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

1. The nineteenth meeting of the Programme, Budget and Administration Committee was held in Geneva on 16 and 17 January 2014 under the chairmanship of Dr Dirk Cuypers (Belgium).¹ The Committee adopted its agenda,² and agreed to gather the discussion of the agenda items within six groups, namely: (1) WHO reform; (2) financial and control matters; (3) human resources; (4) information and communications technology; (5) operations and business; and (6) audit and quality.

GROUP 1: WHO REFORM

2. The Committee welcomed the observations of the Chair of the Independent Expert Oversight Advisory Committee, the recommendations of the independent evaluation team on the second stage evaluation of reform, and the response of the Secretariat to the evaluation.

3. Given the broad scope of WHO reform, the Committee underlined the importance of prioritizing the reforms that will have the greatest impact, highlighting in particular coordinated resource mobilization and human resources reform in that regard.

4. The Committee reiterated that responsibility for the success of the reform of WHO was shared by the Secretariat and Member States, in particular as regards governance reform. The Committee called on Member States to expedite the implementation of the governance reforms in order to achieve strengthened oversight and strategic decision-making by WHO's governing bodies. Further, the Committee expressed its concern regarding the increasing number of agenda items and resolutions for meetings of the governing bodies and called upon the Secretariat to continue to enhance the quality and timeliness of delivery of the documentation relating to the reform agenda.

5. The Committee expressed broad support for the Secretariat's proposed approach to strengthen implementation of WHO reform and change management, and to achieve greater staff engagement. In particular, the Committee welcomed the envisaged strengthening of the reform results framework, conduct of a reform impact assessment, and revision of the reform implementation plan for presentation to WHO's governing bodies in May 2014.

6. The Committee requested that the principles of transparency and accountability to be an integral part of the whole reform process.

¹ The list of participants is available in document EBPBAC19/DIV./1.

² Document EBPBAC19/1 Rev.1.

GROUP 2: FINANCIAL AND CONTROL MATTERS

Agenda item 2.1 Financing dialogue (Document EB134/9)

7. The Committee recommended that the Executive Board continue the dialogue process and the implementation of the nine conclusions of the report. The Committee advised that consideration be given to the administration costs in all projects. Additionally, the Committee called for special attention to be paid to continuing investment in buildings and fixed assets. It also called for: a broadening of the funding base to both Member States and non-State actors; continued enhancement of the scope and quality of data in the web portal; and further elaboration of the planning to ensure flexible, transparent and coordinated resource mobilization in support of agreed priorities.

The Committee recommended that the Executive Board note the report by the Secretariat contained in document EB134/9.

Agenda item 2.1 Strategic resource allocation (Document EB134/10)

8. The Committee considered the Secretariat's report and welcomed the approach outlined as the basis for further discussion towards a new strategic resource allocation methodology for WHO that would be used in the development of the programme budget for 2016–2017.

9. In particular, the Committee agreed that the new strategic resource allocation methodology should be based on, among other considerations, the three pillars of robust bottom-up planning, realistic costing of outputs and clear roles and functions across the three levels of the Organization, being mindful of ensuring administrative efficiency.

10. The Committee agreed that further consultations were required before the Sixty-seventh World Health Assembly in May 2014 and proposed that pragmatic means and the Programme, Budget and Administration Committee be used to facilitate the engagement of Member States. The Committee considered the possibility of its holding an extraordinary meeting and requested the Director-General - in consultation with the Chairmen of the Executive Board and Programme, Budget and Administration Committee - to present feasible options to be considered by the Executive Board.

The Committee recommended that the Executive Board note the report by the Secretariat on strategic resource allocation.

Agenda item 2.1 Financing of administration and management costs (Document EB134/11)

11. The Committee welcomed the document, and the proposed definitions, budgeting and financing approaches. It recommended that in future more detailed costs of hosted partnerships and governing bodies be provided.

