

Better value, better health

Towards a strategy and plan for value for money in WHO

INTRODUCTION

1. The WHO reform initiated in 2010 has resulted in major improvements in good governance and sound management practices across all three levels of the Organization. Some examples include the well-established process for developing the programme budget, which includes bottom-up priority setting by countries, a maturing financing dialogue process, strengthened evaluation and oversight functions, forward-looking planning (“rolling agendas”) for governing body meetings and, through the Global Policy Group, an unprecedented degree of alignment across the seven major offices.

2. In the era of the Sustainable Development Goals and a more constrained fiscal environment, better alignment of efforts and a clearer definition of the role and of the added value of the multiple stakeholders are required. More than ever, WHO needs to show that all its activities however and wherever they are conducted, are maximizing the health impact derived from every dollar spent.

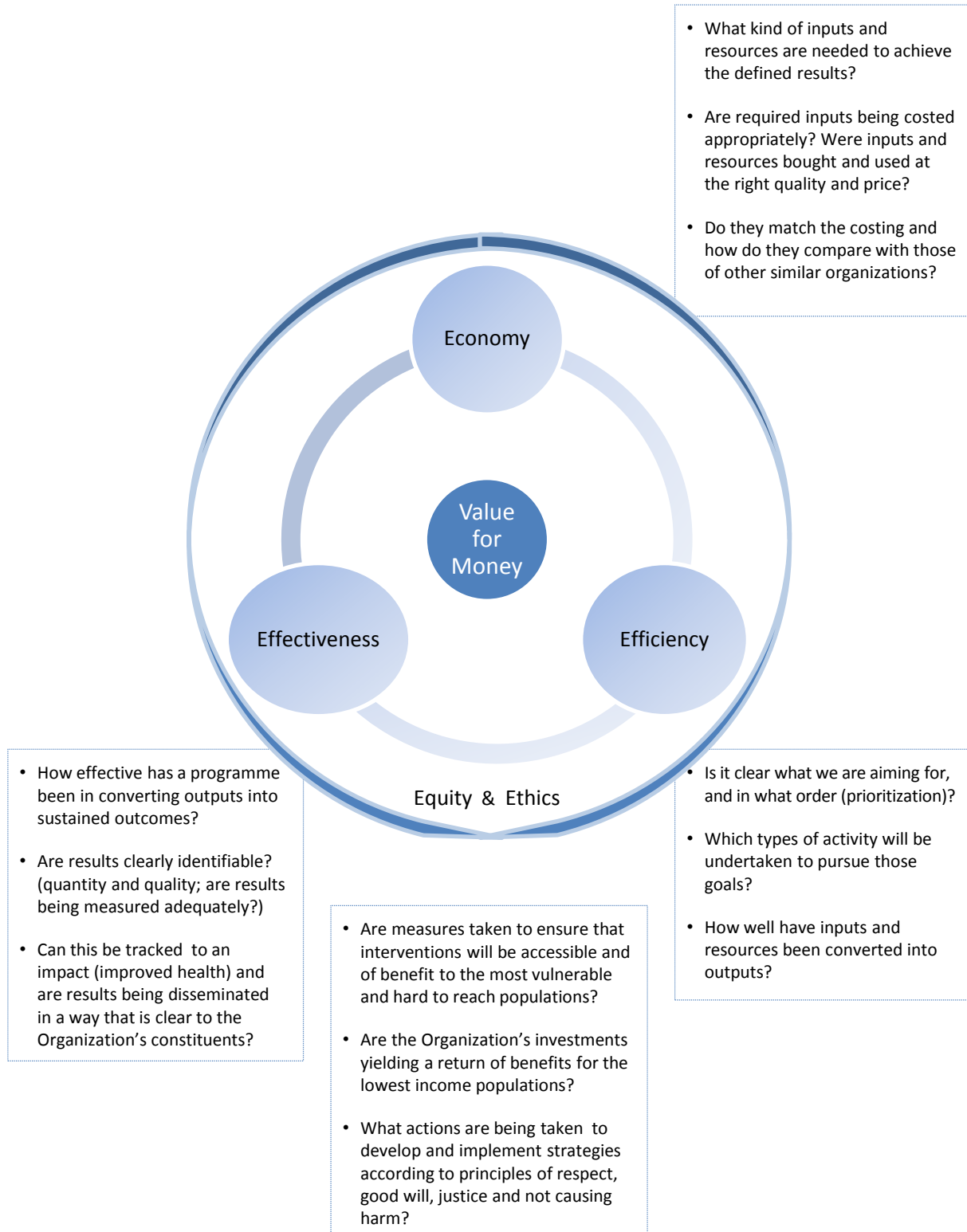
What is value for money?

3. Often confused with cost saving or economizing, value for money focuses on how an organization achieves results. The process by which inputs are converted into outputs, which lead to outcomes and impact on the outside world, must be considered from a value for money perspective to provide for optimal deployment of effort and resources and ensure that the organization’s mission and goals remain on course for achievement.

