
WHO reform processes, including the transformation agenda, and implementation of United Nations development system reform

Reform of the United Nations development system and implications for WHO

Report by the Director-General

1. The Sustainable Development Goals and United Nations (UN) development system reform (UN reform) are driving change in all UN agencies, programmes and funds, including WHO.
2. All UN entities have committed themselves to unified and coherent action on UN reform. WHO's commitment is expressed in the statement of support in the Thirteenth General Programme of Work, 2019–2023 for the Secretary-General's proposal to work as "one UN" to improve operational activities at country level.
3. WHO's commitment has also been demonstrated in the global action plan for accelerating progress towards the health-related Sustainable Development Goals.¹ The global action plan can serve as a pilot for implementation of UN reform. It clarifies the roles of UN agencies, programmes and funds, maximizes the effectiveness of WHO and UN country teams under clear leadership, and ensures transparency and accountability for resources and results.
4. At the Seventy-first World Health Assembly in 2018² and the Executive Board at its 144th session in January 2019,³ the Secretariat updated Member States on UN reform and its relationship to WHO's transformation agenda, and on the implications for WHO's work.
5. Member States requested further information on WHO's involvement in UN reform. This report presents the status of UN reform as at the end of March 2019, recognizing that some policy decisions by the UN Sustainable Development Group and the Economic and Social Council have yet to be taken.

¹ Towards a global action plan for healthy lives and well-being for all – uniting to accelerate progress towards the health-related SDGs. Geneva: World Health Organization; 2018 (http://www.who.int/sdg/global-action-plan/Global_Action_Plan_Phase_I.pdf, accessed 11 April 2019).

² See document A71/43 and the summary records of the Seventy-first World Health Assembly, Committee B, third meeting, section 2.

³ See document EB144/31 and the summary records of the Executive Board at its 144th session, second meeting, section 4 and fourteenth meeting, section 1.

RELEVANCE OF UNITED NATIONS REFORM

6. UN reform is an opportunity for WHO to increase coherence, reduce fragmentation, and improve the Organization's impact, especially at country level. To achieve the triple billion target defined in the Thirteenth General Programme of Work, 2019–2023 which is aligned with the health-related Sustainable Development Goals, WHO must work together with the rest of the UN system to create an impact in every country while excelling at the normative and technical work of the Organization. WHO is the leading coordinating authority on international health work, and the convener and driver of policy dialogue, including at the highest level, as the main partner to all health actors. WHO must work with partners and harness the capacities of the whole UN system to address complex global health issues.

7. At country level, UN Resident Coordinators can help WHO to harmonize multisectoral and system-wide integrated policy advice and actions essential for health outcomes. Better integration by the United Nations of its operational assets can valuably support WHO's emergency operations, as has been seen in the response to the outbreaks of Ebola virus disease in the Democratic Republic of the Congo.

8. WHO's transformation agenda reflects the goals of UN reform. Discussions about a new operating model for WHO, particularly at country level, have been informed by UN reform and, in particular, the Secretary-General's vision for a coordinated UN country team. Increased transparency, efficiency and accountability are shared goals of both WHO transformation and UN reform.

WHO'S ENGAGEMENT IN THE UNITED NATIONS REFORM OF OPERATIONAL ACTIVITIES

9. Since May 2018, the UN Sustainable Development Group has been working to take forward the decisions of the UN General Assembly in resolution 72/279 (2018)¹ on repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system and the recommendations in the report of the Secretary-General.²

10. WHO participates in the UN Sustainable Development Group, which is chaired by the Deputy Secretary-General. The Director-General or his designee joins the UN Sustainable Development Group's Principals meetings, Core Group's meetings and Advisory Group. These bodies provide direction for the development of policy documents and operational guidance to advance the different streams of UN reform (see paragraphs 17–19 below).

11. WHO is also represented at the senior level in other related inter-agency mechanisms, including the High-Level Committee on Management of the UN system's Chief Executives Board for Coordination; the Task team on human rights, leave no one behind and the normative agenda of the UN Sustainable Development Group's Strategic Results Group; the design teams preparing new guidance for the UN Development Assistance Framework; and the Management and Accountability Framework.

