World Health Organization
REGIONAL OFFICE FOR Europe

Regional Committee for Europe
Sixty-first session

EUR/RC61/WG/Report
112814

Baku, Azerbaijan, 12–15 September 2011

27 September 2011
ORIGINAL: ENGLISH

WHO reform for a healthy future

Summary of discussions held on 14 September 2011 at the sixty-first session of the WHO Regional Committee for Europe, Baku, Azerbaijan

WORLD HEALTH ORGANIZATION REGIONAL OFFICE FOR EUROPE
Scherfigsvej 8, DK-2100 Copenhagen Ø, Denmark Telephone: +45 39 17 17 17 Fax: +45 39 17 18 18
E-mail: rc@euro.who.int Web: http://www.euro.who.int/en/who-we-are/governance

Contents

Background

1. By decision EB129(8) taken at its May 2011 session, the Executive Board had requested the Regional Committees to engage in strategic discussions regarding the WHO reform process, as input to the Board's special session on WHO reform, scheduled for 1–3 November 2011.

2. The Regional Committee for Europe had before it document EUR/RC61/21, which grouped all relevant documents pertaining to the reform process issued by the Director-General's Office as of 6 September 2011 , as follows:

- WHO reform for a healthy future: an overview;
- Governance of WHO: a concept paper;
- Independent formative evaluation of the WHO: a concept paper;
- World Health Forum: a concept paper;
- WHO managerial reforms (an overview of proposals).

3. In addition, and in order to bring all aspects of the ongoing reform to the Regional Committee's attention, document EUR/RC61/21 outlined elements of the reform process of particular relevance to the European Region. It should be recalled that at its sixtieth session, the Regional Committee had endorsed seven strategic directions and five priorities for the Region. Work was under way in the Regional Office to follow up on that approach. Several of the specific issues endorsed by the Regional Committee in 2010 and on the agenda of its sixty-first session (RC61) in 2011 related directly to the overall WHO reform agenda and could inform work on the various reform streams, as follows:

- The Health 2020 policy framework (strategic prioritization and global health governance);
- Strengthening health systems based on primary health care and implementation of the Tallinn Charter on Health Systems, including strengthening of public health (WHO's core business and the independent formative evaluation);
- Governance of the WHO Regional Office for Europe, including resolution EUR/RC60/R3 (internal WHO governance);
- The Regional Office's new country strategy (organizational effectiveness and country presence);
- Using the programme budget as a tool for accountability (managerial reforms).

Format for discussion at RC61

4. In view of the fact that European Member States had been active in influencing and shaping the WHO reform agenda, and in providing constructive comments as the process had evolved, it was expected that the discussions at RC61 could provide important advice and guidance to the Global Policy Group and the Director-General in preparation for the Special Session of the Executive Board in November 2011.

5. To this end, it was decided (a) that adequate time should be reserved in the programme of RC61 to permit a full debate on all aspects of WHO reform, and (b) that the discussion in the Committee should be a mix of plenary discussions and thematic discussions in three working

groups, covering governance, core business and managerial reforms. For each of the working groups, facilitators were appointed, drawn from serving members of the Executive Board and the Standing Committee of the Regional Committee (SCRC); independent "resource persons" were assigned to each group, to stimulate the discussion and help prepare the reporting back to the closing plenary session.

6. Topics to be covered by each working group included key reform questions referred to the Regional Office from the Director-General's Office; these would help shape the consolidated paper to be prepared for the Board's Special Session in November 2011.

Discussions in plenary

Introduction by Regional Director

7. The Regional Director summarized the background and aims of the WHO reform process, which were to refocus WHO on its core business, reform its financing and management and transform governance to strengthen public health. That included sharpening the Organization's priorities and articulating more clearly what WHO could do better than other partners and stakeholders in the five core areas of business identified by the World Health Assembly: health systems and institutions, health development, health security, convening for better health, and evidence on health trends and determinants.

8. The success of the reform process would depend on Member States giving the necessary guidance and support, and on the Secretariat translating that policy guidance into practical management. Many topics on the agenda of the present and past sessions would inform the discussion of reform, including the Regional Office's efforts to use the programme budget as a tool for accountability. The most important objective of the Regional Committee's discussion of reform was to provide input from the European perspective into the Special Session of the WHO Executive Board to be held in November 2011, and to shape the reform of WHO through it. The Regional Committee's advice, engagement and support were needed to ensure that a package of reforms, with an implementation plan and an independent evaluation, could be submitted to the Sixty-fifth World Health Assembly in May 2012.

