
WHO reform: overview of reform implementation

Report by the Director-General

1. This report summarizes the progress of WHO reform since the report to the Sixty-seventh World Health Assembly.¹ It provides an overview of the current status of reform, reviews progress in the three broad reform workstreams (programmes and priority setting, governance and management), outlines future work, and describes the impact of the Ebola virus disease outbreak in West Africa in 2014 and WHO's response on reform.²

OVERVIEW

2. Four years since the decision of the Executive Board to establish a Member State-led reform process in May 2011,³ the Secretariat has made significant advances towards meeting the objectives of being a more effective and efficient, transparent and accountable Organization that plays a stronger role in global health governance and better uses its relative strengths to improve health outcomes. Progress made and reported to Member States over the past four years across the three streams of reform, including the financing reforms that were triggered by the global economic downturn, substantiates the conclusion that, broadly speaking, WHO is a stronger organization today than it was at the outset of the reform process.

3. Progress and successes to date have broadly validated the direction of reform and confirmed the importance of the work that has been undertaken, particularly in the context of WHO's normative function and technical support to countries. The lessons learnt from the Ebola crisis have added an additional dimension to WHO's reform initiative, highlighting the need for reforms within WHO's emergency and disease outbreak response function.

4. Specific reforms continue to proceed step-wise and with varying pace of implementation. In May 2014, the Sixty-seventh World Health Assembly noted the report by the Director-General describing the restructuring of the reform results framework, which arose from the recommendations of the second stage evaluation.¹ Since then, the percentage of outputs that have reached the implementation stage has increased from about 40% in January 2014 to around 80% to date. The greatest progress has been made in the area of programmes and priority setting, with all expected

¹ See summary record of the second meeting, section 2, of Committee A of the Sixty-seventh World Health Assembly (document WHA67/2014/REC/3).

² For detailed information on progress on each reform area see accompanying documents A68/7 (Proposed programme budget 2016–2017) and A68/44 (Human resources) and the documents for the Executive Board at its 137th session EB137/7 (Evaluation: annual report) and EB137/6 (Strategic budget space allocation).

³ Decision EB129(8).

outputs having reached the implementation stage. In the management reform area 80% of outputs have reached implementation, but only about 70% in the governance reform stream.

5. The organizational change to date, however, is not sufficient. Much work remains, not only to continue to build on momentum (for example, progress in programme planning, priority setting and financing reforms) but further strengthening accountability and transparency reforms. The need to strengthen WHO's country offices so as to better serve the existing and unforeseen needs of Member States persists. There is also important work left to do to ensure the complete institutionalization and integration of these reforms into the routine business practices of the Organization. Finally, there is a need to fully realize the promise of certain reform areas that have not yet completely matured, including human resources, communication and evaluation reforms, and accelerate the pace of those reform streams that have lagged behind, particularly in the areas of governance and information management.

6. The Ebola virus disease outbreak has also had significant consequences on the pace and delivery of reform activities over the past year. Certain reform initiatives, including those relating to information management, the review of hosted partnerships and the institutionalization of project management, have had to be delayed owing to organizational resources being redirected to the Ebola response. In addition, the pace of ongoing reforms, including human resources reforms, has been slowed because of the strain on WHO's managerial structures and systems. The evolving nature of the outbreak has guided reform replanning efforts in view of the Organization's resource and operational constraints.

PROGRAMMATIC REFORM

7. Programmatic and financing reforms continue to strengthen the Organization's planning, budgeting and financing cycle towards more effective and efficient delivery of Member State-agreed outputs and to contribute to improved health outcomes. The development of the proposed Programme budget 2016–2017 builds on reforms introduced in the budget for the current biennium. These include: further strengthening of a priority-driven, bottom-up, results-based budgeting process, reflected in the identification by each country office of up to 10 priorities to which 80% of planned results and resources would be directed and grounded in Organization-wide planning that integrates the continuous work of the internal category and programme area networks in budget development.

8. Consultations with Member States coupled with these strengthened mechanisms have resulted in shifts in programmatic emphasis for the Proposed programme budget 2016–2017, which reflect continuing and emerging needs, including (i) the application of the lessons we have learnt from the outbreak of Ebola virus disease in West Africa; (ii) the response to the discussions on the post-2015 development agenda, with a focus on universal health coverage – enhancing WHO's contribution to reproductive, maternal, newborn, child and adolescent health; accelerating progress towards elimination of malaria; and expanding the work on prevention and control of noncommunicable diseases; and (iii) emerging threats and priorities, such as antimicrobial resistance, viral hepatitis, ageing and dementia. In addition, harmonization and standardization of budgeting methods have contributed to further refinement of the realistic proposed budget to accurately reflect expected costs for agreed organizational deliverables – an important prerequisite to ensure that the programme budget functions as the primary tool for accountability for all managers in the Organization.