¹ Repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system. (http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/72/279, accessed 11 April 2019).

² Document A/72/684-E/2018/7 *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet*" (<http://undocs.org/A/72/684>, accessed 11 April 2019).

12. To ensure that WHO's experience informs the ongoing reviews of the UN regional architecture and UN multi-country offices, the WHO Representatives in the South Pacific and to Barbados and the Eastern Caribbean Countries have been designated to participate in these reviews and join regional visits. A focal point has been identified in each WHO regional office to contribute to the review of the UN regional architecture.

13. WHO regional offices continue to participate in the regional UN Sustainable Development Group's teams. In the European Region, for example, WHO leads the coalition on health and contributes to the coalitions on gender, youth and social protection.

14. The WHO regional offices for Africa and the Eastern Mediterranean are undertaking functional reviews of the WHO country offices in their respective regions. The reviews are meant to ensure that the Organization identifies its most pressing priorities and has the workforce required to provide support that is sharply focused on the needs and expectations of the host countries and is well coordinated with partners. UN Resident Coordinators and country teams are recognized as major WHO partners at country level and are included in the review process in all countries. Other regional offices have also established processes to periodically review the capacities and relevance of the country offices in their respective regions.

15. In December 2018, WHO held its first global management meeting, whose participants included the Organization's senior management team and all WHO Representatives. An interactive session was held with the Deputy Secretary-General and the Assistant Secretary-General then heading the transition team (and subsequently the UN Development Coordination Office). Such engagement between senior WHO and UN officials fosters WHO's alignment with and engagement in UN reform. The session confirmed the strong commitment of both organizations to steer reform efforts in a way that realizes the full potential of the UN system at country level while respecting WHO's governance structure and prerogatives, including its mandates and normative functions, as well as development and humanitarian work.

16. To better coordinate WHO's involvement in UN reform and ensure that WHO's interests are advanced within the reform process, in March 2019 the Director-General designated the Assistant Director-General responsible for WHO's Office at the United Nations as the Director-General's Special Representative for United Nations Reform. Before this appointment, responsibility for UN reform within the Secretariat had been spread among units dealing with corporate operations, country coordination and collaboration with the UN system, external relations, and the general management group. Now responsibility for coordinating WHO's role in UN reform lies solely with the Special Representative.

STREAMS OF UNITED NATIONS REFORM AND RECENT DEVELOPMENTS

17. UN reform is based on seven streams of work: maximizing the impact of the UN development system; creating a new generation of country teams; reinvigorating the UN Resident Coordinator system; reconfiguring the regional approach; making leadership more accountable and improving governance; taking a system-wide approach to partnerships; and introducing a new funding compact.

18. Some activities have already been completed:

- Implementation of UN reform began on 1 January 2019, when 129 Resident Coordinators, who lead UN country teams and office staff in 165 countries, territories and areas, were put under the direct authority of the Secretary-General. This transition was directed internally by the UN

Development Coordination Office, based on a new Resident Coordinator job description and on the guidance issued through the Secretary-General's bulletin on the mandate and organization of the Resident Coordinator system. The Secretary-General sent letters to the Heads of State and Government of all countries where Resident Coordinators were accredited, designating them as the highest-ranking representative of the UN development system and requesting that the functions of the Resident Coordinator fall within the legal framework established between the government and the United Nations.

- Funding of the Resident Coordinator system was established through: a new Special Purpose Trust Fund; full implementation of the increased cost-sharing agreement by members of the UN Sustainable Development Group and the 1% coordination levy; and voluntary contributions.
- Human resources were increased through an almost doubling of new positions in the UN Development Coordination Office and establishing five professional posts as the minimum capacity in each Resident Coordinator office. Recruitment for these additional positions is currently under way.
- The country chapter of the Management and Accountability Framework has been disseminated. It defines roles and responsibilities of Resident Coordinators and members of UN country teams and accountability for results, as defined in the UN Development Assistance Framework.

