



Pan American
Health
Organization



World Health
Organization
REGIONAL OFFICE FOR THE Americas

NINTH SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE

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UPDATE ON WHO REFORM

Introduction

1. The current WHO Reform process that began in 2011 continues into 2015. This process has progressed from an analysis and development phase into a period of implementation and embedding the changes within WHO. This report summarizes the WHO Reform progress report presented by the WHO Secretariat to the Executive Board (EB) in January 2015 (see Annex A), and highlights key reforms relevant to the Regional Office of WHO for the Americas (AMRO).
 2. The broad objectives of the programmatic, governance, and managerial streams of WHO Reform are: to improve people's health; to increase coherence in global health; and to pursue organizational excellence. Programmatic reforms are anchored in the development of agreed global health priorities, which are organized into six categories of work, defined in the WHO Twelfth General Programme of Work (2014-2019) and in the biennial program budgets. Governance reforms include strengthening governing bodies' oversight and strategic decision-making roles, and setting the terms for WHO's engagement with external stakeholders (i.e., non-State actors). Managerial reforms involve initiatives designed to enhance transparency and accountability, increase the level and predictability of financing, and improve strategic communications.
 3. The Secretariat noted the many effects that the Ebola virus disease outbreak in West Africa has had on WHO Reform, including the delay of some reforms as resources were redirected to outbreak response. The outbreak also severely strained WHO's structures and system, exposing weaknesses in areas that are targets of reform, such as the need to assert WHO's leadership in global health, ensuring alignment and efficiency across the Organization's three levels, the difficulty in rapidly mobilizing human and financial resources, and fragile health systems in many countries. In other instances, reforms that have been implemented hastened the response, notably the Emergency Response Framework and emergency communications.
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Reforms Under Way

4. Two key reform proposals were presented to WHO's 136th session of the Executive Board in January 2015 for approval, and both affect PAHO. The first is a draft framework for WHO's engagement with non-State actors. This framework's guiding principles for engaging with external stakeholders, particularly with the private sector, include: ensuring demonstrable benefits to public health; protecting the sole prerogative of Member States, through WHO's governing bodies, to make decisions for the Organization; and protecting WHO's independence, credibility, and reputation by avoiding conflicts-of-interest and effectively mitigating risks. Further, the Executive Board would oversee the implementation of WHO's policy for engagement with non-State actors.

5. Comments from Member States at the 66th Regional Committee of WHO for the Americas (53rd Directing Council) in 2014 were reported to the Executive Board and taken into consideration in the development of the framework. For example, the framework responds to PAHO Member States' request for defined categories of non-State actors and detailed criteria for engagement with each of the categories. At its January 2015 meeting, WHO's Executive Board recognized the important progress made in the elaboration of the framework, but noted that further improvements were needed. The EB will hold an inter-sessional meeting in April 2015 to review changes to the framework's text proposed by Member States. Argentina will participate in this meeting and work with other Member States on a revised resolution concerning engagement with non-State actors to present to the World Health Assembly in May 2015.

6. The second reform under consideration at the Executive Board is a proposal to set criteria for the budget allocations to regions. In recent meetings of WHO's governing bodies, Member States from the Americas Region have advocated for a transparent means of making regional budget allocations. The needs-based allocation methodology adopted by a working group of Member States that was presented to the Executive Board¹ would increase the share of the WHO budget for the Americas and Europe regions. The EB accepted the recommendations of the working group with regards to funding for segments 2 (provision of global and regional goods), 3 (management and administration) and 4 (emergency response), and asked the Director-General, in consultation with the Global Policy Group, which includes the Regional Director for the Americas, to propose an allocation for segment 1 (technical cooperation at country level) that would apply to the 2016-2017 WHO Programme Budget. The Executive Board also asked the working group to continue to develop a proposed allocation methodology to apply to operational segment 1 taking into consideration the issues raised at the meeting of the EB.

¹ [Document EB136/35](#).

WHO Reforms Implemented at PAHO

7. In addition to the pending reforms described above, the following reforms are being implemented or adapted at PAHO to align with WHO.