9. Programmatic reforms have further positioned the programme budget as the primary tool for not only programming WHO's work, but also the basis on which to measure WHO's performance through its delivery of outputs, and the instrument against which WHO's resources are mobilized and

managed. The introduction of the financing dialogue as part of WHO's financing reforms has demonstrated significant impact in improving the financing of WHO and improving targeted and coordinated Organization-wide resource mobilization. Predictability of funding has increased by about 20% from the start of the biennium in 2014–2015 as compared to 2010–2011. A slight improvement in the flexibility of funding has been noted. Financing reforms aiming to strategically allocate flexible funds available to WHO (including core voluntary contributions and assessed contributions) have also made an important contribution towards full financing of the programme budget. The process of strategic release of these funds has been agreed across the Organization and builds on targeted, Organization-wide resource mobilization. Strategic use of flexible resources brings together several key aspects of resource management and the Programme budget. First, more details on the funding gaps across the Organization are becoming apparent earlier in the biennium as a result of detailed analysis of current and future resources by programme area against the Programme budget. Secondly, there is an agreed policy on the use of flexible resources which aims to make up the shortfalls in the programme budget financing. As a result, the Secretariat can inform the contributors about the current and future shortfalls against the Programme budget and could lead to more open dialogue on how best to finance them. However, some imbalances in the funding levels across categories and programmes remain and more work is required to fully integrate and manage the use of strategic funds with coordinated resource mobilization needs.

GOVERNANCE REFORM

10. The three elements of governance reform – internal working methods of WHO's governing bodies, external engagement with stakeholders, and WHO's role in global health governance – have seen varying degrees of progress over the past year.

11. For the governing bodies, the number of agenda items and pre-session documents for the 136th session of the Executive Board fell for the first time as compared with the previous session, but it is too early to determine whether this trend will continue. Discipline continues to be observed in terms of the number and length of Member States' interventions, contributing to a significant improvement in the efficiency of governing bodies' meetings. Member States have yet to reach consensus on mechanisms to streamline their work or improve strategic decision-making. Following the request by the Board at its 136th session for an inclusive Member States consultative process on governance reform,¹ a first open Member States meeting on governance reform is scheduled for 13 May 2015. The process is supported by a working group that met for the first time in March 2015. The group, composed of representatives of Member States from all regions, discussed a wide range of topics including management of the agenda of the governing bodies, of resolutions and decisions and of the governing body sessions; the scheduling of the meetings; the role of the Secretariat; and questions of alignment and harmonization that are part of other reform pillars. The items discussed have been prioritized and will be presented to Member States in May 2015 for discussion.

12. During its 136th session, the Board noted that important progress has been made in the elaboration of the framework of engagement with non-State actors, but that further improvements are needed, especially, but not limited to, the issues listed in the annex to decision EB136(3) with a view to the adoption of a framework by the Sixty-eighth World Health Assembly. In that same decision, the Board decided also to invite Member States to submit to the Director-General specific proposals for amendments, inclusions or deletion of text from the draft overarching framework of engagement with

¹ Decision EB136(16).

non-State actors and the four specific policies contained in the annex of document EB136/5. Pursuant to that decision, the Director-General convened an open-ended intergovernmental meeting with a view to discussing the textual proposals submitted by Member States (Geneva, 30 March–1 April 2015). Based on the outcomes of that intergovernmental meeting, document A68/5, reflecting the agreed and pending elements contained in the draft framework of engagement with non-State actors, is being submitted to the Sixty-eighth World Health Assembly through the Programme, Budget and Administration Committee.

13. WHO strengthened the engagement with the United Nations system across the three levels of the Organization. Regular discussions have been established with regional offices to ensure coherence, alignment and the inclusion of regional perspectives in WHO's positions in processes such as the post-2015 development agenda, the Third United Nations World Conference on Disaster Risk Reduction (Sendai, Japan, 14–18 March 2015) or discussions on financing for development, the aim being to ensure that health continues to be a vital part of policy debates in the United Nations system. For example, after the adoption by the General Assembly of the main basis for integrating sustainable development goals into the future development agenda in September 2014,¹ WHO has been leading the work on development of the indicators for the proposed sustainable development goal 3 “Ensure healthy lives and promote well-being for all at all ages”, as well as for health-related targets in other goals, as a basis for the monitoring framework of the implementation of the sustainable development goal framework.

