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## **Governance issues related to the European Observatory on Health Systems and Policies**

This report provides background information on the discussions and developments concerning governance issues related to the European Observatory on Health Systems and Policies.

When the Observatory was established in 1998 as a joint project, the notion of “partnership” was not developed in WHO practice. In the past 13 years, however, the global health architecture has changed dramatically and today WHO is part of numerous partnerships in different forms. In May 2010, Member States adopted a new policy to govern WHO’s involvement in this growing segment.

At the same time, the WHO Regional Committee for Europe at its sixtieth session in Moscow requested the Regional Director to further clarify the roles, responsibilities and mandates of all WHO entities in the European Region and draw up an architecture that brings clarity and ensures that all core functions are at the Regional Office in Copenhagen.

The World Health Assembly’s new policy on partnerships and the Regional Committee’s request have made it necessary to review the governance of the Observatory, in order (i) to recall its role as laid down in its founding agreement and subsequent operational rules; (ii) to clarify the division of labour between the Regional Office, its “geographically dispersed offices” (GDO’s) and the Observatory; and (iii) to ensure that the Observatory’s administrative arrangements comply with the constitutional framework and rules of its host and secretariat.

This process has started in close consultation with the Observatory’s partners and is expected to be finalized in the coming months. The SCRC is being kept informed of developments throughout the process, its guidance is sought and the final arrangements will be put forward to the Regional Committee for endorsement.



## Introduction

1. The European Observatory on Health Systems and Policies (the Observatory) represents an excellent and unique resource for gathering, analysing and disseminating evidence about the operation and strengthening of health systems. It has extensive and well-established links with academic and research institutions, as well as a strong partnership base with important agencies and stakeholders. It produces high-quality documents on topical issues and it is well known for its work. The work plan and budget, as well as the study topics, are agreed by a steering committee of partners' representatives.
2. The Observatory was established in 1998 as a joint project of the WHO Regional Office for Europe, the European Investment Bank (EIB), the World Bank, the Government of Norway, the London School of Economics and Political Sciences and the London School of Hygiene and Tropical Medicine. It has since grown to a partnership of 16 that includes the original partners, the European Commission, the governments of Belgium, Finland, Ireland, the Netherlands, Slovenia, Spain and Sweden, as well as the Veneto Region of Italy and the French Union nationale des caisses d'assurance maladie (UNCAM). The WHO Regional Office for Europe is not only a full partner of the Observatory but also provides the secretariat of the partnership, meaning that all staff employed and rules followed are those of WHO. The main function of the Observatory was originally "to collect and analyse existing information and research evidence on health care systems and reforms, with the aim of making this knowledge widely available and easily accessible throughout the European Region, as well as to draw cross-country lessons and disseminate these in a format that can be directly useful for policy making."<sup>1</sup> In 2004, the partners signed a new annex to the agreement, following decisions taken by the Steering Committee, which formally changed the name to "European Observatory on Health Systems and Policies" and moved the core office to Brussels.
3. Over the years the Observatory has proved to be highly successful in fulfilling its mandate, producing high-quality papers and books and attracting more partners and funds.
4. When the Observatory was established in 1998 as a joint project, the notion of a "public/private partnership" was not developed in WHO practice. In the past 13 years, however, the global health architecture has changed dramatically and – among other things – partnerships have been established. Today WHO is part of numerous partnerships in different forms, and in May 2010 the World Health Assembly adopted a new policy to govern WHO's involvement in this growing segment (resolution WHA63.10).
5. At the same time, the WHO Regional Committee for Europe at its sixtieth session in Moscow supported the Regional Director's intention to further clarify the "architecture" of WHO in the European Region, to ensure clarity in the respective roles, responsibilities and mandates of the Regional Office, technical centres ("geographically dispersed offices" or GDOs), initiatives such as the Observatory and country offices, and to place core functions at the Regional Office.
6. These two developments – the World Health Assembly's new policy on partnerships and the Regional Committee's request – have made it necessary to review governance issues within the European Region of WHO, including the governance of the Observatory, in order (i) to recall its role as laid down in its founding agreement and subsequent operational rules;

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<sup>1</sup> Preamble of the Agreement on a Project called "The European Observatory on Health Care Systems".

(ii) to clarify the division of labour between the Regional Office, its GDOs and the Observatory; and (iii) to ensure that the Observatory's administrative arrangements comply with the constitutional framework and rules of its host and secretariat.

7. The review of the overall "architecture" is under way and, as part of this, the process of reviewing the Observatory has started, in close consultation with its partners, and is expected to be finalized by the sixty-first session of the Regional Committee (September 2011).

8. This paper provides an update on the process of reviewing the Observatory. It also takes into account an external review carried out by a group of independent experts initiated by the Regional Director.<sup>2</sup>

## Evolution from "joint project" to formal "partnership"

9. When the Observatory was set up in 1998, the concept of "partnerships" was not fully developed in WHO's practice. Hence terms such as "joint project with external partners" were used to refer to a long-term collaborative arrangement between WHO and other institutions of a public and private nature, where a range of organizations are involved in supporting and guiding the collaboration but where formal line management is with WHO.

10. The adoption of the partnership policy by the World Health Assembly provides a legal and policy framework for future collaborations, particularly where WHO is hosting the partnership. Existing collaborations should be adapted to be in line with the new policy.