Comments by the Director-General

9. The WHO Director-General provided feedback from two other regional committees' discussion of WHO reform. The responses to a web-based consultation received from the European Union (EU), the United Kingdom and Mexico had been welcome. Nevertheless, as comments from many others were still awaited, the three concept papers had not yet been revised. The regional committees for Africa and South-East Asia comprised 57 Member States, which both endorsed the reform process and urged that it not move too fast. As to governance, those regional committees wanted better alignment between global and regional governing bodies, to enable Member States to set priorities for WHO while recognizing regional specificities and to reduce repetitive debate by governing bodies; better alignment between the three levels of the Organization, including better work with partners and resource mobilization for countries; and better recognition of the roles and responsibilities of Member States and the Secretariat, to ensure that Member States' decisions in resolutions could be implemented. While some countries feared that large and rich countries would exercise undue influence, the Director-General had reassured them that the process would be democratic.

10. While Member States supported consultation with partners, they feared that the proposed World Health Forum would erode the governing bodies' authority and suggested other models.

Dealing with global health initiatives and partners resulted in a large burden of work, along with fragmentation and duplication; were transaction costs too high for donor and recipient countries alike? What was the value added? In addition, some countries misunderstood the proposed independent evaluation of health system strengthening; it was intended to audit the capacity of the three levels of the Organization to assist countries in this area. The Director-General had recently issued a draft document on the headquarters web site to answer Member States' questions.

Interventions by Member States

11. In the subsequent general debate in plenary, Member States fully endorsed the WHO reform process and were eager to participate in each step; they made suggestions on the aims and content of each of the three areas (core business, financing and management, and governance) and gave advice on the speed and handling of the next steps in the process. In particular, one representative welcomed the discussion being held by the Regional Committee, although he was disappointed at the absence of updated concept papers, and requested that its results be reflected in a report to be shared with Member States for comment and then submitted to the Special Session of the Executive Board. While the European Union's web-based comments remained valid, some additional points were offered to the Regional Committee discussion. First, the reform process needed to aim at ensuring that WHO concentrated on its core business and had strong management tools, adequate and competent staff, better results-based budgeting and planning processes, effective risk management and a robust internal control environment to increase transparency and accountability. The proposed managerial reforms, detailed in a new paper, were essential to make WHO more efficient and effective. The independent evaluation should start soon, so that its results could inform the reform process, and it should focus on the managerial, governance and fiscal aspects, as well as work on health system strengthening. Reform of strategic management and financing should address the inconsistencies between resource allocation and strategic priorities agreed by governing bodies, and achieve more predictable funding, while bearing in mind discussions on WHO's core tasks and relations with other United Nations agencies. In addition, WHO needed better alignment – coherence, hierarchy and synergy – and division of labour between its global and regional levels, and between its global and regional governing bodies. While a discussion of the proposed World Health Forum was welcome, the current stage of reform should focus on management issues.

12. The Secretariat should present the Executive Board at its Special Session in November with the various options for action on the whole range of problems addressed by the reform process, linking the concept papers with those presented to the Executive Board and World Health Assembly, and including the financial and resource implications and probable consequences and impact. The Secretariat should also provide the evidence base for decision-making and streamline the specific policy options, in order to simplify the "puzzle" of reform for Member States' final decision. As reform was essential for WHO to meet all Member States' expectations, the speaker urged all Member States to voice their expectations, participate constructively in the process, and stick together to keep the process on track and fully support the Director-General.

13. Many other speakers endorsed those views, particularly the requests for a clear delineation of the options for reform and their costs and time frame and for the chance to comment on the Regional Committee report to the Executive Board, while making some additional points. Work on the five core functions, for example, should delineate core tasks; identify areas in which WHO should do less, as well as those in which it should do more and better in order to support Member States; and include a system to set priorities within the core functions, related to the way in which Member States adopted resolutions in the World Health Assembly. Speakers valued the normative and standard-setting work done by WHO