19. Activities that are under development include the following:

- New guidance on the UN Development Assistance Framework is being finalized with input from the Principals of the UN Sustainable Development Group.
- The Management and Accountability Framework will be revised in 2019 to reflect its implementation at country level and identify main challenges. It will contain additional chapters on regional and global accountabilities and ensure alignment with other reform products, such as the guidance of the UN Development Assistance Framework, the system-wide strategic document described below and outcomes of the regional and multi-country office reviews.
- Regional and multi-country office reviews are ongoing. Recommendations will be submitted to the segment of the Economic and Social Council on Operational Activities for Development for its session in May 2019.
- A system-wide strategic document drafted by an inter-agency team to articulate a consensus strategy to maximize impact of the UN development system. The Principals of the UN Sustainable Development Group regularly review the progress of this work and provide guidance. The outline of the strategic document will be reviewed by the Economic and Social Council in May 2019.
- The final version of the UN Funding Compact, as negotiated in extensive consultations with Member States, will also be reviewed and submitted to the Economic and Social Council for adoption.
- The work on common business operations, including common premises and common back offices, continues in a dedicated project team led by the Office of the UN High Commissioner

for Refugees and the World Food Programme. This element of the UN reform is to be implemented in 2021.

IMPLICATIONS OF UNITED NATIONS REFORM FOR WHO

20. To capitalize on opportunities created by UN reform while delivering on its mandate, WHO is evaluating the implications of such reform for governance, management, and financing of the Organization.

21. While fully participating in the UN Resident Coordinator system, WHO, as the directing and coordinating authority in health, will retain its prerogative to engage directly with host governments and key partners on health-related matters. Nevertheless, WHO will also support the Resident Coordinator's responsibility to facilitate and coordinate joint activities, especially in addressing multisectoral challenges in achieving the health-related Sustainable Development Goals. WHO's country-cooperation strategies and biennial work plans, based on the Thirteenth General Programme of Work, 2019–2023, remain the principal instruments of accountability between the Secretariat and WHO's Member States and the basis of its resource mobilization efforts. WHO Representatives to countries will maintain their primary accountability to the relevant Regional Directors and to the Director-General but will also be accountable to Resident Coordinators for collectively agreed results under the UN Development Assistance Framework.

22. The key to effective collaboration with Resident Coordinators and within the UN country teams will be the new UN Development Assistance Framework. Collectively agreed results, outputs and outcomes will be the basis for the dual accountability system, resource mobilization, joint programming, and collective action. The ability of WHO Representatives and their staff in country offices to engage effectively in the different phases of the UN Development Assistance Framework will need to be strengthened through dedicated staff members in all major offices. The Thirteenth General Programme of Work, 2019–2023 will be the basis for strengthening the priority of health in the UN Development Assistance Framework.

23. With respect to business operations, the Director-General signed a Mutual Recognition Statement in December 2018, which allows one UN agency to use another's policies, procedures, system contracts and related operational mechanisms without further evaluation, checks or approvals. The statement will facilitate efficiencies and savings as well as foster collaboration among UN agencies.

24. WHO has increased its contribution to the cost-sharing arrangements to US\$ 6.98 million annually. The Secretariat views this contribution as an investment in strengthening the UN system to amplify WHO's own work towards the triple billion goals through improved coordination and enhanced efficiencies of the UN's work. The cost of the UN Resident Coordinator System to WHO's Member States has increased from zero in the biennium 2012–2013 to US\$ 5.2 million in the biennium 2014–2015 and the same amount in biennium 2016–2017 and to US\$ 9.6 million in biennium 2018–2019; for the biennium 2020–2021 the budgeted sum is US\$ 14 million.

25. In resolution 72/279 (2018) on repositioning of the UN development system in the context of the quadrennial comprehensive policy review of operational activities for development of the UN system, the General Assembly promotes collective actions for accelerating results in countries. It requested the heads of the entities of the United Nations development system, under the leadership of the Secretary-General, to submit to the Economic and Social Council a system-wide strategic document. Further, the decision to introduce a 1% coordination levy on eligible contributions (see paragraph 18) to fund the UN Resident Coordinator system is to be implemented by Member States and other partners; eligible

contributions to other entities of the UN development system, such as WHO, will also be subject to the levy.

