
Management reforms: review of progress

Report by the Secretariat

1. This document summarizes progress made since the report to the sixth meeting of the Programme, Budget and Administration Committee.¹
2. The Secretariat continues to improve its performance at a significant pace through broad management reforms. The concurrent development of the new global management system and the establishment of a global service centre are major undertakings, with profound impact on organizational structures, working methods, work flows, processes and procedures. The Secretariat is committed to moving ahead with these reforms in order to improve the efficiency and effectiveness of the Organization at all levels and to modernize its systems.
3. In addition, efforts continue in order to improve planning, enhance human resources procedures, respond to financing challenges, provide improved operational support, and strengthen the accountability and performance management systems.
4. Management reforms cannot be implemented without the commitment of staff. In the midst of the associated changes, WHO's staff members have proven to be dedicated, flexible and willing to do their best to ensure that key reforms can be successfully implemented.

MANAGEMENT REFORMS

Planning and partnerships

5. Operational plans have been drawn up for the biennium 2008–2009 within the framework of the Organization's strategic objectives. Workplans have been peer reviewed at headquarters and in some regions. Simultaneously, the Secretariat is planning the Proposed programme budget 2010–2011 within the framework of the Medium-term strategic plan 2008–2013.
6. During the preparation of workplans for 2008–2009, the contribution of partnerships to the budget has been reviewed. There has been a marked growth in the number, size and role of partnerships in global health, and WHO's involvement has grown accordingly. In the WHO budget the

¹ Document EBPBAC6/3.

contribution from partnerships has been the fastest growing segment over the past two bienniums and is a major factor in overall budget growth.

7. Partnerships play a central role in the attainment of WHO's strategic objectives. However, because of the diverse governance mechanisms of individual entities, WHO exercises varied influence over their budgets. Consequently, work has been initiated to ensure that the budgetary and reporting processes of partnerships hosted by WHO are transparent to WHO's governing bodies. In addition, the new International Public Sector Accounting Standards and related guidelines, which will start to be implemented in 2008, set specific requirements for financial consolidation of partnerships.

Financing

8. Financing of corporate management, administrative and enabling functions (e.g. governing bodies, planning, finance, human resources, information technology, security, and infrastructure) need urgent attention because of the increasing share of voluntary contributions within the Programme budget.

9. As noted by the Sixtieth World Health Assembly the Programme budget for WHO for 2008–2009 for all sources of funds is US\$ 4200 million, of which US\$ 3200 million (77%)¹ is to be financed by voluntary contributions. The budget includes management and administrative costs of US\$ 800 million, of which US\$ 300 million is to be financed from voluntary contributions and the remainder from the regular budget. Simultaneously, the administration of a growing number of partnerships has exacerbated the problem of adequately financing programme support costs. Requests by some partners to reduce the standard 13% charge for programme support costs would result in a further decrease in funds available to finance these functions in the Organization.

10. Although the Organization needs to expand support activities in view of the increase in voluntary funding and expansion in technical work capacity, it lacks sufficient income to do so. In order to overcome the shortfall and create a more sustainable basis for financing the Organization's indirect costs, several measures are being taken. These include targeting use of programme support costs income to cover only fixed indirect management and administration costs (strategic objectives 12 and 13); financing indirect-variable costs (such as United Nations common costs, principally security) from a common support charge across all funds and offices on a per capita basis; and a more realistic assessment of the cost of hosting partnerships.

11. The above-mentioned measures should help to reduce the expected financing gap for management and administrative functions, and provide a basis for planning appropriate support in the next biennium.

Operational support

12. While developing the global management system, WHO has reviewed its system of service delivery. As a result, it will consolidate some transaction processes, which will be carried out at a more cost-effective location. In accordance with the decision of the Director-General, a global service centre will be opened in early 2008 near Kuala Lumpur.

¹ Compared with only 38% in 1982–1983.

13. The global service centre will provide administrative services and support to all staff in WHO offices worldwide in respect of human resources, payroll, procurement and accounts payable services. Additionally, it will provide support to specific corporate information technology applications and host additional information technology posts, to be relocated from Geneva to Kuala Lumpur. With the establishment of the centre, WHO aims to achieve economies of scale that will improve the speed and quality of service and bring cost savings.

