



WORLD HEALTH ORGANIZATION

**PROGRAMME, BUDGET AND ADMINISTRATION
COMMITTEE OF THE EXECUTIVE BOARD**

Fourth meeting

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Management reforms: progress report

1. During the last meeting of the Programme, Budget and Administration Committee, it was suggested that the topic of management reforms should be a standing item for the Committee, and the Secretariat was requested to provide an update on the reforms for the fourth meeting of the Committee.

THE SITUATION: A CONTINUOUSLY CHANGING ENVIRONMENT

2. As highlighted in the draft Eleventh General Programme of Work, 2006-2015, today continuous change is the norm. Greater movement of people and goods around the globe makes epidemics increasingly difficult to contain. Outbreaks such as SARS in 2003 or the current threat of an avian influenza pandemic are recent examples. In order to respond successfully to such epidemics, or natural disasters such as the south Asia tsunami or the recent earthquake in Pakistan, and to be prepared for the wider global health challenges, the Organization needs to evolve in a flexible and responsive manner.

3. The public-health architecture, globally as well as locally, is increasingly complex. Important new players, inter alia, through public-private partnerships, are changing the way in which countries address health challenges. New partnerships such as the Health Metrics Network or the Global Partnership for Maternal, Newborn and Child Health are being set up, within which WHO plays a key role. Harmonization of efforts in among development bodies is also influencing the way global and local health actors operate, increasing the importance and relevance of coordination at all levels.

4. Investments in health, from both domestic and international development sources, have increased substantially over the past five to 10 years. This has led to an increasing demand from countries for technical support from WHO, and has also had an impact on WHO's relations with major partners and contributors. A large proportion of WHO's financial resources now comes from voluntary contributions, whose donors expect increased transparency and accountability, and measurable results.

5. Factors such as advances in information technology, greater dependence on global economic cycles, innovation in managerial techniques, and an increasingly competitive job market affect the way in which WHO can and should be managed. In this context, the recently announced United Nations reforms present an opportunity that WHO should seize. The ability of the Organization to evolve with these changes is critical.

THE DIAGNOSIS: SOME ACHIEVEMENTS BUT MORE EFFORTS REQUIRED

6. In recent years some substantive progress has been made in managing the Organization through the development of more supportive policies. However, service delivery, that translate policies into action, needs to be further strengthened across the Organization: implementation of managerial and administrative policies and procedures is uneven and may be of insufficient quality.

7. None the less, WHO's results-based management framework has been strengthened through the drafting the Eleventh General Programme of Work and preparation of a medium-term strategic plan. Greater participation in the process throughout the Organization has resulted in improved operational planning, better performance monitoring and increased focus on results. The management of financial resources has also been improved through regular monitoring and reporting with an emphasis on increased transparency. However, greater involvement, both internal, and externally with partners, is required, in order to ensure better alignment of resources with the programme budget, and lower transaction costs.

8. Progress has been made in implementing ambitious human-resources reforms, including streamlining of recruitment and classification procedures, adoption of a global competency model for all staff, establishment of a staff development fund, and launching of a leadership programme for all senior managers. Further efforts are needed to develop a culture that promotes learning and manages performance.

9. A system that would allow better use of the Secretariat's knowledge base and timely access to information to support management decision-making is not yet a reality. Work on the global management system, which will provide that platform, has gathered momentum after the selection of the software and system integrators, and the system will be implemented over the next two years.

10. In response to country demands, the commitment to strengthen WHO's presence in countries and to shift resources closer to where the work is actually being done, is being constantly reinforced. Although this has led to more resources being spent at regional and country levels than previously, it is not sufficient. Increased collaboration between the different levels of the Organization must be further facilitated through improved ways of working, including joint planning. Appropriate accountability mechanisms must be put in place to accompany greater delegation of authority, with greater transparency on the use of resources across the Organization as a prerequisite.

11. A key lesson learnt from the process so far is that sustainable improvement requires strong commitment over the long term to ensure that strategies and policies are effectively translated into day-to-day practices and behaviours.

THE RESPONSE: STRENGTHENING MANAGERIAL CAPACITY THROUGH SUSTAINABLE REFORMS

12. The challenge will be to pursue managerial reform while ensuring ownership and sustainability at all levels of the Organization. Continuous work with staff in managerial, administrative and technical areas, and involvement with Member States, is critical to the success of these changes, as it ensures reforms that respond to concerns and meet expectations.

13. Managerial reforms should be seen as a set of interrelated initiatives, cutting across different areas and functions and reflecting changes that have taken place over the past year. Some initiatives

have been completed, others have been merged, and fresh initiatives responding to new needs and priorities have been added.