26. The unique constitutional and legal status of the Pan-American Health Organization (PAHO) requires special attention when considering the implications of UN reform for WHO. PAHO is the specialized health agency of the Inter-American System, established under the Charter of the Organization of American States. PAHO has existed for more than 115 years. In 1949, PAHO agreed to take on the additional role of serving as the WHO Regional Office for the Americas. In so doing, PAHO retains a legal personality that is separate from WHO with its own governance structure, and has a quota system based on the legal structure of the Organization of American States; its own budget, planning and accountability system; and its own reporting and statutory framework. Within this context, and while upholding its status as an independent non-UN system organization, PAHO, in its capacity as the WHO Regional Office for the Americas, will continue to collaborate with WHO and the UN development system towards the successful implementation of UN reform and the 2030 Agenda for Sustainable Development.

27. The Annex to this report provides additional information on elements of UN reform most relevant to WHO.

DELIVERING ON SUSTAINABLE DEVELOPMENT GOAL 3 AND THE OTHER HEALTH-RELATED SUSTAINABLE DEVELOPMENT GOAL: A MODEL FOR UNITED NATIONS REFORM

28. WHO, as the directing and coordinating authority in health, is committed to leading a transformative agenda that achieves Sustainable Development Goal 3 (Ensure healthy lives and promote well-being for all at all ages) and the other health-related Goals. The global action plan constitutes a historic commitment made by 12 leading health and development organizations, supported by the Secretary-General and the leaders of the Group of 20 countries in their declaration in December 2018.¹ The global action plan and UN reform share the same objective: enabling acceleration toward the Sustainable Development Goals through more aligned, effective and efficient support to countries. WHO is using the advantage of the synchronicity inherent in this shared objective to work towards achieving Goal 3 and the other health-related Goals.

29. As with any initiative that seeks to transform and reshape a complex system, some elements of UN reform require additional work and further clarity. This should not detract from the unique opportunity created by UN reform. The 2030 Agenda has set ambitious goals and tasked the UN system to deliver in a more coherent and accountable manner. Consistent with the Thirteenth General Programme of Work, the Secretariat is seizing this moment to take advantage of the global action plan and UN reform both to keep and to accelerate the promise of Goal 3 and the other health-related Goals. In this regard, WHO's work should be nothing short of a model for UN reform.

30. Recognizing that achieving the triple billion target of the Thirteenth General Programme of Work requires a joint effort of Member States, the Secretariat and other partners, WHO must continue strengthening its collaboration with UN entities and relevant partners to achieve real and meaningful progress on the health-related Goals. Like all progress, UN reform presents challenges and opportunities, but with careful stewardship and close attention to the details, WHO and the people it serves can benefit

¹ G20 Leaders' declaration Building consensus for fair and sustainable development, Buenos Aires, 2018 (<http://www.g20.utoronto.ca/2018/2018-leaders-declaration.html>, accessed 12 April 2019).

from UN reform. It is in this spirit that the Secretariat will continue to manage and implement UN reform throughout the Organization.

ACTION BY THE HEALTH ASSEMBLY

31. The Health Assembly is invited to note this report.

ANNEX

OVERVIEW OF THE MAIN ELEMENTS OF UNITED NATIONS REFORM, AND NEXT STEPS FOR WHO

ROLES AND RESPONSIBILITIES OF RESIDENT COORDINATORS

1. The most substantive changes of UN reform concern the UN Resident Coordinator system. Under UN reform, Resident Coordinators have a “dedicated, independent, impartial, empowered and sustainable-development focused coordination function” with “strengthened authority and leadership, as the highest-ranking representative of the United Nations development system, over United Nations country teams”. In addition to this augmented political function, the strengthened authority and leadership of Resident Coordinators is reflected in:

- the authority to make final decisions, in the absence of consensus, on the strategic objectives in the UN Development Assistance Framework and allocation of pooled funding;
- a full-time coordination role delinked from the previous UN Development Programme resident representative role;
- enlarged staff support capacity both through offices’ increased capability at global and regional levels in the UN Development Coordination Office;
- independent and increased funding, as well as an increased role in joint resource mobilization efforts and multi-donor trust funds;
- new authority to ensure alignment of agency programmes with national needs and the UN Development Assistance Framework;
- a new accountability mechanism through a dual reporting matrix model in which Resident Coordinators will formally contribute to the appraisal process of UN country team members, who will, in turn, inform the performance appraisal of Resident Coordinators; and
- the participation of Resident Coordinators, as a general rule, in meetings with Heads of State and Government and central ministries.