4. Value for money requires a combination of five key dimensions:

- **economy** – keeping inputs (human and financial resources) as lean as possible;
- **efficiency** – using those inputs to obtain or “buy” as much output as possible;
- **effectiveness** – keeping the quality of the Organization’s output as high as possible, in order to have the greatest possible impact;
- **equity** – taking into consideration the extent to which outputs benefit and ensure coverage of the most vulnerable and hard-to-reach populations; and
- **ethics** – ensuring that all inputs, outputs and outcomes uphold the fundamental ethical principles of respect, good will, justice and not causing harm.

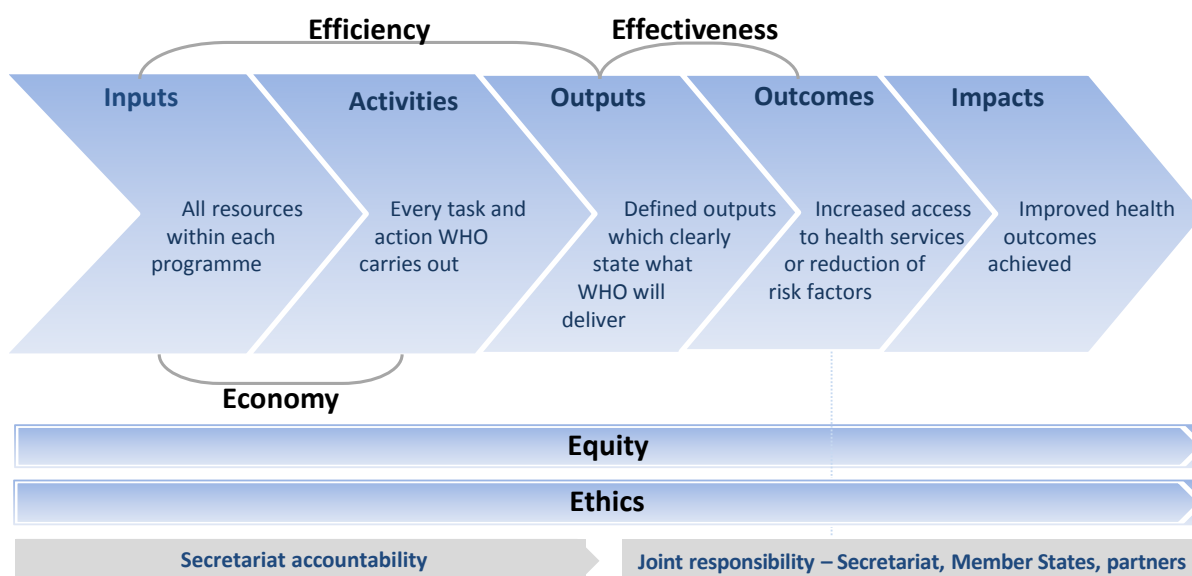
Figure 1. The five dimensions for value for money



Value for money in WHO today

5. To achieve value for money at each stage from input to impact the respective roles and accountabilities of the Secretariat and Member States must be clearly and explicitly defined.

Figure 2: WHO results structure and five elements of value for money



6. Figure 2 above describes the new results structure introduced for the first time in 2014, through the WHO reform. The structure sets out the process from inputs to achieving health impacts and clearly describes the roles and responsibilities at the three levels of the Organization. The figure shows that while the Secretariat is accountable for economy and efficiency, WHO's effectiveness can only be improved jointly with Member States.

7. It is also important to note that while economy, efficiency and effectiveness are considered and measured when specific elements of the results structure are transformed from one level to the next (such as looking at efficiencies when inputs are transformed into activities and outputs), equity and ethics should be considered at all levels of the results chain. This should not, however, imply that equity and ethics could be used as a general argument to override efficiency considerations.

8. Keeping this in mind, the key dimensions of value for money can be translated into a framework for action for WHO to build on through the following:

- **global strategic priority setting**, in which consideration is given to the extent to which the Organization is doing the right things in the right places; whether to seek answers in the way WHO's corporate structures help prioritization; whether the Organization's governance assures a level of ownership that supports that prioritization; and evaluation and organisational learning to ensure continuous improvement;
- **programme design and implementation** with a focus at the country level, in which the design of a given programme is examined critically, alternatives are compared when considering interventions, attention is paid to costing and use of human and financial resources, and subsequently progress is monitored and impact evaluated; and

- **leadership and enabling functions**, where emphasis is placed on driving efficiency in corporate functions to support the achievement of results. Under this aspect, consideration is also given to cross-cutting enablers that focus on improving transparency and strengthening evidence-based planning, monitoring and evaluation.

Global strategic priority setting

9. Global strategic priority setting involves substantial consultation with Member States and feeds into the general programme of work and the programme budget. These two instruments reflect the joint efforts of the Secretariat and Member States over a period of six years to reach the health targets set. For example, the Twelfth General Programme of Work provides a high-level strategic vision for the period 2014–2019. It sets out leadership priorities that define the key areas in which WHO will exert its influence in the world of global health and drive the way work is done across and between the various levels of the Secretariat. It also defines, through a theory of change approach and a clear results chain, how the work of the Organization contributes to the achievement of a defined set of outcomes and impacts. Programme budgets operationalize the leadership priorities in the general programme of work and constitute major decision-making tools to focus the efforts of the three levels of the Organization over a given biennium. A major improvement in the area of strategic priority setting was the detailed bottom-up priority-setting exercise implemented by Member States as part of the development of the programme budget.