headquarters, the technical assistance provided by headquarters and the Regional Office (including its geographically dispersed offices – GDOs – and partnership with the European Observatory on Health Systems and Policies) and the excellent work done by country offices. Further, several representatives stressed the importance of noncommunicable diseases (NCDs), urging that WHO step up its efforts in funding, skills and coordination (to retain its leadership in NCD prevention and control, in order to achieve the ambitious aims expected to be agreed at the United Nations high-level meeting); focus on standard-setting to guide Member States, and on strengthening health systems to fight NCDs and communicable diseases; and establish a database of best practices against the common risk factors. One called for a mechanism to ensure a rapid and coordinated response to emergencies and disasters, and another suggested focusing on the use of information technology in health systems to ensure effective care. Another representative stated that the reform was an excellent opportunity to give a 21st-century interpretation of the visionary WHO Constitution, an idea that he illustrated by quoting and commenting on the last paragraph of its preamble.

14. As to financing and management, WHO must find ways to increase the level of flexible funding, and donors should support the Core Voluntary Contributions Account (CVCA); in addition, WHO should seek innovative means of resource mobilization by the Organization as a whole, indicate how a "replenishment model" could be further developed, ensure that all new financing models were democratic, ensure sufficient involvement of Member States in the process and explore new ways of negotiating with donors, with greater transparency and clear criteria. One speaker called for a unified WHO to coordinate donor support. Other useful measures could include: strengthening financial control and administrative systems to ensure the efficient use of existing resources, identifying staffing implications of the different proposed options, recruiting staff that help WHO maintain its technical expertise and cost–effectiveness, and submitting data and reports in good time for review by bodies such as the Programme, Budget and Administration Committee of the Executive Board (PBAC).

15. Speakers endorsed the proposed independent external evaluation and suggested that it should be carried out soon in order to improve WHO's medium- and long-term functioning, as well as to contribute to the reform process by analysing WHO's contribution to strengthening health systems. Countries would carefully examine its proposed terms of reference, which had been posted for consultation that very day.

16. As to governance, WHO should be the lead normative organization in the global health architecture, a function that should be properly resourced and carried out by WHO headquarters. WHO's three-level structure and the diversity of its regions were assets. As WHO strategies and plans were translated into action in country offices, mechanisms were needed to strengthen cooperation between the three levels of the Organization, and the lines between the Director-General and the regional directors, and between the agendas of the global and regional governing bodies. Nevertheless, the European Region should take the lead, when appropriate, in the future as it had in the past. The governing bodies should be more focused and strategic, more transparent and accountable, and more practical and less theoretical, in their work. Several representatives wanted the Executive Board to have a stronger role, and another suggested strengthening PBAC to support the Board. The vision of one WHO should be realized, and WHO should play a stronger role in its partnerships and in the United Nations family. In addition, one speaker praised the new draft Regional Office country strategy; another called for WHO to use multicountry, subregional and interregional approaches and initiatives to improve the efficiency and cost–effectiveness of its work.

17. Furthermore, Member States should exercise self-discipline and cooperate to identify priorities better. They needed to agree on the general principles for WHO's cooperation with partners, particularly the principle of neutrality and perhaps the value of health as an organizing principle. Some representatives suggested increased cooperation with the private sector. While

better coordination with partners, including civil society and the private sector, and delineation of tasks between governing bodies were needed, representatives doubted the usefulness of a World Health Forum and suggested that existing consultation structures or another proven framework be used.

18. As to the reform process itself, representatives welcomed the concept papers, as well as the recently received document on managerial reform. One speaker called for the reform process to be guided by the WHO Constitution and, to the extent possible, conducted through consensus. Another urged the European Region to continue to be active in the reform process and called on all Member States to participate; they needed to set its pace, whether fast or slow. He expected the Executive Board to make interim decisions in November. Representatives suggested that WHO could learn from the management practices of partners such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, examples of evaluations made for such organizations as the World Bank and the reform efforts of other United Nations agencies, and that the reform process should be used to explore new forms of country work and partnership.