12. The Committee also recommended that the Executive Board ensure that a mechanism was established (as part of the planning process for the programme budget for 2016–2017) for a realistic and equitable allocation of costs based on the consumption of services. The Committee requested that a continued effort be made to achieve efficiency gains, with clear benchmarking, and attention paid to the need to promote transparency in order to increase donor confidence.

The Committee recommended that the Executive Board note the report by the Secretariat contained in document EB134/11.

Agenda item 3.2 Implementation of Programme budget 2012–2013: update
(Document EBPBAC19/2)

13. The Committee considered and noted the report by the Secretariat contained in document EBPBAC19/2 and welcomed the update on the implementation of the Programme budget 2012–2013.

Agenda item 3.3 WHO's internal management control framework
(Document EBPBAC19/3)

14. The Committee took note of the report, welcomed the progress made and encouraged the Secretariat to continue its efforts to implement the framework consistently and comprehensively. The Committee further highlighted the importance of training staff in order to bring about the required culture change and to improve compliance. The Committee requested the Secretariat to present the tracking of improvements in audits in future reports. It also requested that the framework be applied across the Organization.

15. The Committee agreed with the observation made by the Independent Expert Oversight Advisory Committee that regional committees should play a greater role in ensuring that management and internal control issues are regularly considered.

Agenda item 2.2 Evaluation (Document EB134/38)

16. The Committee considered the evaluation report for the period 2014–2015 and observed that improvement had been made in the quality assurance process and in the development of infrastructure to support evaluation. It requested the Secretariat to ensure compliance with evaluation requirements across the United Nations including those in frameworks, e.g. the United Nations System-wide Action Plan.

17. The Committee recommended that sufficient resources should be attributed to this task, and to ensure progress on the Global Network on Evaluation's "deliverables" and plans for 2014.

The Committee recommended that the Executive Board note the report of the Secretariat contained in document EB134/38.

Agenda item 2.3 Real estate: update on the Geneva buildings renovation strategy
(Document EB134/41)

18. The Committee considered the Secretariat's report and indicated the necessity of proceeding with the proposed strategy. However, the Committee requested that more comprehensive and detailed financial information, including building specifications, be provided in due time for the Health Assembly to make an informed decision in May 2015. It also stressed the need for the Secretariat to draw on the experiences of other Geneva-based United Nations entities so as to help ensure that the projects remain within their respective budgets.

The Committee recommended that the Executive Board note the report of the Secretariat contained in document EB134/41.

GROUP 3: HUMAN RESOURCES

Agenda item 2.5 Revised human resources strategy (Document EB134/INF./2)

19. The Committee welcomed the revised human resources strategy, and in particular the three main pillars: attracting talent; retaining talent – career management; and an enabling working environment; with four cross-cutting principles: gender balance, diversity, collaboration, and accountability.

20. The Committee expressed its support for the strategy, underlining that its implementation is a shared responsibility across all three levels of the Organization. Although the phased approach – with the period 2013-2015 for design and construction and 2016-2020 for implementation, monitoring and assessment of implementation against success indicators – seemed somewhat long, the Committee was reassured that a number of elements were ready for implementation and would shortly be available.

The Committee recommended that the Executive Board note the report and requested the Secretariat to:

- provide further opportunities to discuss the human resources strategy in more depth in order to benefit from the relevant strategic guidance;
- continue to strengthen performance management;
- expedite the implementation of the elements contained within the human resources strategy, reporting periodically on progress made;
- provide additional details on the change management strategy that is envisaged for supporting implementation of the human resources component of WHO reform.

Agenda item 2.5 Human resources – interim annual report for 2013 (Document EB134/49)

21. The Committee noted the report as being an interim report covering the period 1 January 2013 to 31 July 2013 and that a report on the full year would be presented to the Health Assembly in May 2014.

22. The Committee was pleased to note the additional information provided on non-staff contracts and costs and, as they represent a significant portion of the workforce, indicated its wish to see these contract types governed in a more strategic manner.