14. The Director for the centre was appointed in October 2007 and is preparing for its opening. The Government of Malaysia is providing new offices for the centre, located some 40 kilometres outside Kuala Lumpur. When fully operational, the centre will have some 180 employees, most locally recruited. With the establishment of these posts and the consolidation of transactional functions in the centre, posts carrying out such functions in other locations will be redefined and staff redeployed.

15. The centre will be open six days a week and provide core service hours for all WHO offices. In order to ensure a clear understanding of the services provided, service level agreements will be established.

Staffing

16. Contract reform, which took effect from 1 July 2007, has progressed smoothly. WHO now has three types of staff appointment: continuing, fixed-term, and temporary. Through this reform, human resources planning has been enhanced, conditions of service made more equitable and many administrative processes streamlined. Further improvements will be made to human resources planning and processing with the introduction of the global management system.

17. Because of the changes related to the establishment of the global service centre and the introduction of the global management system, a special staff redeployment exercise was launched in July 2007 with the primary objective of identifying vacant posts for those staff at headquarters whose functions were affected by the reorganization. The process, carried out by a joint staff/management task force, found solutions for most of the fixed-term staff involved. Additionally, many affected staff holding temporary appointments were appointed to fixed-term positions through a selection process. Offers of separation by mutual agreement were accepted by a significant number of staff.

18. In addition to this redeployment exercise, a specific, time-limited recruitment and selection exercise was begun in August 2007 in order to reduce the backlog of recruitments in technical units at headquarters.

19. With regard to staff learning, as indicated in the human resources annual report for 2006,¹ priority areas have been identified, based on which training plans have been developed and implemented across the Organization. In view of the importance of the WHO Global Learning Committee and its relationship to performance management, the Director-General has decided to chair the Committee herself.

¹ Documents A60/35 and A60/35 Corr.1.

Performance, oversight and accountability

20. Improving performance at all levels of the Organization is one of the Director-General's key objectives. As the Secretariat's performance depends on the collective work of its staff, the approach to performance management was reviewed in 2007 in order to find ways of improving it at both organizational and individual levels. As a result, specific interventions were identified, including improvements to processes, strengthening of capabilities, and more tailoring of performance data. In a major step, the Director-General instituted staff performance appraisals of the Deputy Director-General and the Assistant Directors-General. Further improvements will be put in place in 2008–2009 in consultation with staff and management.

21. In order to reinforce institutional integrity through greater efforts to resolve disputes informally, a second post of Ombudsman has been created at headquarters. Other initiatives being discussed with staff aim at ensuring that the Organization's internal justice system is legally sound, fair and efficient, affords equal protection to all parties, and leads to faster resolution of complaints. It is envisaged that these initiatives will be implemented initially as a pilot project at headquarters in 2008–2009, after consultation between staff and management.

GLOBAL MANAGEMENT SYSTEM

22. The global management system is currently undergoing extensive testing to ensure that it meets requirements. Once that is done, the system will be introduced in a phased manner, starting in 2008 with headquarters, the Regional Office for the Western Pacific and the global service centre. The aim is to complete the process in 2009, with the exception of the Regional Office for the Americas, which will join the system at a later stage.

23. The system will change the way the Secretariat works. It will have an impact on processes, roles and responsibilities of staff, and service delivery. It will allow consolidation of disparate management systems and give all staff members access to real-time information regardless of their location, thereby enabling them to work better together at all levels. Timeliness and accuracy of data will also be enhanced, thus contributing to improved management decision-making.

24. The system will lead to better accountability, because use of resources (human, material and financial) is linked to a specific programme element in an approved workplan. Further decentralization will be possible as all offices are provided with tools to execute transactions that are within their delegated authority. Alignment of responsibility, authority and accountability will also be enhanced.

25. The launch of the global management system is vital to the implementation of many of the management reforms mentioned above, such as implementation of the results-based management framework, according to the Medium-term strategic plan 2008–2013. The system will also provide an effective and efficient platform for further management and administrative reforms.

26. In order to prepare the Organization for the changes that the launch of the global management system will bring, intensive work has been done on identifying the roles and responsibilities of staff members who will use the system and on designing role-based training for them. Training is planned to take place between January and March 2008.

27. The automation, clarity and integrated approach inherent in the global management system will result in greater collaboration and faster responses to events, which in turn will further improve WHO's contribution to global health.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

28. The Committee is invited to note the report.

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