



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
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Implementing the corporate strategy: work on the Programme budget 2002-2003

Report by the Secretariat

THE BUDGET AS A KEY INSTRUMENT OF REFORM

1. The Programme budget 2002-2003 is a key instrument for advancing the process of change and reform in WHO. Both in its content and in the way it is being prepared, it marks a significant departure from previous bienniums. At its 105th session the Board heard a progress report on the development of a corporate strategy for WHO's Secretariat. The purpose of the current paper is to outline briefly how the corporate strategy is influencing the preparation of the budget for the biennium 2002-2003.

A policy framework for the Organization's work

2. The corporate strategy sets out the ways in which WHO's Secretariat intends to address the challenges of rapid evolution in international health. Those policy lines now underpin the programme budget for the biennium 2002-2003.

Clear priorities

3. The priorities specified for the 2002-2003 biennium and the criteria by which they have been determined are set out in the policy framework of the programme budget. To facilitate tracking – in terms of both shifts of resources to priority areas, and of achievement of results – the 11 priorities endorsed by the Executive Board at its 105th session¹ have been clearly identified in the areas of work set out in the programme budget.

A budget which reflects better WHO's business

4. Thirty-five areas of work have been identified for the whole Organization and constitute the common building blocks of the programme budget. Health is a multidimensional subject, and there is no simple or unambiguous way of classifying WHO's response to global health needs without some degree of overlap. Nevertheless, the aim is to reflect as accurately as possible all the key aspects of the current range of activities of WHO's Secretariat; and to provide a sufficient degree of continuity with the Programme budget 2000-2001 to permit meaningful comparisons and analysis of trends.

¹ See document EB105/2000/REC/2, Summary record of the first meeting, section 2 (in print).

A corporate programme budget, jointly developed

5. The programme and budget for each area of work are being worked out through an Organization-wide process, jointly between staff from regional offices and from headquarters. This collaborative process takes the place of one by which separate documents were prepared at regional level and subsequently consolidated with those of global level without explicit discussion of objectives, strategies, approaches, or resource allocation. The 2002-2003 programme budget will therefore express more fully the interdependence of the different parts of WHO within agreed global objectives, strategies and expected results.

Country operations: a tighter focus

6. A key corporate concern is to increase the effectiveness of WHO's country programmes. Defining clear priorities will help to ensure that there is a better match between country needs, globally agreed strategies, and areas of work in which WHO has a clear advantage compared to other bodies. The process of preparing country programmes will also now take place closer to the time of implementation, after approval of the strategic framework by the Executive Board and the Health Assembly.

APPLYING RESULTS-BASED BUDGETING

7. The 2002-2003 programme budget will provide the strategic framework and objectives for the work of WHO, while allowing more detailed planning to take place closer to the time of implementation.

The concept of results-based budgeting

8. Results-based budgeting derives from an improved planning, programming, budgeting, monitoring and evaluation process, by which the Secretariat would be held accountable for the achievement of specific results. Under such a process, budget allocations for each strategic area are determined on the basis of a set of predetermined objectives and expected results. Conceptually, all elements of the programme budget are logically linked within one coherent and interrelated structure, with a hierarchical, cause-and-effect relationship among each of the elements.

Responding to the concerns of Member States

9. Member States have over the past several years strongly advocated results-based budgeting in the United Nations system as an essential part of renewal and reform. The first steps towards applying this technique in WHO were introduced by the Director-General with the Programme budget 2000-2001, as noted by the Health Assembly in resolution WHA52.20. With the 2002-2003 budget, WHO is applying fully the concepts of results-based budgeting.

10. For each area of work, three levels of objective are set out, as follows:

- the **goal** to which WHO's work will contribute;
- the **objective**: the change to which the Organization as a whole is committed;

- the **expected results** for which the WHO Secretariat – again as a whole – is directly responsible.

This hierarchy clearly distinguishes the responsibilities of the WHO Secretariat from those of Member States, and establishes a more logical relationship between different levels of achievement.

Integrating planning, budgeting and evaluation

11. A considerable body of evaluative work is produced every year in different parts of WHO. However, it has not been systematically linked to the planning and budgeting process. The Programme budget 2002-2003 will lay the foundations for remedying that situation through the inclusion of predetermined indicators linked to expected results. Regular monitoring against these indicators will ensure transparency and accountability. In addition, each area of work will, over time, be subject to evaluation, on the basis of indicators linked to objectives. In this regard, it should also be noted that the strategic budgeting process will itself be subjected to a thorough evaluation during the present 2000-2001 biennium.

NEXT STEPS

12. The concepts introduced with the Programme budget 2002-2003 imply certain changes in the timetable and nature of the governing bodies' oversight of the Organization's budget.

13. Since the Programme budget 2002-2003, based on the overall corporate strategy, has been drawn up jointly between regions and headquarters, detailed and voluminous regional programme budgets are no longer needed. Instead, for the **regional committees** in September 2000, in addition to the programme budget, regional offices would only prepare brief documents outlining the regional situation (issues and challenges), broad regional strategies (providing the framework for country programming), and indicative country planning figures.

14. At its 107th session in January 2001, the **Executive Board** will review and comment on the Programme budget 2002-2003. The programme budget will be submitted by the Director-General to the Fifty-fourth **World Health Assembly** in May 2001, together with any recommendations the Board may deem advisable, in accordance with Article 55 of the Constitution.

15. Detailed country programmes and plans, based on the collectively agreed priorities, objectives and strategies set out in the Programme budget 2002-2003, will be submitted for information to the **regional committees** in September 2001.

ACTION BY THE EXECUTIVE BOARD

16. The Board is invited to note the report.

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