23. The Committee reviewed the detailed report on the human resources for the Global Polio Eradication Initiative, expressed concern at the long-term liabilities described therein, as well as appreciation for the work done to document the potential financial liabilities associated with eventual programme closure. The Committee asked to be kept informed of progress in the implementation of the plan for managing such liabilities, through future human resources reports.

The Committee recommended that the Executive Board note the report and requested the Secretariat to:

- continue its efforts to improve gender balance and equitable geographical representation;

- ensure a more efficient and appropriate use of non-staff contractual modalities;
- implement fully the plan of action it has developed to reduce and manage the financial liabilities associated with polio-funded human resources, including establishment of a plan for the downscaling of these human resources in line with the milestones of the polio eradication and endgame strategic plan 2013–2018, and on the basis of that plan, refine the estimates for a terminal indemnities fund and define the options for its financing.

Agenda item 2.6 Report of the International Civil Service Commission
(Document EB134/50)

24. The Committee considered the report by the Secretariat contained in document EB134/50. The Committee highlighted the importance of the review of the compensation package being undertaken by the Commission and expressed support for this review, stressing that the review should take into account the impact on the budget and financial sustainability of organizations of the United Nations common system and that the compensation package should be a tool for supporting excellence and good performance management.

The Committee recommended that the Executive Board take note of the report.

Agenda item 2.7 Amendments to the Staff Regulations and Staff Rules
(Document EB134/51)

25. The Committee considered the amendments to the Staff Regulations and Staff Rules and noted that the report contained two draft resolutions: resolution 1 on amendments to Staff Rules concerning the remuneration of staff in the professional and higher categories and with respect to the level of education grant to be recommended to the Executive Board for approval; and resolution 2 on adjustments to the remuneration of staff in ungraded posts and of the Director-General for the Executive Board to recommend to the Health Assembly.

The Committee recommended that the Executive Board adopt draft resolution 1 as amended below:

Resolution 1

The Executive Board,

Having considered the report on amendments to the Staff Regulations and Staff Rules,¹

CONFIRMS, in accordance with Staff Regulation 12.2, the amendments to the Staff Rules that have been made by the Director-General with effect from 1 January 2014 concerning the remuneration of staff in the professional and higher categories, and with effect from the school year in progress on 1 January 2013 in respect of the level of the education grant.

REQUESTS the Director-General to convey to the International Civil Service Commission (ICSC) and the United Nations General Assembly the views of WHO Member States that rising

¹ Document EB134/51.

staff costs are having a considerable budgetary impact on the Organization and request that the ICSC study the impact of their recommendations on the budgets of common system organizations particularly within the context of their ongoing comprehensive compensation review.

The Committee also recommended that the Executive Board adopt resolution 2. No amendment was proposed.

GROUP 4: INFORMATION AND COMMUNICATIONS TECHNOLOGY

Agenda item 3.4 Annual report on Information technology and telecommunications (Document EBPBAC19/4)

26. The Committee welcomed and noted the first annual report on information technology and telecommunications contained in document EBPBAC19/4, and highlighted the critical role of information technology in supporting the work of the Organization.

27. The Committee endorsed the mandate and the strategic direction of information technology presented in the report, and requested the Secretariat to report back on the progress of implementation. More specifically, the Committee suggested that, in future reports, the Secretariat include details of the projects and costs, including capital and operational expenditures, connected with each of the five key areas of the mandate; and to highlight how the work of information technology supports the work of the Organization. The Committee also suggested that relevant information, for example a catalogue of information technology services, be made available for the staff and Member States on the internet.