19. In reply, the Director-General thanked Member States for their support and pledged that, after all Member States' input had been received, the Global Policy Group (GPG) would provide a consolidated paper, encapsulating all elements of the reform, in October, before the meeting of the Executive Board. While reform was a continuous process, she had already taken action, such as instituting the global management system (GSM) for the Organization; nevertheless, input from Member States, the owners of WHO, remained essential. The Director-General asked the Regional Committee to look at the draft terms of reference for the proposed external evaluation: the issue was its sequence in relation to the reform; she needed countries' input in the next couple of weeks, in order to have the terms of reference approved by the Executive Board and issue a request for proposals. WHO would make detailed proposals on internal governance, as Member States had reached broad agreement, but because views differed on the World Health Forum and engagement with the private sector, the Director-General would propose other mechanisms for consultation with civil society and the private sector. WHO would also provide more information on how a replenishment model could be developed in a democratic organization such as WHO. Finally, the Director-General also stated that she would do as Member States asked and seek to create a better evaluation culture in the Organization.

Working groups

Structure and expected outcome

20. As noted above, three working groups were set up to in order to provide as structured advice and guidance as possible on the various areas of WHO reform. The three groups were divided as follows:

- Group A: Governance
- Group B: Core business
- Group C: Managerial reforms
  - Organizational effectiveness
  - Strategic management and evaluation

21. Several Member States had representatives in more than one group.

22. The intended outcome of the working group discussions was to put issues on the table which Member States would like to see included in the reform work as the agenda was taken

forward. The discussions were rich and varied and took the form of brainstorming, rather than to seek 'answers' at this early stage. As such, the issues covered should be seen as the European Member States' input to the overall thrust of the WHO reform process, and as suggestions to be kept in mind when the consolidated paper to be presented to the Special Session of the Executive Board was drafted.

Discussions in Working Group A: Governance

23. The Executive Board member from Switzerland, serving as facilitator, suggested that the working group discuss the interaction – satisfactory or not – between the work of the Executive Board, the World Health Assembly and the Programme, Budget and Administrative Committee.

24. Members of the working group pointed out that the distinctions in the roles of those bodies had become blurred in the past several years. As the Director-General often said, the Executive Board was turning into a "mini-Assembly": countries were reporting on their own activities, rather than working on sessional documentation in order to facilitate consensus during the discussions at the Health Assembly. If well thought out documents were submitted to the Health Assembly, less time would be lost in protracted negotiations in drafting groups. The solution might be to remind Member States, at the start of each set of Board meetings, that their purpose was to discuss and improve the documentation. A mechanism might be found for determining if a document was sufficiently well elaborated to merit submission to the Health Assembly, and if not then to be returned to the EB for subsequent resubmission.

25. The Health Assembly's discussions should focus on how the decisions that it adopted could be implemented, not on the achievements or financial needs of individual countries. The reforms carried out recently with a laudable goal – to improve the Organization's transparency – had had the effect of reducing efficiency in its work. Some of the activities and managerial tools of the Board and the Health Assembly overlapped: greater coherence in the functions, interactions and overall goals of those bodies must be achieved. At present, there was a sense of dysfunction, of no common interests.

26. The political legitimacy of the Executive Board needed to be reinforced. The governance component of reform was essential, but more work was needed to clarify the issues. Hopefully, the Special Session of the Board in November would help to clarify the work ahead in this regard. To that end, one Member State suggested that one option could be to establish an open-ended working group of the Board to consider ways of heightening the Board's legitimacy. The Board should serve as a technical body; its members should represent all the countries of the Region, not their own governments, but that was not the way things always worked. One solution might be to institute representation, not by countries, but by constituencies (regions), as was the case in the Global Fund to Fight AIDS, Tuberculosis and Malaria. Another complementary solution might be for Board members to be better briefed on how it and other governing bodies of WHO should function. Constitutional, or at the very least managerial, changes might also be necessary.

27. Although Articles 28 and 61 to 65 of the Constitution clearly defined the Executive Board's role as a preparatory, executive and oversight body, that mandate was not being truly fulfilled, for various reasons. Perhaps a strategic overview, by supplementing the content of the Constitution, would help to keep the Board on track by identifying issues that needed to be debated. The Board's executive role should be reaffirmed and it should be more actively involved in the running of the Organization.

28. The Chairman of the Board was expected to serve as moderator of its discussions, broker of agreement and facilitator of inter-sessional work. To alleviate some of those burdens, the Vice-Chair might take on greater responsibilities. The Chairman and other officers hardly had

time to become conversant with their responsibilities before their term of office – one year – expired. In addition, having only one major Executive Board session a year militated against thorough handling of issues.