Programme design and implementation

10. At the programme level, there has been success in improving the alignment and traceability of investments to priorities and towards the achievement of health outcomes, notably through the Financing Dialogue and the Programme Budget Web Portal, which now includes both programmatic and financial information based on Organization-wide monitoring and performance assessment reviews. Enterprise resource planning systems have further evolved to support programmes to track where and how human and financial resources are converted into actions and results that contribute to a higher level goal. For country offices, audits and evaluations of country cooperation strategies assess the inputs and achievements in countries. Many programmes that have reached a certain maturity in their programme development and implementation have already been incorporating different value for money approaches into their work. A systematic approach is, however, necessary in programme design using an agreed methodology and should be better documented. While key performance indicators measuring some aspects of value for money on the ground exist already, a lot more needs to be done to assess performance and value for money at the country level.

Value for money in WHO: the Global Polio Eradication Initiative

11. The Global Polio Eradication Initiative launched a process in 2012, to identify and evaluate value for money opportunities, with the aim of improving its efficiency and effectiveness. The study identified and reviewed key cost drivers and differences between countries, explored cost-efficiency and resource shifting opportunities, and identified best practices to be shared and used elsewhere. These included cost-sharing with other initiatives, reaching the hard-to-reach and leveraging new technology, improving risk mitigation measures, and improving forward planning. The study also made a number of specific operational recommendations: in the short term (coming 12 months), to improve oral polio vaccine buffer management and training quality and frequency; in the medium term (coming 1–2 years), to adjust the scale of operations as areas become polio-free by improving target population estimates and optimizing the frequency of supplementary immunization activities campaigns; and in the long term (coming 2–6 years), to develop a long-term plan for the Eradication

Initiative's infrastructure and activities, optimize expenditure on personnel and conduct a valuation of Initiative-supported non-polio activities.

LEADERSHIP AND ENABLING FUNCTIONS

12. In recent years, WHO has made significant efforts to reduce costs, particularly under Category 6 of the programme budget: the Organization re-located certain administrative functions to low cost locations such as the service centre in Kuala Lumpur, Malaysia and other services in Budapest, Hungary, to leverage lower staff salary costs. Efforts to eliminate duplication of work between headquarters and the regional offices and to encourage more integrated work across the three levels of the Organization include strengthening the role of category and programme area networks and placing greater emphasis on integrated workstreams across headquarters clusters. The Organization has also sought to streamline governing body meetings, and set limits on the number of resolutions and decisions with progress-reporting requirements. With regard to cross-cutting enablers, WHO continues to make progress on transparency. The Organization joined the International Aid Transparency Initiative in November 2016, has strengthened its evaluation and organizational learning functions, implemented internal control and accountability frameworks, and developed its approach to the management of corporate risks.

NEXT STEPS FOR WHO

13. It is unlikely that introducing complex processes would be the answer to achieving better value for money. The focus should be to build on existing value for money practices, as well as on recent achievements through WHO reform. Although there are existing value for money processes in WHO, they are not applied uniformly or systematically, and are not always well documented and appropriately evaluated.

14. The overall objectives of the value for money initiative are to:

- (a) promote awareness about value for money in WHO and embed the concept in WHO operations, including approaches to programme design, implementation, evaluation and reporting; and
- (b) develop a value for money strategy and plan for WHO by the end of 2017 for presentation to the Executive Board in 2018.

15. In order to deliver on these objectives, the Secretariat intends to:

- (a) work with the Programme, Budget and Administration Committee of the Executive Board to shape and inform WHO's value for money strategy (starting in May 2017);
- (b) convene an informal meeting with Member States after the Seventieth World Health Assembly to further discuss the value for money strategy and identify areas of focus (mid-June 2017);
- (c) refine and finalize the strategic concept, incorporating feedback from Member States (end June 2017);
- (d) identify which findings and recommendations of the third stage evaluation of WHO reform are to be incorporated into the WHO value for money strategy and plan (June 2017);

- (e) seek input on the proposed concept and approach from the Independent Expert Oversight Advisory Committee at their next meeting (July 2017);
- (f) concentrate the first wave of value for money strategy and plan development at the programme level;
- (g) conduct an analysis of how selected WHO programmes (potential areas may include the malaria programme; immunization and the new emergency programme) are currently building value for money principles in the design, selection and implementation, monitoring and evaluation of interventions;
- (h) identify gaps to help establish a methodology to apply value for money in WHO, including through the use of some key performance indicators (June–October 2017);
- (i) apply the WHO value for money approach in the development of the Draft Thirteenth General Programme of Work, particularly by introducing a more selective prioritization process and improving the results chain, demonstrating effective and efficient use of resources, focus and unique relevance (October 2017 onwards); and
- (j) promote a greater understanding of the WHO value for money approach throughout the Organization on a continuous basis.

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