14. Both headquarters and regional offices consistently support country offices in engaging within the United Nations country teams. For example, a new guide on the development of the WHO Country Cooperation Strategy strongly promotes alignment with and cross-fertilization between the strategy and the United Nations Development Assistance Framework. WHO strengthened its role in promoting and integrating health in the priority issues of the United Nations country teams. In 2012 only about two thirds of the development assistance frameworks had health components in their outcomes or outputs, but in 2014 this figure had increased to 91%.

MANAGERIAL REFORM

Accountability

15. In order to strengthen organizational accountability and leadership at the senior level, the Director-General has established regular engagement of WHO's Global Policy Group, comprising the Director-General, the Deputy Director-General, and the regional directors. This top-level leadership body of the Secretariat, which has averaged four formal meetings annually over the past seven years, has instituted a strengthened culture of corporate management informed by collective decision-making and enhanced organizational stewardship. This strengthened Organization-wide coherence has improved focus on key strategic, programmatic and managerial issues of relevance or risk to the Organization in order to enhance convergence of WHO's activities across major offices towards delivery of common results, and to ensure harmonization and integration of senior-level decisions into relevant managerial and coordination structures. The Global Policy Group also examines and steers the direction of the design and implementation of critical elements of WHO's reform agenda, including aligning approaches across major offices to ensure achievement of WHO's financing reforms, coordinated Organization-wide resource mobilization, and increased policy and technical

¹ Resolution 68/309.

support to countries. During its meetings in 2014 and 2015, the Global Policy Group has explored managerial issues including implementation of the Programme budget 2014-2015, human resources reforms, strategic budget space allocation and planning for the Proposed programme budget 2016–2017, and key strategic and programmatic issues including ending childhood obesity, health in the post-2015 development agenda, and the Ebola virus disease outbreak.

16. Several other initiatives have been progressed in order to strengthen accountability and increase compliance across the three levels of the Organization.

(a) A systematic approach to reviewing programmatic and administrative performance of country offices has been developed and piloted in WHO's country offices in Ethiopia, Indonesia and Nepal. The approach follows a standard methodology and systematically identifies best practices and areas for improvement in administration and programmatic management.

(b) Management dashboards have been introduced in all major offices to monitor performance at the budget centre level and identify areas that might need corrective action.

(c) In support of the implementation of the internal control framework, a managers' guide and a checklist for internal controls have been produced and been introduced across the Organization.

(d) Compliance functions have been established in all major offices, even though currently with mandates and areas of responsibility slightly differing between major offices.

(e) A corporate risk register has been introduced in two phases; risks were identified in May 2014 and a risk mitigation analysis was conducted in September 2014.

(f) The new policy on whistleblowing and protection against retaliation has been finalized and came into force on 9 March 2015. The policy establishes a clear process to report wrongdoing and strong protection measures against retaliation.

(g) An accountability compact between the Director-General and the Assistant Directors-General has been piloted in 2014 and is currently being revised.

17. A central framework for the harmonization of compliance units at all levels of the Organization is currently being developed. In addition, work has commenced on consolidating all initiatives related to accountability into one joint work plan for the entire Organization, aiming at alignment and harmonization of the activities.

18. All the above are important achievements as they build the foundation for increased accountability. An objective, namely a reduced number of audit observations, has however not yet been realized. The awareness and attention of managers for the need of accountability and compliance with policies and procedures have increased significantly, but the above-mentioned measures have only been introduced recently, and the impact on audit observations is expected to be seen in the near future.

Human resources

19. Reform of human resources has been a priority area in 2014, although activities have been delayed owing to the outbreak of Ebola virus disease. Progress, however, has been made in the following areas.

- (a) The selection process for heads of WHO country offices has been modified, with revised terms of reference and alignment of the selection process with the leadership priorities outlined in the Twelfth General Programme of Work, 2014–2019. A first round of selections under the new process took place in November 2014, with future sessions scheduled for February and March 2015.
- (b) The harmonized selection process for international professional positions has been implemented, and the harmonized selection process for locally recruited positions is being promulgated this year.
- (c) A performance management framework with supporting policies on rewards and recognition, and on measures to redress underperformance, has been finalized and is being promulgated this year.
- (d) A comprehensive staff induction programme has been introduced for new staff members at headquarters, covering a wide range of topics and offered on a monthly basis.
- (e) A mobility framework and geographical mobility policy have been extensively discussed; implementation will start in 2016 subject to a series of prerequisite steps to be taken in 2015, including the adoption of amendments to the Staff Regulations by this Health Assembly.

