



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
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EB109/30
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Reports of the Joint Inspection Unit

Review of management and administration in the World Health Organization

1. The Director-General is pleased to transmit herewith to the 109th session of the Executive Board a report of the Joint Inspection Unit (JIU) specifically addressing the subject of management and administration in the World Health Organization (document JIU/REP/2001/5).
2. As part of a series of reviews of the functioning of the specialized agencies in the United Nations system,¹ JIU had originally included the “Review of management and administration in the World Health Organization” in its work programme for 1998-1999. The review was subsequently moved to the JIU work programme for 2000, in order to allow a better assessment of some of the ongoing reforms initiated by the Director-General.
3. The Inspectors carried out the WHO review during the period from July 2000 to May 2001. The review agenda included visits to all WHO’s regional offices except the Regional Office for South-East Asia as well as to four country offices.² The Inspectors also had the opportunity to meet the Director-General and other senior WHO officials.
4. Broadly, the recommendations are welcome, as they are both relevant and implementable. There remain a few areas where further clarification is required given the fact that constitutionally, historically and culturally WHO is a highly decentralized organization.
5. It should also be noted that several areas of the WHO reform under way, and more particularly reform of human resources, are still some years away from full implementation. It is therefore difficult to assess the impact of related recommendations properly at the present early stage in their implementation.
6. The Annex provides a summary of the report’s main findings, conclusions and recommendations, together with WHO’s comments on them. The summary has been prepared in accordance with the WHO/JIU agreement on follow-up procedures referred to above.

¹ Other reviews in the series deal with management and administration in ILO (JIU/REP/99/4), UNESCO (JIU/REP/2000/4), and ITU (JIU/REP/2001/3).

² In Cuba, Latvia, Thailand and Zimbabwe.

ACTION BY THE EXECUTIVE BOARD

7. The Board is invited to take note of the findings and recommendations set out in the JIU report, and the actions proposed in order to respond.

ANNEX

REVIEW OF MANAGEMENT AND ADMINISTRATION IN WHO

Main JIU findings	JIU recommendations	Position of the WHO Secretariat
Structure and general management systems		
<p>Management support units (MSUs) The headquarters and regional office structure has been streamlined by identifying redundancies and clarifying reporting lines. The MSUs rely on a sound concept, but their creation may have been too hasty and has only displaced, rather than radically changed, administrative processes so far.</p>	<p>Rec.1: A wide review of delegation of authority and related accountability in the Organization should be undertaken and reported to the Executive Board, including, as a first stage, a definition of where administrative authority needs to be retained at headquarters and a comparative analysis of authority delegated to the clusters and regional offices. In a second stage, following the implementation of upgraded information systems, a more specific study is required of the division of labour between management support units and central services in the light of experience within the United Nations system.</p>	<p>WHO agrees with this recommendation.</p>
<p>Management of information technology WHO, as a knowledge-based organization, has long suffered from a lack of corporate vision and direction in this area, relying on increasingly outdated, costly and ill-adapted piecemeal solutions where strategic investments would have been in order.</p>	<p>Rec.2: (a) A consolidated department of information technology should be established at headquarters; (b) a comprehensive information technology strategy should be submitted to the Executive Board at its 111th session, indicating estimated resource requirements, planned phases of implementation and funding scenarios, as well as the implications of maintaining current legacy systems; (c) the Director-General should report periodically to the Board on its implementation and the status of the Information Technology Development Fund.</p>	<p>WHO agrees with the recommendation. A substantial amount of work along the lines of the JIU observations has already started. The report on revolving and other long-term funds refers to the status of the Information Technology Development Fund.¹</p>

¹ Document EB109/22.

