was advised that tracking was the penultimate step in the audit process, and that internal audit routinely followed up its recommendations and the action reported thereon, including re-verification if that was judged necessary.

#### **4.2 Report of the Office of Internal Oversight Services (Document EBPBAC3/3)**

37. The Committee reviewed the Report of the Office of Internal Oversight Services containing an update on the strengthening of the Office, the current staffing and the plan of work for 2006.

38. The Committee welcomed the recent increases in staffing and skills mix of the Office. It also appreciated the move into auditing and evaluating the core programmatic work of the Organization in addition to auditing the financial and administrative areas. In questioning the time spent by the Office on related, but non-WHO, entities (UNAIDS, IARC, etc.), the Committee was assured that required audit coverage was managed so that the primary responsibilities of the Office to WHO were fulfilled. The Committee also noted the joint WHO/PAHO audit activity managed by the Office and the funding provided by PAHO.

39. In reviewing the current evaluation work, the Committee noted the progress made on implementation of recommendations from the fellowship evaluation, and requested that it should continue to be apprised of implementation until closure of the project.

40. The Committee examined the summary of the plan of work provided and noted that the coverage included audit, evaluation and investigation projects all spread across headquarters, regional offices and country offices. It concurred with the risk-based prioritization of audit projects that had been selected by the Office with the input of senior officials in the Secretariat, and indicated that in future it would welcome more detail about the plan of work and the outcomes of internal risk assessments.

41. The Committee encouraged the Office to maintain its current direction and to continue to provide information on audit results.

**The Committee noted the report of the Internal Auditor.**

#### **4.3 Report of the International Civil Service Commission (Document EB117/22)**

42. The Committee was informed of the decisions taken by the United Nations General Assembly on the International Civil Service Commission's recommendations. Some of the latter had been deferred by the General Assembly for consideration in March 2006 when it resumed its sixtieth session. The Committee noted that the main outstanding issues related to the new mobility and hardship scheme, the review of contractual arrangements and the evolution of the United Nations/United States net remuneration margin.

**The Committee recommended that the Executive Board should take note of document EB117/22.**

#### **4.4 Reports of the Joint Inspection Unit (Documents EB117/25 and EB117/26)**

43. The Committee reviewed the implementation of the recommendations of the reports of the Joint Inspection Unit on multilingualism and access to information in WHO.<sup>1</sup> Members saluted the efforts

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<sup>1</sup> Document EB117/25.

of the Secretariat in this area and expressed their satisfaction with the progress made over the past few years. Already a cursory examination of the WHO web site clearly showed the improvements.

44. Some concern was raised about the reason for the delay in submitting to the Executive Board the promised draft medium- and longer term plan of action on multilingualism. Another member asked about the mandate, composition and duration of the task force on multilingualism.

45. The Committee was informed that, with limited means at its disposal, the Secretariat had to choose between initiatives (such as improving WHO's web site), in the absence of a clearly defined strategy on multilingualism, and drawing up a draft strategy. Inverting the logical order by starting activities had thus delayed finalizing the strategy. The Committee noted that the plan of action would be ready for submission by 2007. It was further informed that the mandate of the task force on multilingualism would last for three to five years; the work of the task force had just started and its main objective was to elaborate a global strategy on multilingualism for WHO.

**The Committee recommended that the Executive Board should take note of the report contained in document EB117/25.**

46. The Committee heard an oral summary of the report on recent reports of the Joint Inspection Unit, which had not yet been made available and which contained WHO's comments on eight reports issued in 2004 and 2005.<sup>1</sup>

#### **4.5 Programme, Budget and Administration Committee of the Executive Board: review of terms of reference (Document EBPBAC3/4)**

47. The Committee reviewed its terms of reference. After discussion of the nature and timing of its work, and clarification on the distinction between the Committee's making recommendations to the Executive Board, and acting on behalf of the Board to make recommendations to the Health Assembly, members agreed that the terms of reference did not need to be changed. It was further agreed that the current composition of the Committee is adequate.

48. With regard to the periodicity of meetings of the Committee, however, it was agreed that the Committee should make one recommendation to the Board. The current arrangements, as contained in resolution EB114.R4, specified two meetings of the Committee each year, one before the January session of the Board and the other before the Health Assembly.

**The Committee proposed that in the annex to resolution EB114.R4, the paragraph entitled "Periodicity of meetings" should be amended by addition of the following sentence at the end: "The Board may decide to convene extraordinary meetings of the Committee in order to deal with urgent matters that fall within the terms of reference of the Committee and that need to be considered between regular meetings of the Committee."**

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<sup>1</sup> Document EB117/26.



**Agenda item 5 Adoption of report and closure of meeting**

49. The Committee adopted its report and agreed to hold its next regular meeting on Friday, 19 May 2006.

ANNEX

**LIST OF PARTICIPANTS**

**MEMBERS, ALTERNATES AND ADVISERS**

**Australia**

Ms J. Halton (Chairman)

Ms C. Patterson (Adviser)

Mr M. Sawers (Adviser)

**Bahrain**

Dr Sameer Khalfan (alternate to Dr N.A. Haffadh)

**Bhutan**

Dr J. Singay

Mr P. Wangchuk (Adviser)

Ms D. Tshering (Adviser)

**Canada**

Mr D. MacPhee (alternate to Mr I. Shugart)

Mr D. Strawczynski (Adviser)

Mr P. Oldham (Adviser)

**France**

Mr G. Delvallée (alternate to Professor D. Houssin)

Mrs J. Tor-de Tarlé (Adviser)

Mrs P. Renoul (Adviser)

Mr J.-F. Trogrlic (Adviser)

**Iraq**

Dr S.N. Mahmood (alternate to Dr A.M. Ali Mohammed)

Mr E. Aziz (Adviser)

Mrs M. Yass (Adviser)

**Jamaica**

Dr B. Wint (alternate to Mr J. Junor)

**Lesotho**

Mr T. Ramotsoari (alternate to Dr M. Phooko)

Mrs M. Pheko (Adviser)

**Portugal**

Professor J. Pereira Miguel

Mr J. Sousa Fialho (Adviser)

**Thailand**

Dr Viroj Tangcharoensathien (alternate to Dr Suwit Wibulpolprasert)

Dr Sopida Chavanichkul (Adviser)

**Tonga**

Dr V. Tangi

**MEMBER STATES NOT MEMBERS OF THE COMMITTEE**

Dr H. Friza (Austria)

Mrs F. Gustin (Belgium)

Mr P. M. de Castro Saldanha (Brazil)

Mrs L. Arango (Colombia)

Mr H. Fiil-Nielsen (Denmark)

Dr H. Inoue (Japan)

Ms T. Tsujisaka (Japan)

Mrs C. Goy (Luxembourg)

Mrs D. Valle (Mexico)

Mr G. Thapa (Nepal)

Ms T. Kongsvik (Norway)

Mr N. Lozinskiy (Russian Federation)

Ms D. Mafubelu (South Africa)

Mrs B. Schaer Bourbeau (Switzerland)

Mr T. Kingham (United Kingdom of Great Britain and Northern Ireland)

Dr C. Presern (United Kingdom of Great Britain and Northern Ireland)

Ms H. Nellthorp (United Kingdom of Great Britain and Northern Ireland)

Ms C. Kitsell (United Kingdom of Great Britain and Northern Ireland)

Ms A. Blackwood (United States of America)

Mr D. Hohman (United States of America)

Ms P. Nyagura (Zimbabwe)

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