Evaluation

20. The evaluation function has been moved from the Office of Internal Oversight Services to become a separate unit within the Office of the Director-General. The newly formulated unit undertook a review of the evaluation function at WHO and best practices and models in other entities in order to propose a framework for its further strengthening. The Executive Board at its 136th session noted the report on evaluation,¹ and subsequently the evaluation function has been further enhanced and the implementation of the framework has progressed. The evaluation office is in process of being strengthened through recruitment of additional staff; it has further taken up the function of being the organizational point of contact for external evaluations, reviews and assessments; as part of tracking of evaluation recommendations and management response, and organizational learning, eight recent evaluations were reviewed as a pilot and the result of this analysis is presented in the annual evaluation report submitted to the Executive Board at its 137th session of the.² Some corporate evaluations identified in the 2014–2015 evaluation work plan are being taken forward. It is too early to review the results and impact of the above-mentioned evaluation activities.

¹ See summary record of the fourteenth meeting, section 4, of the Executive Board at its 136th session.

² Document EB137/7.

Communication

21. During the past year, the communication capacity of WHO has been further enhanced, particularly in the areas of risk and emergency communication, and social media presence. WHO's response to the Ebola virus disease outbreak in West Africa, however, has shown that strategic emergency communications, external relations and internal communication need to be further improved. A second survey of stakeholders' perceptions of WHO will provide a better overview of the impact so far of the enhanced communication activities.

FUTURE OPPORTUNITIES TO STRENGTHEN REFORM IMPLEMENTATION AND CHANGE MANAGEMENT

22. As the reform process continues to intensify downstream implementation, reform efforts will be guided by deepened implementation activities across the three levels of the Organization. For country offices several different mechanisms have been developed to ensure a tailored implementation of reform initiatives according to the needs in countries. These mechanisms include (i) the programmatic and administrative reviews, as noted by the Programme, Budget and Administration Committee;¹ (ii) pilots being launched in selected country offices and budget centres to implement reform with a particular focus on human resources and project and change management; and (iii) development of a methodology to assess reform implementation at country and budget centre levels based on a set of indicators. The results of such an assessment would be used to define priority areas for reform implementation and the success of such activities would be measured against the same set of indicators.

23. Regional offices have developed plans for implementation in the regions of all areas of reform. A reform implementation network – composed of senior staff from headquarters and all regions – provides a platform to exchange experience regularly between major offices and learn from each other's activities.

24. Reform implementation continues to be supported by relevant business owners at headquarters through integration with functional networks across the three levels, as well as by running pilots of reform initiatives, undertaking significant efforts to improve engagement on reform activities with regions and countries, and by validating the concepts and providing guidance and support for the application of the policies and frameworks.

25. Planning, updating and monitoring of reform initiatives as a project management activity has been mainstreamed as a routine for all business owners through the web-based project management tool, and it is expected that all functional aspects of reform will be mainstreamed into the daily work of the respective business units by the end of 2015, meaning that initiated activities will be completed as planned, and the coordination and reporting will be fully within the responsibility of the functional areas (e.g. Human resources and evaluation).

26. A detailed assessment of the impact of and preparedness for reform activities for different groups of stakeholders has been conducted, and the results provide an overview of the expected consequences of each reform initiative across all three levels of the Organization. The results of the assessment have formed the basis for the development of change management and communication

¹ See documents EBPBAC/21/5 and EB136/3.

interventions and have guided further steps with regard to capacity-building and training as an important prerequisite for successful reform implementation. Change management and communication activities developed and conducted on this basis already include interventions aiming at coordination and alignment between functional areas as well as across major offices, and interactions mainly with staff to increase the level of knowledge and acceptance of reform initiatives.

27. During the remaining months and based on the lessons learnt from the outbreak of the Ebola virus disease the main focus of implementation efforts will be on the following areas: (i) further strengthening of country offices and enhancing performance at that level with the development of a robust set of indicators to measure and improve performance at the country level; and (ii) capacity-building, consolidating and prioritizing learning needs across all reform initiatives and across the three levels of the Organization to ensure that skills are available as and where needed to fulfil expectations emerging from reform changes.

ACTION BY THE HEALTH ASSEMBLY

28. The Health Assembly is invited to note the report.

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