GROUP 5: OPERATIONS AND BUSINESS

Agenda item 3.1 Programmatic matters: update – health systems

28. This programmatic item was included in the agenda in order to provide the Committee with an opportunity for strategic reflection and discussion on technical work by the Secretariat, and with a proposal to cover one category at each meeting of the Committee. Category 4 was chosen as the first to be presented, because of the horizontal nature of the work of the Secretariat in this area. A presentation given by the Secretariat highlighted a major objective of strengthening health systems, which is to enable the efficient and integrated delivery of all health services, from health promotion and prevention to treatment, rehabilitation and palliation, and to support Member States in moving towards universal health coverage. The Committee expressed appreciation for the presentation of the technical area and for the approach taken by the Secretariat in promoting cross-sectoral work between category 4 and the other technical categories.

29. The Committee recommended that the Executive Board continue to promote health systems strengthening as a means of advancing universal health coverage, especially in support of service delivery, access to medicines and sustainable financing of health services; and to promote the critical importance of public health.

30. The Committee requested the Secretariat to continue to: strengthen cross-sectoral collaboration between category 4 and the other WHO technical categories, across all levels of the Organization; support countries in strengthening their health systems and moving towards universal health coverage, using a tailored approach; and to enhance WHO's advocacy at the country level in this regard.

Agenda item 2.4 Hosted health partnerships (Document EB134/42)

Agenda item 3.8 Periodic review of WHO-hosted partnerships
(Document EBPBAC19/8)

31. The Committee welcomed the regular review of the hosted partnerships.

32. The Committee confirmed that the results of independent evaluations on the performance and activities of hosted partnerships conducted under the auspices of their respective boards should be communicated to WHO's governing bodies as part of the Secretariat's reporting on hosted partnerships and asked that partnerships evaluations conducted by the Committee are based on a notion of prioritization.

The Committee recommended that the Executive Board note the report of the Secretariat contained in document EB134/42.

The Committee approved the framework for periodic review of hosted partnerships.

GROUP 6: AUDIT AND QUALITY

Agenda item 3.5 Report of the Office of Internal Oversight Services
(Document EBPBAC19/5)

33. The Committee recognized the need to allocate necessary resources for the effective coverage of programmatic and operational risks, specifically in the context of the competing demands on the areas of work within the mandate of the Office of Internal Oversight Services.

34. In response to particular questions on the risks presented by the direct financial cooperation, the Secretariat reported that a global audit of such cooperation would be initiated in early 2014 and that the relevant findings would be provided to Member States by May 2014.

The Committee noted the report of the Office of Internal Oversight Services contained in document EBPBAC19/5.

Agenda item 3.6 Report of the Independent Expert Oversight Advisory Committee
(Document EBPBAC19/6)

35. The Committee expressed its appreciation to the outgoing Chair and looked forward to welcoming the incoming Chair of the Independent Expert Oversight Committee.

36. The Committee recommended that the Executive Board continue to support the work of the Independent Expert Oversight Advisory Committee and the incoming members of the Committee.

37. The Committee also recommended that the Independent Expert Oversight Advisory Committee and Programme, Budget and Administration Committee continue to exchange views on better management of evaluation.

38. The Committee requested the Secretariat to review its capacity for managing internal controls and highlight clearly how that capacity will be developed; and to finalize and submit the corporate risk register to the Programme, Budget and Administration Committee for review.

The Committee noted the report of the Independent Expert Oversight Advisory Committee contained in document EBPBAC19/6.

Agenda item 3.7 Reports of the Joint Inspection Unit (Document EBPBAC19/7)

39. Noting the ongoing study of the Joint Inspection Unit on the use of non-staff contracts, the Committee recommended that the Executive Board should continue to support the Secretariat in ensuring careful planning in the execution of work through consultancy arrangements.

40. The Committee requested the Secretariat to consult closely with countries before appointing consultants and ensure the quality of their work and reports; and to ensure adequate disclosure of the use of consultants in the periodic reviews and evaluations carried out.

The Committee welcomed and noted the report by the Secretariat contained in document EBPBAC19/7.

Agenda item 4. Adoption of the reports and closure of the meeting

The Committee adopted its report.

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