- a) **Strategic Planning:** The PAHO Strategic Plan 2014-2019 shares a strategic vision with the WHO Twelfth General Programme of Work 2014-2019. Both are organized around six common categories of work and share nearly identical program areas under each category. They also share a results chain, with common outcomes and impacts. In order to be responsive to competing priorities in an environment of diminishing flexible resources, PAHO has incorporated a systematic approach to defining programmatic priorities in its Strategic Plan. This has helped PAHO to make resource allocation decisions and focus resource mobilization and allocation efforts.
- b) **Results-based Management (RBM):**
- PAHO has a long history of incorporating accountability into its strategic planning, budgeting, and program management, beginning with the Logical Framework Approach over 30 years ago. The adoption of the Results-based Management (RBM) approach by PAHO in the early 2000s reinforced a culture of transparency, accountability and risk management in the Organization. Member States and partners have commended PAHO's implementation of RBM, and the increased clarity in accounting for the results achieved with the resources entrusted to PASB.
 - The PAHO Strategic Plan 2008-2013 (SP) was the first of its kind to have been designed and fully implemented following the RBM approach. In order to foster RBM, PASB's Executive Management established a rigorous and systematic monitoring process for the SP (and the Program and Budget) via a six-monthly Performance Monitoring and Assessment (PMA) process involving all offices across PASB. In addition to the PMA process, PAHO has established various accountability and risk management mechanisms, including the creation of the Internal Oversight and Evaluation Services Office, the Audit Committee, the Ethics Office, and implementation of International Public Sector Accounting Standards, IPSAS.
 - The new PAHO Strategic Plan, 2014-2019, builds on the experiences and lessons of the previous SP with the aim to further consolidate RBM, in particular the introduction of joint accountability of PASB and Member States for achieving outputs, outcomes and impacts, and the explicit inclusion of risk management for each of the six categories of work and 30 program areas. Moreover, in the last year, PAHO has developed a strategic plan monitoring system (SPMS) that will be accessible both to PASB and to Member States to enable joint reporting on results, and implemented a streamlined Enterprise Risk Management (ERM) System that is aligned with WHO's. The ERM has been applied to specific projects (e.g. Mais Médicos in Brazil, PMIS), as well as to the Strategic Plan and Program and Budget.

- c) **Budgeting:** Both the PAHO Program and Budget and the WHO Programme Budget are built from the bottom-up, beginning with the identification of priorities in countries. PAHO first employed this approach in the development of the 2014-2015 Program and Budget; WHO adopted the practice for the 2016-2017 biennium. PAHO's technical staff participate in global and regional networks to validate, harmonize, and consolidate country inputs into Organization-wide biennial budget proposals. Furthermore, Member States will be invited to approve the PAHO Program and Budget in its entirety starting in 2016-2017, rather than appropriating only the Regular Budget portion of the budget (largely from Member States assessments). This practice was adopted by WHO for its 2014-2015 Programme Budget.
- d) **Financing:** The first financing dialogue at WHO prior to the start of the 2014-2015 biennium has resulted in fuller funding of the WHO Programme Budget and in an increase in un-earmarked flexible funding. The Region of the Americas and other regions can expect full financing of their allocations as a consequence. PAHO has not conducted a separate financing dialogue, but it will develop a new resource mobilization strategy informed by WHO practices, including improved coordination of outreach to potential funders, and broadening the base of donors to PAHO. WHO's web portal giving Member States access to real-time information on the status of funding and program implementation has been positively received; PAHO will create a similar portal once that phase of the PASB Management Information System (PMIS) is in place in 2016.
- e) **Human Resources:** PAHO is working on a far-reaching Human Resources (HR) Strategy that has similar objectives to WHO's HR strategy that emanates from the reforms and includes the following components: conduct a review of the institution's workforce architecture, including contract types and terms and management of staff; strengthen the Organization's technical function with a focus on skills renewal by investing in staff learning and by hiring staff with cutting-edge skills that can fill gaps and meet Member States' evolving needs; emphasize, on an ongoing basis, the simplification of business processes and the leveraging of technology to reduce resources allocated to administrative tasks; rethink the decentralization model to increase efficiency and effectiveness; reform performance management; invest in leadership development and succession planning; build a world class work environment that fosters staff productivity, growth, and well-being; and modernize the HR function.
- f) **Risk Management:** At the end of 2014, PAHO implemented a new Risk Register and Monitoring System. The new simplified system, which was adapted from WHO's, replaced an earlier cumbersome, and not user-friendly system that was under-utilized. The replacement will improve risk identification, monitoring, and mitigation.
- g) **Project Management:** In 2014, PAHO embarked on a pilot project to provide online training and professional development to staff, which was intended to increase the Organization's project-management capacity. In 2015, WHO will

- assess project-management capacity in order to develop a project-management approach in WHO. PAHO and WHO will coordinate these efforts so that they align and, ultimately, may merge.
- h) **Governing Bodies:** Both WHO and PAHO are attempting to control the proliferation of agenda items at governing body meetings, in order to have more efficient meetings that focus primarily on matters of strategic importance.
 - i) **Country Focus and Cooperation:** PAHO's Country and Subregional Coordination Office helped to develop a new Country Focus Strategy and revised guidelines for the development of country cooperation strategies, a key component of Country Focus. This effort is intended to improve support to Member States, align planning and resource allocation processes with priorities in countries, and address human resource issues in the countries. The country cooperation strategies, are used to align WHO's and PAHO's priorities with national health needs.
8. PAHO will continue to actively participate and contribute to all areas of WHO reform, to the benefit of each organization.

Action by the Subcommittee on Program, Budget, and Administration

9. The Subcommittee is invited to take note of this report.

Annexes

- Annex A: WHO reform: overview of reform implementation ([Document EB136/7](#))
Annex B: Strategic budget space allocation – Executive Board Decision EB136(5) ([Document EB136/DIV./3](#))

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