14. Results-based management: an Organization that puts results at the core of its work. Building on the Eleventh General Programme of Work, efforts are being concentrated on developing and delivering WHO's medium-term strategic plan (2008-2013). In this context, particular emphasis is placed on responding to reforms under way in the United Nations system by increasing collaboration and partnerships with other bodies of the system both globally and in countries. Aligning key "enabling" functions such as management of human and financial resources and information technology to the needs of the Organization is also crucial to better delivery of essential technical programmes. This means a greater emphasis on planning of human resources and management of performance.

15. Financing the Organization: an Organization that effectively monitors, mobilizes and matches financial resources to its needs. More work is required to strengthen monitoring capacity and systems, and the ability to mobilize resources in a more strategic, sustained and coordinated way, while maintaining a decentralized approach. Internal mechanisms will be strengthened in order to ensure that resources are matched to the most pressing needs of the Organization. The present management of resource mobilization and voluntary contribution agreements needs radical change in order to reduce transaction costs and to ensure alignment with the programme budget.

16. Staffing the Organization: an Organization with a motivated and flexible workforce whose skills and competencies are continuously strengthened. In line with the global leadership programme, and potentially expanding it, a culture of collaboration, learning and performance management is being promoted. Implementing staff rotation and mobility is also a priority, as is contract reform in line with broader reforms in the United Nations system.

17. Operational Support: a cost-effective Organization that provides timely and quality services in support of programme delivery. Efforts are wide-ranging, from implementing a governance mechanism for information technology, continuously seeking more cost-effective ways of delivering services, including exploring outsourcing and relocation opportunities, to developing a capital investment master plan. The design, building, testing and commissioning the global management system will continue over the next two years, which will enable management reforms to be incorporated into the daily work of the Secretariat.

18. Oversight and Accountability: a transparent Organization fully accountable for its performance. Application of the new accountability framework throughout the Organization will reinforce the links between authority, responsibility and accountability, and strengthen the integrity of the Secretariat's work.

19. The reforms described above will contribute to reaching the long-term objective of strengthening managerial capacity. The table below provides a breakdown of expected improvements and indicators of success.

**STRENGTHENING MANAGERIAL CAPACITY TO ENABLE
THE ORGANIZATION TO FULFIL MORE EFFECTIVELY ITS
PUBLIC HEALTH MANDATE**

	Proxy indicators of success
Greater ability to respond to countries	<ul style="list-style-type: none"> • Work plans that reflect needs expressed in country cooperation strategies • Proportion of countries where WHO is involved in Poverty Reduction Strategy Papers and sector-wide approaches • Operating procedures for emergencies efficiently implemented • Average time from vacancy notice requested to offer of appointment reduced from 9-10 months to 6 months
Increased collaboration across the Organization	<ul style="list-style-type: none"> • Proportion of WHO offices whose operational plans can be viewed by all levels of the Organization • Cross-cutting work objectives delivered • Effective governance mechanisms in place (e.g., information technology governance, global management system board, global learning committee) • All offices connected to WHO's Global Private Network
More efficient use of resources and improved results	<ul style="list-style-type: none"> • Alignment of expenditure with the programme budget • Improved rate of achievement of Organization-wide expected results • Selected functions carried out from most cost-effective locations • Increase in average size (~US\$ 1 million today) and duration (~1 year today) of donor agreements
Greater transparency, accountability, and integrity	<ul style="list-style-type: none"> • Programmatic and financial performance information made available on a real-time basis • All staff trained in use of WHO's accountability framework
Improved working environment	<ul style="list-style-type: none"> • Improved results of the climate survey (initially carried out in 2005) • Improved conditions of service for staff
Strengthened capacity of offices at all levels	<ul style="list-style-type: none"> • Skills and competencies of staff aligned to the objectives and work plans of the Organization • Global management system implemented at all levels • Managerial and administrative services delivered according to service-level agreements

20. The Annex summarizes achievements so far and expectations over the next two to three years. The list is not exhaustive, but sets out major initiatives that will affect day-to-day activities, improve programme delivery, and meet the long-term objective of strengthening managerial capacity.