29. The sequencing of governing body meetings – both regionally and globally – was not optimal. The SCRC, when reviewing documentation to be submitted to the Regional Committee, met prior to the Assembly and could not therefore always ensure coherence of documentation with the decisions of the upcoming Assembly. Consideration should be given to postponing meetings of the SCRC from May until June of each year, and those of the Regional Committee from early to late September or October. The need for annual Health Assemblies (although stipulated in Article 13 of the Constitution) might be reconsidered: other bodies held their major meetings only every two, three or four years.

30. The WHO Constitution was over sixty years old. Since its adoption, the number of Member States had changed and many new health problems had emerged. Provisions, such as the one on annual reporting obligations, were no longer relevant and should perhaps be abolished, adapted or brought up to date. Whereas some felt that perhaps the time had come to revisit the Constitution, others were of the opinion that since it was an extremely flexible instrument, much could be achieved without formal changes (which, on the last occasion, had taken some 15 years and had been very resource-intensive).

31. Different regions had very different opinions about the functions of regional committees and their relationships with the Health Assembly. Interregional contacts needed to be greatly improved, perhaps by inviting a vice-chair from one region to attend the regional committee meeting of another.

32. Finally, the strategic intent and overall vision of WHO needed to be reasserted: while “Health for All” had indeed served as such an overarching vision for the Organization – and the European Region was now doing the same on a regional basis with the “Health 2020” policy framework – the General Programme of Work did not provide any such overall vision and strategic intent.

33. Lastly, despite all the stimulating ideas that had emerged from the working group’s deliberations, it was pointed out that changes should not be made simply for the sake of making them.

34. A summary of the key messages emanating from Group A is presented under four broad themes in Annex 1, in order to facilitate their inclusion in the global reform stream on Governance.

Discussions in Working Group B: Core business

35. Introducing the discussion on the main issues, priorities and areas for WHO’s work, the Director, Global Health Programme at the Graduate Institute of International and Development Studies, Geneva, Switzerland, outlined the key elements of strategic decision-making at WHO. First was its universality and democratic approach with respect to standard-setting; second were its core areas of work: health systems and institutions, health and development, health security, evidence on health trends and determinants, and convening for better health. It was inappropriate to use the language of business when describing the work of WHO, in which both decision-making and priority-setting had different aims from those of private businesses or organizations.

36. The priorities set democratically by Member States within the governing bodies were often not the same as those of donors, sometimes even within the same country. Transparent

criteria were needed for setting priorities for what was to be done with the available funds, perhaps with a system for rating priority, and the system should be understood by everyone in the Organization and by Member States. As stated by the Director-General, it was important to communicate the unique role of WHO to the outside world, emphasizing that it was not a development agency.

37. During the ensuing discussion, questions were asked about how the five core areas differed from the six functional areas. The core areas should be strategic rather than functional, and the two types of area should be clearly differentiated. A number of speakers commented that the General Programme of Work should list the core areas only.

38. Criteria were needed for choosing priorities within a core area, such as the number of people or countries affected by an activity, the urgency of a situation or the feasibility of a programme, from the point of view of timing, funds or the implementation capacity of WHO or Member States.

39. Although WHO was not a development agency, it contributed to development. Once WHO had set standards and priorities, it had to help with their practical implementation. Did personnel in WHO country offices have the relevant skills? WHO helped to establish primary health care in countries, develop health systems and establish the legal framework for implementation of binding obligations, such as the WHO Framework Convention on Tobacco Control and the International Health Regulations (2005). It should advise governments on such measures and not intervene at subnational level, where other organizations were better suited to deal with concrete health issues such as mother and child health.

40. Some WHO activities, such as collecting health data and retaining the capacity to respond to health crises, should be recognized as continuous, while others, such as the elimination of measles or poliomyelitis, were time-limited and could be evaluated periodically to determine whether their priority should be changed. Such a differentiation would be useful for selecting relevant personnel.

41. Some of the five core areas were priorities in all countries; others, however, such as guidance on norms, were not priorities for some Member States. Many countries belonged to several international organizations to which they had to report, resulting in duplication of effort; such reporting requirements should be coordinated. Several speakers commented that Member States should set priorities within each core area, according to their needs.

42. In a discussion of how to ensure that donors met the health needs of countries, the comment was made that donors often had “favourite” countries and health areas. It was essential to ensure consistency between government priorities and those of donor agencies in the same country.

