



WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY
Provisional agenda item 12.1

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Proposed programme budget for 2004-2005

Information Technology Fund

Report by the Director-General

1. Efficient administration and effective management of WHO's activities are required in order to accomplish the expected results set out in the Programme budget. Such efforts, in turn, need to be supported by an information system that sustains mission-critical programmes with appropriate business processes and control and with monitoring mechanisms designed to enhance the performance of WHO in discharging its mandate.
2. WHO's existing administrative and financial processes and their associated systems were created separately some 25 years ago to support a resource-based budgeting approach at a time when WHO funds came primarily from the regular budget. The computer systems are fragmented, incompatible, increasingly expensive to maintain and, more importantly, unable to provide timely information globally. There is no global system for human resources. Country offices are particularly badly served since they do not have the information needed to efficiently carry out their mission today, still less their strengthened role in future in the context of the country focus initiative.
3. The increased complexity of managing global programmes financed by a variety of funding mechanisms requires global and flexible systems that allow for innovative ways of working which place delegation of responsibility at the level that best serves the Member States, while retaining adequate controls and monitoring, as recognized in WHO's information technology strategy drawn up in 1999.¹
4. A global management system therefore needs to be put into operation that meets the Organization's requirements and can be scaled to the size of each WHO office. It needs to provide each office with the data needed to perform its role, including information on progress made and the financial and human resources used, and to assure informed and timely decision-making and reporting to the governing bodies. For example, a country office needs information from regional offices and headquarters in order to accomplish its work in support of that country; headquarters needs timely and relevant information on the work that is being carried out globally within any area of work.
5. Preliminary analyses have shown that integrated operations will be required across the following areas: programme management, financial management, human resources, payroll, procurement, asset management, travel, contract management, and conference and meeting

¹ Information technology strategy. July 1999. Unpublished document; limited distribution.

management. Of highest priority is the management of financial and human resources, since all the other areas are dependent on this information, and it represents the greatest operational risk.

6. With these considerations in mind the Secretariat intends to renew its managerial and administrative processes and the supporting information systems through the project for the global management system. These information systems should be fully operational at all levels of the Organization by the end of the biennium 2006-2007.

7. The cost of the system replacement represents an investment for WHO. As such it is a one-off capital cost, which would be financed through the Information Technology Fund established under Financial Regulation 9.3. It is proposed that this Fund should be financed by way of appropriation from both the regular budget and other sources. Such financing would reflect the fact that the system will support the management of programmes funded by both the regular budget and other sources. The use of the Information Technology Fund will be reported upon in WHO's financial report and audited financial statements.

8. The overall cost of the project is estimated at some US\$ 55 million, spanning a period of five years. During 2003 the estimated costs of US\$ 3 million will be met from existing regular budget appropriations (US\$ 1 million) and other sources of funding (US\$ 2 million). It is expected that the major funding requirement to meet the cost of software, hardware and services will be needed in the biennium 2004-2005. In the Proposed programme budget 2004-2005 provisions have been made for US\$ 30 million: US\$ 10 million to be financed by appropriation from the regular budget and US\$ 20 million from other sources, which may include funds from the Special Account for Servicing Costs and voluntary contributions both in kind and in cash. The remaining cost, some US\$ 21 million, is expected to occur during the biennium 2006-2007 in order to complete the project.

9. The project will be managed from beginning to end by a core team under the guidance of a director. The team will comprise seven or eight professionals, who will coordinate the work of functional teams (for example, for finance, human resources, budget) drawn from staff knowledgeable in these areas at all levels and locations in the Organization. The functional teams will determine the business requirements in country offices, regional offices and headquarters and design standard operational features. An integral part of this process is to define the roles and responsibilities at each level and at every step in the management cycle. Staff from headquarters and regional offices in each of the functional areas under review will be assigned to these functional teams for short periods, and their positions temporarily filled during that time. The cost will be borne by the project, and represents a sizeable share of the total project cost.

10. WHO staff must be able to sustain the business processes and control introduced by the project, and the supporting tools. They will be judiciously supplemented by external consultants where and when necessary.

11. The key phases of the project according to the preliminary project plan are outlined below and show that a number of actions related to different functions will be taking place in parallel. Fine-tuning will follow the formulation of the detailed project plan, which will reflect the relationship between the different functions in order to ensure appropriate integration.

12. Technical progress of the project and its related expenditures will be reported on regularly in line with WHO's managerial processes. Similarly, evaluative assessments will be submitted at the end of each biennium, as part of the report on the implementation of the Programme budget.

Global management system project: phases of implementation

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| Phase 1: Formulation of requirements (second quarter 2003 – third quarter 2004) |
| <ul style="list-style-type: none"> • Recruitment of professional staff to the core team • Successive formulation of (virtual) functional teams, starting with finance, human resources and budget • Drawing up of a detailed project plan that includes defining the roles and responsibilities of the core team and the functional teams and prioritizing the different components • Determination of the information needed for managing and administering programmes, by whom, with what frequency, and in what context, so that an information strategy can be formulated • Analysis of existing work processes, data flows and associated information to enable the project to be broken down into manageable segments and implemented in phases, while ensuring business continuity • Documentation of current and future requirements and changes to processes • Consideration of the implications for WHO of the lessons learned from similar projects in other agencies and organizations |
| Phase 2: Finding solutions (second to fourth quarters 2004) |
| <ul style="list-style-type: none"> • Formulation of requests for information from potential providers and, after due consideration, issuance of a formal request for proposal of solution • Analysis of the different solutions, including opportunities afforded for streamlining processes above and beyond those already identified, taking account of, <i>inter alia</i>: <ul style="list-style-type: none"> – costs, including initial external costs, internal costs including those for process improvement, implementation, recurring costs for licences of software, maintenance, and any customized software changes – availability of, and comparison between, integrated commercial application suites (such as enterprise resource planning packages) with a view to adopting the best practices they contain, before investing in bespoke systems, or in-house developments – opportunities for outsourcing some aspects of the project – negotiation of contracts for software and implementation support with a view to creating partnerships that not only support immediate goals but create sustainable and mutually beneficial relationships, especially in terms of system maintenance and upgrading |
| Phase 3: Implementation (third quarter 2004 – fourth quarter 2007) |
| <ul style="list-style-type: none"> • Establishment of a detailed operational plan for implementation in each functional area • Management of implementation and migration of existing systems after thorough testing • Training for, and deployment of, new system • Assurance of continuing support and maintenance of the global system |

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