2. The next steps for WHO involve:

- reviewing the job description of WHO Representatives and discussing changes to the performance management system to promote collaboration with partners, particularly UN country teams; increasing accountability of WHO Representatives to countries for attaining the objectives of the UN Development Assistance Framework; and reflecting input from Resident Coordinators and UN country teams;
- developing guidance and training modules for WHO Representatives for better interaction with Resident Coordinators and UN country teams;

- developing materials to ensure that Resident Coordinators understand WHO's mandate, role and work, and to integrate major health-related issues into the training of Resident Coordinators and UN country teams; and
- exploring the possibility of strengthening the capacity of WHO staff members to become Resident Coordinators.

NEW GENERATION OF COUNTRY TEAMS

3. The new UN country teams are more streamlined and better reflect country priorities and needs through the following changes to the UN Development Assistance Framework, country presence and common business operations.

4. The **UN Development Assistance Framework** is repositioned as the most important instrument for the planning and implementation of all country-level activities of the UN Development System for the achievement of the Sustainable Development Goals, in consultation with national governments. The new guidance aims to redesign the structure and content of the UN Development Assistance Framework to ensure that it is strategic, flexible, and results-oriented.

5. Although details are still being discussed, strengthened elements of the new UN Development Assistance Framework should include: better capture of the economic dimensions, reflecting the centrality of economic issues in attaining the Sustainable Development Goals; strong national ownership through interlinkages between the UN Development Assistance Framework and government plans and budget exercises; a formal reflection on the capacity of UN country teams to deliver on agreed priorities; better reflection of the importance of normative work of specialized agencies such as WHO for development challenges and the sustainability of development gains; and a clearer connection between the five-year lifespan of the UN Development Assistance Framework and the 2030 Sustainable Development Goals. The UN Development Assistance Framework will also provide the basis for budgeting and fundraising activities.

6. The next steps for WHO include the following:

- increasing efforts to synchronize the timing of drafting of the UN Development Assistance Framework and country cooperation strategies in order to ensure maximum alignment in all stages of development and implementation of the UN Development Assistance Framework;
- ensuring that health is well reflected in the UN Development Assistance Framework, commensurate with the priority of health in national development plans, but also with capacities, activities and funding for health-related activities of the UN country teams;
- providing additional support from regional offices and headquarters, particularly for smaller country offices; and
- supporting stronger engagement of Resident Coordinators in the elaboration of country-cooperation strategies to strengthen alignment with the UN Development Assistance Framework and ensure coherence of collaborative actions. It will be the joint responsibility of Resident Coordinators and WHO Representatives to adequately prioritize health in the UN Development Assistance Framework.

7. **Country presence.** The capacities of UN country teams to deliver results will be reviewed at the beginning of each cycle of the UN Development Assistance Framework, based on the following three elements: the priorities of the UN Development Assistance Framework; criteria agreed at global level through the UN development system; and open and inclusive dialogue with host governments. The model is geared toward determining “needs-based tailored country presence”, according to country development priorities and long-term needs. This may initiate discussion with governments on physical presence and composition.

8. The next steps for WHO include:

- the regional offices continuing to review country offices’ capacities and needed skills, in consultation with Member States, entities in the UN system, and other partners at country level; and
- using opportunities to review WHO’s country presence with a view to increasing efficiency and impact at country level. These include reviews of country office capacities by regional offices and reviews of UN country team capacities during the development of new UN Development Assistance Frameworks.¹

9. **Common business operations, including common premises.** The elements of common business operations include:

- compliance with business operations strategy by 2021;
- operating according to the principle of mutual recognition of best practices of policies and procedures;
- common back offices for all UN country teams, consolidating all location-dependent services by 2022; and
- consolidation of location-independent business operations into six to seven networks of shared service centres, managed by the larger entities.