ANNEX

Operational model	Key achievements in 2004-2005	Key initiatives for 2006-2008	Milestones and timing
Results-based management	<ul style="list-style-type: none"> • Draft Eleventh General Programme of Work, 2006-2015, prepared • Use and transparency of performance monitoring strengthened through timely issuance of the Performance Assessment Report 2002/2003 and mid-term monitoring 2004 • Operational planning strengthened through greater emphasis on joint planning and introduction of peer reviews • Most programmes in headquarters reviewed their strategic direction, in line with the Programme budget 2004-2005, and have aligned their financial and human resources accordingly 	Medium-term strategic plan Strategic plan drafted and implemented on the basis of the General Programme of Work, reflecting WHO's objectives and expected results of WHO for the period 2008-2013. The programme budget will derive from the strategic plan	<ul style="list-style-type: none"> • Regional committees review: <i>September 2006</i> • Executive Board review: <i>January 2007</i> • Health Assembly approval: <i>May 2007</i> • Implementation: <i>January 2008</i>
		Collaboration and partnerships within the United Nations system More proactive participation and efficient collaboration of WHO globally and locally with organizations of the United Nations system and other development-related agencies	<ul style="list-style-type: none"> • Organization-wide approach: <i>Mid-2006</i> • Active involvement with other organizations of the United Nations system and partners: <i>On-going</i>
		Strategic direction and competency review Continuous review throughout the Organization to ensure the alignment of human and financial resources with strategic direction	<ul style="list-style-type: none"> • Process closed in headquarters: <i>October 2006</i> • Global re-profiling in administrative areas: <i>Mid-2007</i>
Financing the Organization	<ul style="list-style-type: none"> • Regular high-level financial management reporting made available to all staff • Advisory group established to facilitate management of financial resources • Significant increase in income received and better alignment of expenditure with the Programme budget • Income-recording policy revised in order to access available financing more quickly 	Financial monitoring and resource mobilization Better management of financial resources through more accurate financial monitoring; more strategic and coordinated resource mobilization, and rapid channelling of resources to where they are most needed	<ul style="list-style-type: none"> • Resource mobilization strategy: <i>End 2006</i> • Strategy on managing sources of income: <i>End 2006</i>
		Financial policies and procedures In line with reform of the United Nations system, preparation for implementation of new accounting standards by 2010. ¹ Quality and consistency of implementation of financial policies, procedures and management reporting to be improved	<ul style="list-style-type: none"> • Improved reporting: <i>End 2006</i> • Preparation for new accounting standards; Executive Board review: <i>January 2007</i>

¹ International Public Sector Accounting Standards.

Operational model	Key achievements in 2004-2005	Key initiatives for 2006-2008	Milestones and timing
Staffing the Organization	<ul style="list-style-type: none"> Global competency model integrated into managerial processes such as recruitment, performance reviews and staff development plans Post management improved through standardized post description, new master standards for classification; enhanced use of electronic-recruitment Global Leadership Programme under way, involving nearly 400 senior managers US\$ 10 million Staff Development Fund established, governed by an Organization-wide global learning committee and supported by a learning framework 	Contract reform Number and types of employment contracts streamlined in line with reform of the United Nations system	<ul style="list-style-type: none"> New policy framed: <i>May 2006</i> Implementation: <i>January 2007</i>
		Management of human resources performance Culture that promotes learning and rewards performance developed within the results-based framework	<ul style="list-style-type: none"> Revised policy and guidelines: <i>End 2007</i>
		Global Leadership Programme Intended for all senior managers in order to build their leadership capacity, drive change in the Organization, and model desired behaviours	<ul style="list-style-type: none"> Programme under way: <i>On-going</i>
		Rotation and mobility Introduction of a rotation and mobility policy to allow staff to rotate more easily within a duty station or move from one office to another	<ul style="list-style-type: none"> New policy framed: <i>End 2007</i> Implementation: <i>January 2008</i>
Operational support	<ul style="list-style-type: none"> All country offices in the African Region connected to WHO's Global Private Network Web-based procurement system implemented globally New service delivery model developed for key administrative areas Global information technology strategy formulated Global management system: <ul style="list-style-type: none"> vision for the future developed business processes analysed across the Organization business requirements identified 	Governance of information technology Establishment of a global framework to provide oversight of prioritization, funding and implementation of corporate information technology initiatives	<ul style="list-style-type: none"> Committee established: <i>Mid 2006</i>
		Service delivery Key managerial and administrative services delivered in a more cost-effective way, including implementation of service-level agreements, improved response during emergencies, and exploration of outsourcing opportunities	<ul style="list-style-type: none"> Service-level agreements introduced at headquarters: <i>Mid-2006</i> Service-level agreements introduced globally: <i>Mid-2007</i> Emergency standard operating procedures developed: <i>Mid-2007</i> Outsourcing strategy framed: <i>Mid-2007</i>

Operational model	Key achievements in 2004-2005	Key initiatives for 2006-2008	Milestones and timing
		Capital master plan A long-term strategy on real estate and other capital investments to maintain and improve WHO's working environment	• Executive Board review: <i>January 2007</i>
		Global management system A fully integrated and seamless programme-management and administration system throughout the Organization, enabling managerial reforms to be incorporated into WHO's daily work	• System commissioned: <i>April 2007 - End 2008</i>
Oversight and accountability	<ul style="list-style-type: none"> • Accountability framework drawn up • Fraud prevention policy and guidelines drafted 	WHO's accountability framework Implementation of the recently developed accountability framework, ensuring that it is understood and assimilated throughout the Organization, promulgating new policies on fraud and misconduct, and framing an ethics policy	<ul style="list-style-type: none"> • Training conducted: <i>Third quarter 2006 - End 2007</i> • Ethics policy framed: <i>End 2006</i>