43. There was general agreement that the priorities of WHO were covered by the six strategic functions in the 11th General Programme of Work and the five core areas and also that WHO should be the global leader in health.

44. A summary of the key messages emanating from Group B is presented in Annex 2, in order to facilitate their inclusion in the global reform stream on Core Business.

Discussions in Working Group C: Managerial reforms

45. The SCRC member from the United Kingdom, in his capacity as one of the facilitators of the discussion, said that the working group had been called on to consider two broad issues: organizational effectiveness/country presence and strategic management/financing.

46. The Executive Board member from Germany started the discussion by saying that WHO's financial problems lay at the origin of its whole reform agenda. In January 2010 the Director-General had launched the reform under the title "The future of financing for WHO". Two questions raised then remained crucial: how could the available budget be applied in a more targeted fashion to the priorities set by the World Health Assembly, and how could the budget be made more predictable and sustainable, in order to ensure more realistic planning and effective management?

47. Five problem areas could be identified at the outset. First, one third of WHO's budget consisted of flexible, stable, predictable and long-term resources, mainly in the form of Member States' regular budget contributions, while two thirds (some US$ 2.7 billion) came from individual donors, both governments and the private sector, and were almost completely earmarked, i.e. WHO could not freely use them to implement the priorities agreed by the World Health Assembly and regional committees. Furthermore, these funds were not stable, predictable or sustainable. When the World Health Assembly adopted the budget, it adopted aspirational plans that included desirable levels of voluntary contributions as well, which was sometimes illusory. Second, at the end of each budgetary period, at the latest, that illusion was dispelled: WHO could not allocate funds to the priorities set by the World Health Assembly (a shortcoming for which the Member States regularly criticized the Organization) since, for two thirds of the budget, priority-setting was actually done by the individual donors. Third, results-based management was not possible under those conditions. Fourth, WHO's staffing model did not match the above two types of (long-term) flexible and (short-term) inflexible budgetary resources. The duration of staff contracts did not distinguish between core activities and other tasks, such as working on time-limited projects funded by donors (leading to reduced flexibility of staffing). Lastly, WHO was not consistent in demanding full programme support costs from voluntary donors, reflecting the real costs of operations. As a result, (flexible) regular budget contributions were to a substantial degree used to cross-subsidize projects financed by voluntary donations (a study by the Netherlands Ministry of Foreign Affairs had estimated that cross-subsidization to amount to one quarter of the regular budget, or US$ 250 million, per biennium).

48. Two solutions were often discussed: either to increase regular budget contributions to the level of voluntary contributions, or to ask Member States to make more flexible resources available. Neither was realistic, however: the first was not politically feasible, even in the distant future, while the second could entail some countries giving flexible funding to support individual projects (implemented with voluntary donations) over which they had no influence, owing to the practice of cross-subsidization.

49. The question therefore arose of whether efforts should be focused on bringing the planning process into line with existing circumstances. Should a distinction be made between a core budget with flexible resources for long-term work, and a project budget with earmarked resources for short-term activities? Should core staff be differentiated from project personnel? And if the core budget was fully allocated to long-term work, then additional projects would have to bear their own real overheads or programme support costs, since there would be no more flexible funding available for cross-subsidization. Health policy priorities could then be set in a more consistent manner by WHO's governing bodies and pursued by the Organization as voluntary funds became available.

50. In the debate that followed, Member States' representatives agreed that an aspirational budget was problematic and that a proper prioritization and budgeting process was essential. While it could be useful to make a clear distinction between core and project budgets, an adequate level of funding must be secured in the former, projects should not "reclassify" themselves as core work, and both components would need to be subject to the same processes of prioritization, monitoring and evaluation of results. Flexible funds could be allocated first, before a second round of programming and budgeting was carried out with earmarked

resources. It was important for the Organization's core business priorities to be based on the real budget. If a donor's priorities did not coincide with those set by the World Health Assembly, then the Organization should refuse the donation, perhaps communicating the reasons for that refusal through Member States. The overall aims were to allow the Secretariat to plan the use of voluntary donations, enable the governing bodies to exercise oversight, and improve the predictability and sustainability of financing.

51. One speaker noted that research institutes in his country were funded by both the government and private donors. In the past, research workers had considered the latter to be "their" money alone, but the budget process had recently been re-engineered so that priorities were set by the scientific community; the earmarked or project-related budget was then centrally "governed" but administered on a decentralized basis; and result-based reporting to donors was done centrally.