11. Based on the 1998 Agreement, it is clear that the Observatory fits the definition of a "formal partnership" as laid down in the policy adopted by the World Health Assembly in May 2010. The main principles that emerge from this policy are that, for WHO to host a formal partnership, "the operations of the partnership's secretariat must, in all respects, be administered in accordance with WHO's rules" (paragraph 12) and that existing partnerships should adapt to the new requirements in line with the request set out in resolution WHA63.10 that the Director-General "apply the policy on WHO's engagement with global health partnerships and hosting arrangements, to the extent possible and in consultation with the relevant partnerships, to current hosting arrangements with a view to ensuring their compliance with the principles embodied in the policy."

12. In practice this means that the partnership's governance structure can take operational decisions on programmatic issues such as work plans and budget, and that it will be consulted on administrative and management issues such as the appointment and assessment of the Head of the Secretariat. The implementation of those decisions by the partnership's secretariat will be carried out in accordance with WHO's rules; moreover, the members of the secretariat are WHO staff members fully subject to WHO's staff rules and regulations.

13. As a matter of fact, the Agreement on the Observatory also states that "the Observatory shall be an integral part of WHO/Europe, which shall be responsible for its overall direction and coordination and as such all activities carried out under the Observatory shall be in accordance with the Constitution, rules, regulations and policies of WHO." This also reflects the fact that the Observatory is not an independent legal entity but a joint project whose secretariat is part of WHO's secretariat, i.e. subject to the overall direction of the Regional

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<sup>2</sup> Kreisel W, KulzKreisel W, Kulzhanov M, Silano V. *Review of the European Observatory on Health Systems and Policies in Burssels*. Copenhagen, WHO Regional Office for Europe, 2011 (document EUR/RC61/BD/3).

Director and the regional governing bodies (but with a Steering Committee for certain well-defined functions).

14. Until May 2010, when the World Health Assembly adopted the new policy, there was a certain lack of clarity about the position. Now, with the necessary framework in place and confirming the original premises of the founding agreement, certain managerial and administrative actions need to be reviewed and steps taken to bring the Observatory into line with the rules when possible or to fully document any necessary adaptation, as provided for in the policy adopted by the Health Assembly.

## Policy issues

15. Where does the Observatory fit into the overall European architecture of WHO? What is the context within which to review how the functions and technical areas of the Observatory as laid down in its founding document have developed in practice, how those fit into the framework and how work plans can be best aligned?

16. According to the 1998 Agreement, the aims of the Observatory are to:

- provide high-quality knowledge concerning health systems and priority services within the countries of the European Region;
- monitor the process and content of reform developments, identify key experiences and assess the impact of different strategies;
- analyse experience concerning major health system innovations by comparing existing research evidence from countries;
- communicate and disseminate the findings on an ongoing basis;
- provide short-term policy and management training to selected decision-makers in the Region.

17. The Observatory has since expanded and evolved, and its work and development plan for 2009–2013 includes:

- working in partnership to comprehensively describe and analyse health systems, the changes they undergo and trends in health policies and reforms;
- using experience from across Europe and from selected developed countries outside Europe to illuminate policy issues and support the countries of Europe in taking evidence-based decisions;
- communicating effectively through a range of dissemination strategies;
- encouraging debate about issues raised by research developments;
- drawing on the strengths of the Observatory's partner organizations and networks to provide evidence for policy.

18. The role of the Observatory is to produce evidence for policy.

19. The main objectives of this governance review are to:

- maintain the high quality of the Observatory's work and products;
- safeguard the partnership while keeping in mind the fact that the Observatory's secretariat and its activities are an integral part of WHO and therefore should be aligned with WHO's mandate, policies and rules;

- ensure good uptake of evidence by Member States;
- make the Observatory truly pan-European, strengthening the involvement of Member States outside the European Union and the European Economic Area;
- clarify the role of the Observatory in providing evidence for policy development and its interface as a joint responsibility of the Observatory, WHO and other partners;
- recall the functions and technical areas of the Observatory, in line with its founding agreement and subsequent operational rules;
- develop clear procedures to ensure the alignment of work plans and to avoid duplication of work between the Regional Office, GDOs and the Observatory – while fully respecting the role of the Steering Committee in this process.

## Administrative issues

20. A number of important issues arise regarding the implications of resolution WHA63.10 and current WHO rules for the “branding” of the Observatory, copyright of publications (which resides with WHO, since the Observatory is not a separate legal entity), the location and format of the web site and the co-sponsorship of meetings and other dissemination activities.

21. The Steering Committee of the Observatory will collaborate with the Regional Office to review a whole series of issues including the use of the Observatory’s logo, the appearance and structure of its web site, cosponsorship of meetings, copyright and publications policy, as well as administrative areas such as human resources, procurement and finance. At the meeting of the Steering Committee in Copenhagen in December 2010, work started towards finding a good agreement and compromise within the parameters set in resolution WHA63.10.

22. As part of the administrative review, the following points will be addressed:

- the Observatory’s web site, in order to seek closer alignment with that of WHO while giving visibility to the partnership;
- the Observatory’s meetings, which should be cosponsored by WHO, since the Observatory is not a separate legal entity;
- the Observatory’s publications and copyrights, which should be brought into line with WHO’s rules while avoiding any additional delay in the publishing process;
- the Observatory’s logo, which should be brought into line with the provisions of resolution WHA63.10 while ensuring the visibility of the partnership.

23. It is the Regional Director’s firm intention to reach agreement on all important issues and therefore to take the time required to work through the issues and achieve consensus, rather than proceeding rapidly.