
Programme budget 2006–2007: performance assessment

Report by the Secretariat

1. The Programme, Budget and Administration Committee at its sixth meeting discussed an interim performance assessment of the Programme budget 2006–2007,¹ which was welcomed by the Executive Board.² The Committee requested the Secretariat to identify and explore reasons for underimplementation and to report to the Committee at its seventh meeting.
2. In 2006, expenditure, a proxy for programme implementation, increased in absolute terms by about US\$ 102 million³ compared to the same period in 2005. However, since the Programme budget 2006–2007 is almost 30% higher than the Programme budget 2004–2005, expenditure as a proportion of total budget was lower in 2006 than in 2005.
3. The main hindrance to implementation during the first year of the biennium 2006–2007 was that the Organization had difficulty in expanding its technical and administrative capacity in order to keep pace with the significant increase in the Programme budget. Human resources were not always adequately deployed for achieving the expected results set out in the Programme budget and operational plans of the Organization. In addition, administrative and support services were too often linked to a specific geographical location that did not necessarily correspond to where the needs were.
4. Although the average time for recruitment was reduced by a third to six months between 2005 and 2006, the period was still too long for successful implementation in many cases. Other constraints to staffing the Organization adequately included difficulties in attracting staff to locations perceived as hardship posts, countries in crisis or where there were complex emergencies. These constraints remain to be resolved.
5. While the Programme budget 2006–2007 was being prepared, it was recognized that many of the Organization's administrative and management policies and procedures needed major review and

¹ Document EBPBAC6/5.

² Document EB121/2007/REC/1, summary record of the first meeting, section 4.

³ This figure does not include an additional US\$ 123 million of legal commitments that were entered during 2006 and that will be recognized as expenditure in 2007 because of changes in the Financial Regulations relating to the delivery principle (resolution WHA58.20). In the biennium 2004–2005 the corresponding expenditures would have been recorded during the first year of the biennium.

updating, especially in the context of a results-based management framework that emphasized working across programmes and between country and regional offices and headquarters.

6. Achievement of the expected results set out in the Programme budget requires collaborative operational planning based on coherent, consistent and harmonized workplans across the Organization. Mechanisms for such planning were not optimal at the beginning of the biennium 2006–2007, with the result that, in some instances, expected results were formulated that were too ambitious, not supported by fully developed and realistic workplans or insufficiently cognizant of the difficulties in working at country level.

7. In addition to these management constraints, the uneven inflow of increased resources presented further challenges. First, the unpredictability of voluntary contributions considerably complicated planning for technical programmes. More than 2000 separate agreements govern the flow of voluntary funds to WHO and often it is difficult to predict which technical area will be the recipient, which in turn makes recruitment of the best technical staff difficult. Secondly, even when it is clear that donors have decided to provide voluntary contributions to a given technical area or programme, the timing of receipt of the funds is not always predictable. Some technical programmes find themselves in a situation of feast or famine, where during some parts of the biennium almost no funds are available and then funds flood in. Because this flow of voluntary contributions does not correspond to WHO's biennial budgetary cycle, it presents both a managerial and financial challenge for implementation. Thirdly, the more funds are earmarked, the greater the likelihood that voluntary contributions will impede the full implementation of WHO's programme budget as approved by the Health Assembly. One indication of this larger problem is the existence of pockets of underimplementation.

8. On the positive side, both resources and the implementation rate increased substantially in absolute terms in 2006 compared to 2005. In order to implement more results, WHO had to improve its administrative, management and technical capacities to deliver through numerous administrative and management reforms, and improving its effectiveness at country level.

TAKING STEPS TO IMPROVE IMPLEMENTATION

9. Major initiatives are under way to improve implementation. In preparation for the introduction of the global management system, all management and administrative regulations, rules, policies, procedures and processes that govern planning and programme implementation, budget, finance, human resources, procurement and logistics were reviewed in detail. As a result, they are being streamlined and improved so as to enable more efficient and effective delivery of technical programmes through a stronger management system.

10. The establishment of the global service centre in Kuala Lumpur will provide the flexibility, currently lacking, to respond to fluctuations in the demand for administrative support services from all offices.

11. The Secretariat has established special, time-limited, recruitment panels in order to accelerate recruitment for the large accrued number of vacancies throughout the Organization. Combined with the streamlined human resources processes, this step should allow the recruitment of staff in a more timely manner.

12. Ways to solve some of the problems outlined above are being explored with a view to ensuring full financing of the programme budget, and to maximize the correspondence of contributions to

programmatic needs. For example, steps are being taken to discuss financing of the programme budget with donors, in order to gather views and ideas on realistic approaches to voluntary contribution that can ensure that the priority funding gaps are filled. Some better-performing programmes which receive large voluntary contributions and have full implementation rates, such as the Polio Eradication programme, are being examined in order to see what lessons learnt can be applied more broadly.

13. Action needs to be taken in two main areas: improved management support to technical programmes, with better collaboration throughout the Organization; and improved, full financing of the programme budget so as to enable technical and administrative support programmes at all levels of the Organization to plan realistically and to access resources as planned and agreed, thus facilitating smooth and full implementation.

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

14. The Committee is invited to note the report.

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