52. The Director-General, attending Group C, emphasized that cross-subsidization was to be avoided and that discipline and prioritization were crucially important: if only 50% of funds were received, then only the top 50% of priorities should be implemented. In addition, she recognized that, so far as regular budget contributions were concerned, there was a "disconnect" between the national bodies involved in setting priorities for the Organization (i.e. ministries of health) and those responsible for providing resources (ministries of finance or development).

53. Speakers recommended that the actual overhead costs of operations should be made more visible and rigorously applied. They might go beyond the 13% of programme support costs already charged. Member States' delegates had the responsibility of understanding and explaining to their national governments the rationale for the level of programme support cost applied in WHO. In reply, the Director-General explained that the level had been set by the World Health Assembly decades ago, but that a proper costing (looking at industry benchmarks) was needed.

54. The working group noted that WHO already had some useful instruments for carrying out strategic management, such as the PBAC, and that other United Nations agencies had carried out similar managerial reforms. In the spirit of "One United Nations", WHO should continue to participate in common institutions such as those set up under the United Nations Development Assistance Framework (UNDAF).

55. In answer to a question about whether WHO could engage in managerial reform without changing its Constitution, the Director-General reaffirmed that indeed it could, and the working group recommended that it should publicize that fact.

56. A summary of the key messages emanating from Group C is presented in Annex 3, in order to facilitate their inclusion in the global reform stream on Managerial Reforms.

Annex 1.
Key messages emanating from Group A: Governance

A facilitator for working group A, which had discussed the question of governance, said that a number of provocative questions had been asked, resulting in a stimulating discussion of several key issues. The distinction between the Executive Board and the Health Assembly had been blurred, with the Board turning into a mini-Assembly. The Executive Board's executive functions needed to be strengthened. The Board's political legitimacy was being questioned, and an open-ended working group might be established to review that issue. It was suggested that training might be needed for the Executive Board's chairmen and other officers; that the Board might need to have more than one full meeting per year in order to do its work properly; and that its membership should be based on regional representation, not countries. Lastly, better interaction among regional committees and with the Board and the Health Assembly should be sought, and different sequencing of their meetings might be considered.

In broad terms, the issues covered in Working Group A could be grouped under the following four headings:

Strengthening of the Executive Board's role

- The political legitimacy of the Executive Board needs to be reasserted.
- Can the Executive Board fulfill its constitutional role as an executive organ and "gatekeeper" of the World Health Assembly with only one proper meeting per year?
- Good officers/chairmanship of the Executive Board is essential. Structured training/coaching of the Chair (as well as of new Members) should be instituted.

Alignment between global and regional governing bodies

- Better alignment between global and regional governing bodies is required, in order to (a) strengthen governance and (b) avoid repetitive discussions by governing bodies.
- Improved alignment could be promoted e.g. through more proactive use of the Executive Board Chairmanship, who should ideally attend all Regional Committee sessions.
- The sequencing of governing bodies meetings (regional and global) is not optimal and should be reconsidered.

The WHO Constitution

- Views were somewhat divided, but the majority view was that Constitutional changes should be avoided – it was pointed out by Legal Counsel that the Constitution is a flexible instrument and that a lot can be achieved without formal changes.
- The roles of the World Health Assembly (broad policies) versus those of the Executive Board (executive organ, gatekeeper) should be reconfirmed within the framework set by the Constitution.
- Linked to this: it would be useful to clarify which parts of these respective roles are based on (a) the Constitution, (b) the rules of procedure and (c) on established practice.
- Even if no constitutional changes are contemplated, a "tidying up" of several provisions is urgently required, e.g. annual reporting by Member States to the World Health Assembly.

External health governance

- The essential role of WHO, acting as the lead normative organization in the global health architecture, must be protected and properly resourced.
- Better coordination with partners – including civil society and the private sector – is needed.
- Most– but not all – delegates doubted the usefulness of a World Health Forum and suggested that other, existing consultation structures be used instead.