Main JIU findings	JIU recommendations	Position of the WHO Secretariat
<p>Decentralization The “one WHO” approach advocated by the Director-General and the ongoing efforts to improve the relationships between the three levels of the Organization could contribute to reconciling the centrifugal pull of WHO’s decentralized structure with the need to preserve its unity and coherence. WHO’s country work needs to be further strengthened by adopting a set of pre-established criteria for the choice among various types of WHO representation at the country level, including solutions short of full-fledged country offices.</p>	<p>Rec.3: The common set of objective criteria called for by the Board to determine the nature and extent of WHO country representation should be finalized after broad consultation and submitted to its 111th session for approval. The criteria should also include the level of foreseen country activities; the ratio of operating costs to overall programme resources; expected extrabudgetary resources; and the nature and level of services and activities of WHO partners.</p> <p>Rec.4: Through the Global Cabinet framework, a review of WHO’s decentralized network should be undertaken and guidelines provided for: (a) the reporting lines between the three levels of the Organization and information-sharing; (b) level of authority delegated to country offices; and (c) measures for their strengthening through human resource development.</p>	<p>The significant variations between regions make the elaboration of common, Organization-wide and objective criteria more difficult than it may appear. The proposed common set of objective criteria for choice of type of country representation will require careful consultation and discussion prior to submitting a report to the Board. The recommended timetable thus appears to be too tight for the Member States to give this the consideration it deserves.</p> <p>The level of authority to be delegated to the country offices would need to be graduated and be handed down via the regional offices. It should be noted that the Regional Office for the Americas/PAHO already has a high level of delegated authority in its field offices.</p>
Planning, programming, budgeting, monitoring and evaluation		
<p>Results-based budgeting The introduction of results-based budgeting and a global strategy from which regional budgets are derived should have a positive impact on WHO’s cohesiveness. Difficulties still exist in determining expected results which depend greatly on ambitious extrabudgetary funding growth, in selecting indicators accurately reflecting achievement of such results, and in ensuring the required transparency in reporting on WHO performance for the current biennium.</p>	<p>Rec.5: At the first Board session in the second year of each biennium, as well as at the subsequent Health Assembly, a final performance report on expected results of the previous biennium should be submitted in tabular form, starting with the Board’s 111th session.</p>	<p>Agreed. WHO’s guidelines for monitoring and reporting now foresee this requirement. A structure is also being set up for 2002-2003 that will allow reporting of expenditures against areas of work and against specific expected results.</p>

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<p>Activity Management System (AMS) AMS appears to be functioning well, but is not very user-friendly. Compliance rates are thus uneven and two regional offices have developed entirely separate systems. The system is being remodelled, which should yield incremental improvements over the course of 2001 and 2002.</p>	<p>Rec.6: Greater discipline in implementing and using AMS is required, as well as additional efforts such as (a) developing an interface between AMS and the systems of the regions of the Americas and the Western Pacific; (b) priority access by country offices to a simplified web-based AMS interface; and (c) AMS-related training needs of clusters to be identified by Budget and Management Reform (BMR).</p>	<p>Agreed. A minimum data set was defined to facilitate inter-office information-sharing for the 2000-2001 biennium. Efforts to streamline the system further are under way and will increase its use and usefulness.</p>
<p>Programme evaluation The framework document presented to the Board at its 107th session is very preliminary in nature and fails to answer clearly a number of important questions on evaluation.¹ Of particular concern is the seemingly limited impact of reviews outsourced by the Secretariat in the field of administration and management.</p>	<p>Rec.7: The internal evaluation function should be strengthened by: (a) defining clearly the respective responsibilities of BMR and the Office of Internal Audit and Oversight (IAO) and allocating resources accordingly; (b) presenting all or part of the findings of evaluation studies on WHO's web site, a disclosure policy already adopted by other organizations of the United Nations system; and (c) elaborating a clearer policy and assessment criteria concerning WHO's use of private management consulting firms.</p>	<p>This is an important recommendation in the context of the introduction of results-based budgeting. New, detailed evaluation guidelines are currently in the final stages of preparation, and will be operational as from the beginning of the 2002-2003 biennium. Regarding 7(a), both BMR and IAO operate in clearly distinct areas and their respective evaluation work is strictly linked to their significantly different mandates. As to 7(b), adopting the recommended disclosure policy should be weighed against the risk that the evaluation reports might become less vigorous and open because of a tendency towards "self-censure" if their findings were to be freely disseminated over the Web. As to 7(c), the issue of a separate policy for private management consulting firms has already been discussed at length in document JIU/REP/99/7, which dealt specifically with this topic and was transmitted to the Board at its 107th session in January 2001.² The Board noted that WHO's policies and guidelines for use of management consultancies <i>follow the procedures applicable to all outside contractors and service</i></p>

¹ Document EB107/INF.DOC./3.

² Document EB107/32.