A pilot phase of opt-in/opt-out is also envisaged. These measures should generate greater efficiencies and cost savings, not only through economies of scale but also by increasing programmatic synergies and coherence.

10. The next steps for WHO include:

- analysing common business operations on a case-by-case basis to ensure that decisions are made through an effective cost-benefit analysis; and
- continuing close collaboration and regular exchange of information and consultation with the project team under the Business Innovation Group, which is still in the phase of gathering and analysing data.

¹ On average, approximately 30 UN Development Assistance Frameworks are renewed every year.

ALIGNMENT OF UNITED NATIONS ENTITIES AT THE REGIONAL LEVEL

11. The roles, functions and capacities of UN entities at the regional level varies greatly. Although the regional architecture plays an important role in providing strategic and policy guidance, technical assistance and operational support, significant overlaps and gaps remain. Alignment efforts among regional entities is a clear priority. UN reform is following a two-phase approach. Initially, measures will be taken to optimize functions and enhance collaboration at regional and subregional levels. This entails integration of UN development system's regional teams and regional coordination mechanisms, led by the UN Regional Economic Commissions. The second phase will consist of providing options, on a region-by-region basis, for longer-term reprofiling and restructuring. Recommendations resulting from this two-phase process will be discussed by the UN Economic and Social Council in May 2019.

12. As the recommendations of the regional review are not yet available, it is not possible to identify specific opportunities and challenges.

13. The next steps for WHO involve:

- analysing the implications for WHO, once they are available, of the recommendations of the regional review; and
- informing WHO regional committees of the outcomes of discussions and decisions of the Economic and Social Council related to the regional review.

FINANCIAL IMPLICATIONS

14. In adopting General Assembly resolution 72/279, Member States agreed to a 1% levy on all tightly earmarked contributions to UN development-related activities. The levy will not be applied to humanitarian assistance, global vertical funds, global agenda and specialised assistance, contribution from programme countries, pooled funds, joint programmes, or contributions below US\$ 100 000. The levy is calculated when a new agreement is signed and will be revised if an amendment exceeds 20% of the initial agreement budget on which the original levy calculation was made. The start date for implementation of the levy will be determined by each donor, depending on their specific internal adjustments. The options for the payment of the levy are: "donor administered", meaning direct payment from the donor to the UN Secretariat; or "agency administered", in which case WHO will send a separate letter of agreement to donors with a standard "levy clause" for each eligible contribution.

15. The next steps for WHO include:

- tracking eligible contributions and donor compliance. WHO's role will be to inform donors and transfer the levy to the Special Purpose Trust Fund;
- consistently reiterating to all its donors that the 1% coordination levy is to be provided in addition to the contribution dedicated to WHO's work; and
- monitoring the effects of the levy on resource mobilization efforts.

16. **UN Funding Compact.** The UN Funding Compact seeks to address the imbalance between core and non-core resources and improve voluntary and grant-based funding, and to maximize the UN system's transparency and accountability for system-wide actions and results. It is based on the principle of interdependency between UN entities and Member States and recognizes that shifts in

funding practices by Member States need to be underpinned by a set of reinforcing commitments on the part of UN entities, with a view to enhancing predictability of funding and reducing fragmentation and transaction costs. The proposed commitments by Member States include: increasing core resources to a level of at least 30% over the next five years; doubling inter-agency pooled funds; increasing entity-specific thematic funds; providing substantial initial investment and support from Member States for common business operations; and fully complying with cost recovery rates as approved by respective governing bodies.

17. The next steps for WHO involve:

- WHO continuing to use these mechanisms to broaden its donor base and enhance the visibility of Member States' flexible funding. WHO's models of regular financing dialogues, now enhanced through the Partners' Forum, have been shared as best practice within the UN system; and
- WHO exploring opportunities to tap pooled funding to deliver the triple billion targets of the Thirteenth General Programme of Work, at country level.

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