Annex 2.
Key messages emanating from Group B: Core business

A facilitator for working group B, on core business, said that WHO was based on a democratic model, with joint financing and decision-making by all Member States. Under its Constitution, it had a very broad mandate, yet the core functions usefully emphasized what were the most important areas of WHO's work. Linguistic clarity was needed, as references were made variously to core areas, priority areas and core functions. The use of the vocabulary of business, however, was to be avoided. While WHO was not a development agency, it did a great deal of work at country level, and its ability to help national authorities with norms, standards and health systems depended on the availability of skilled staff at country level. It was suggested that the Organization's ongoing tasks should be dealt with differently than short-term functions. Priorities, however, should be the same globally and regionally. Lastly, countries should not change their attitudes to the Organization in different situations: sometimes they spoke as Member States, and at other times, as donors.

In broad terms, the issues covered by Working Group B could be grouped under the following four headings:

Terminology

- There was agreement by consensus to use WHO language, not business language.

WHO role

- The audience agreed that WHO's core business and functions are, generally speaking, appropriate.
- WHO will continue to be the leader on global health.
- Five core business areas and six essential functions are comprehensive and precise, although not always mutually exclusive. Health in All Policies is not mentioned; this could be a criterion to mainstream and prioritize.
- The uniqueness of WHO was underscored: WHO has the key role of setting standards and norms, which constitutes its added value and power.
- WHO is not a development agency but contributes to development, raising questions about the appropriateness of its scope of action. If WHO cannot help with practical implementation, there is a risk that its norms will not work. Do WHO country staff have the necessary skills to implement programmes?
- WHO serves all countries, rich and poor. The notion of public health which prevails in France is a good base for this principle.

Priorities and priority-setting

- The universalist nature of WHO, which uses a democratic model with joint financing and joint decision-making among all its members, is an important strength. WHO reform is not only about the Secretariat but also about the Member States "back home". Among Member States, there may be different set of priorities, but this fact should not narrow the function of WHO, as a broad mandate of WHO is another strength. Theoretically, WHO can take up all key issues related to health; however, it needs to prioritize, because not everything can be done at the same time. It is important to be results-based.

- It is important to balance north and south in decision-making and priority-setting.
- Donor priority vis-à-vis country priority: it is important to define the process of prioritization. There needs to be consistency between the governing bodies (ministries of health) and how the resources are used (donors\official development assistance).
- Priorities can be of two sorts: continuous and time-limited. Some priorities can be time-limited and subsequently revised, to decide whether to change the priority to another intervention. For continuous activities (data collection, maintaining capacity for responding to health emergencies, International Health Regulations), long-term/continuous contract staff are needed, whereas for time-limited priorities (such as eradication/elimination of polio or measles), short-term staff would be needed. The World Health Assembly could monitor these activities.

Evaluation

- Evaluation of health system strengthening is important. Evaluation should be directed at core business areas and not functional areas.
- WHO is the best place to help establish primary health care and the health system agenda.
- Strengthening health systems and putting public health capacity in place should be one of WHO's priorities.

Annex 3.
Key messages emanating from Group C: Managerial reforms

A facilitator for working group C, on managerial reforms, said that it had considered a suggestion to break down the budget into two parts: core activities and projects. Some countries said that programme support costs were not high enough to cover expenditure on operations: WHO should estimate and better substantiate the real cost of projects. Another point raised was how to attract unearmarked funds from sources other than Member States. Programme priorities and income received from donors were not well matched. WHO should try to learn from the experience of other United Nations agencies. The Constitution provided the necessary flexibility for changes.

In broad terms, the key messages emanating from Working Group C – and which should be kept in mind as the managerial reform work progresses – were as follows:

- An option as far as the WHO budgeting process is concerned is to break the budget into a core part and a project part, reflecting long-term funding and short-term funding.
- The point was made that the current income from programme support costs, which WHO is charging to donors, is not enough to cover the real costs of operations. WHO must be able to demonstrate better the real cost of its projects.
- The question of innovative financing and how to attract funds from other sources than Member States was discussed – caution should be exercised vis-à-vis the private sector.
- The mismatch between resource prioritization as set by the World Health Assembly/Regional Committee and the actual income as given by donors was also discussed. In addition, it was mentioned that better alignment is needed between ministries of health (who set the priorities for collaboration) and ministries of foreign affairs/development agencies (who are actually allocating the funds to the Organization).
- Member States pointed out we should use the experience of other United Nations agencies as the reform process moves forward.
- On organizational reform, it was agreed that the WHO Constitution provides sufficient flexibility to make the necessary changes for WHO reform.