Main JIU findings	JIU recommendations	Position of the WHO Secretariat
		<i>providers. In view of the difficulty of delineating managerial consultancy from technical consultancy, definition of policies, standards and procedures would be neither feasible nor desirable.¹</i>
Human resources management		
<p>Personnel policies WHO is characterized by an ageing staff in a top-heavy structure. Progress towards more staff diversity has been uneven and further improvements are needed to reach the respective WHO goals. A recent task force on management of human resources has made considerable efforts to develop a much needed new personnel policy. Quick progress is now needed in the long-delayed reform of human resources management, and a number of urgent steps must be taken.</p>	<p>Rec.8: The personnel function should be reinforced by: (a) assigning it to a single department within the General Management cluster and providing it with strong leadership; (b) redefining its role vis-à-vis regional offices and clusters; and (c) providing it with an integrated and up-to-date human resources information technology system as an integral part of the information technology strategy discussed in Rec.2 above.</p>	<p>Although WHO does not agree fully with the Inspectors' diagnosis, it does agree with the prescription in their Rec.8. Rec.8(a) is being carried out with the impending retransfer of staff development to Human Resources Services (HRS), the appointment of the new Managing Director, HRS and the elevation of this position to Cabinet rank; as to 8(b) certain functions from management support units to HRS are being recentralized; 8(c) is also under way in the context of the ongoing work regarding the Administration and Finance Information Support (AFI) replacement process.</p>
<p>Operational human resources work In the reform effort, recruitment and career development issues may have received insufficient attention because of the preponderance of contract reform work to address existing problems with excessive reliance on short-term staff. More attention to the former might have alleviated some of the problems leading to this over-reliance in the first place.</p>	<p>Rec.9: The new HRS department should (a) undertake a staff skills inventory at all levels; (b) conduct annual staffing reviews with clusters and regional offices and assist them in achieving agreed gender, geographical and staff development targets; (c) project the effect of scheduled retirements on equitable geographical distribution; (d) ensure the actual use of existing rosters; and (e) institute a genuine rotation system among WHO's professional staff.</p>	<p>Agreed. Many initiatives in the sense of this recommendation are already under way, e.g. toolkits and guidelines to ensure that WHO's gender and geographical targets can be reached; study of best practices in diversity management; and work on a detailed plan to operationalize the new rotation and mobility policy, including functional rotation, external mobility involving exchanges with selected organizations outside the United Nations system, and related staff development implications. The use of special service agreements and national professional officers is being reviewed and the complex issues surrounding contract reform, including transitional</p>

¹ Document EB107/32.

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	<p>Rec.10: The Board may wish to review Article VIII of the Staff Regulations (“Staff Relations”) so as to institutionalize the Global Staff Management Council and similar mechanisms in all regional offices.</p>	<p>arrangements, reform of the post budgeting system and separation arrangements, are being revisited.¹</p> <p>The Council continues to function well.</p>
External and Internal Oversight		
<p>External audit arrangements Until 1995, WHO and PAHO used to appoint the same External Auditor as their activities and accounts are closely intertwined, since PAHO serves as WHO’s Regional Office for the Americas. This practice was predicated on the appointee holding membership in both Organizations. In 1995, WHO invited nominations for the office of External Auditor, and two separate External Auditors were appointed by the two organizations. It is questionable whether the policy of rotation as practised here, even though also applied by some other organizations of the United Nations system, outweighs the benefits of continuity in the discharge of this important function.</p>	<p>Rec.11: The Board and Health Assembly may wish to (a) encourage the two External Auditors to maintain and reinforce their collaboration; and (b) consider limiting the External Auditor’s term of office to a non-consecutive term covering several financial periods in order to allow reasonable rotation while preserving some needed continuity.</p>	<p>Any further action on this recommendation will be subject to guidance from the Board and the Health Assembly. However, collaboration between the two External Auditors is already proceeding well.</p>
<p>Internal oversight IAO is now responsible for all elements of internal oversight and meets most of the requirements for such a mechanism, in terms of both operational independence and reporting procedures, which include a submission of an annual summary report to WHO’s governing bodies. Members of the Audit Committee feel that they should have access to specific IAO reports, which is not provided for by the current Financial Rules.</p>	<p>Rec.12: Should the governing bodies decide that specific IAO reports should be made available to the Audit Committee on a regular basis, they may wish to request the Director-General to propose the necessary amendments to the Financial Rules.</p>	<p>On balance, the Organization’s view is that the current practice is working well.</p>

¹ More information on current human resources initiatives can be found in the report on reform of human resources management (document EB109/25).