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Our reform story



WHO reform: Progress and implications for Europe



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WHO reform: progress and implications for Europe

This document contains the third consecutive report to the WHO Regional Committee for Europe on the progress of WHO reform. It is presented by the Regional Director, in line with resolution EUR/RC60/R3, which called for strengthened oversight of the Secretariat's work, and forms part of an annual rolling plan outlining the likely implications of WHO reform on the European Region.

On the whole, significant progress has been made in moving the WHO reform agenda forward since the Regional Director last reported to the Regional Committee in September 2012. This has been due in large part to the unprecedented level of engagement and active involvement in the reform process by Member States. Member States in the WHO European Region have made valuable contributions and interacted closely with the Secretariat in global meetings of the governing bodies.

WHO reform was on the agenda of the Twentieth Standing Committee of the Regional Committee at both its third and fourth sessions in March and May 2013 respectively, focusing in particular on the issue of governance reform, a separate report on which is also presented to the Regional Committee for its consideration (EUR/RC63/16).

The Regional Committee's comments and advice on this and other reports on reform-related issues (see below) will constitute an important contribution to the Executive Board's discussions in January 2014, in line with World Health Assembly decision WHA65(9), under which the work of WHO's governing bodies will henceforth constitute a seamless and harmonized sequence of policy guidance and oversight, starting with the sessions of the six regional committees.

This report should be read in conjunction with the following Regional Committee documents:

- Implementing the programme budget 2014–2015 in the European Region (EUR/RC63/Inf.Doc./3)
- Principles of planning 2016–2017 (EUR/RC63/20)
- Report of the first financing dialogue (EUR/RC63/19)
- Financial situation of the WHO Regional Office for Europe (EUR/RC63/Inf.Doc./4)

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Introduction

1. This document is the third consecutive report to the Regional Committee on WHO reform presented by the Regional Director, in line with a commitment made at the Regional Committee's sixty-first session (RC61) to report annually on the implications of reform as part of a rolling plan. The document therefore outlines progress made since September 2012¹ and the status of WHO reform as of June 2013, as well as the likely impact of the reform process on the future work of the Regional Office for Europe.
2. On the whole, significant progress has been made over the past 12 months, notably in the areas of programmes and priorities and management reforms. That progress is, to a large extent, due to an unprecedented level of involvement and support from the Organization's Member States, especially constructive interaction over the past year with Member States in the European region.
3. Under each of the three reform components – programmatic, governance and managerial reforms – a summary of progress and likely implications for the Regional Office are provided.

Programmatic reform

Twelfth General Programme of Work 2014–2019

4. The Twelfth General Programme of Work (GPW12) for the period 2014–2019, as presented to the Sixty-sixth World Health Assembly, received overwhelming support as a significant improvement on its previous iterations. The Assembly requested the Director-General to use it as a basis for strategic planning and evaluation of the Organization's work, while at the same time closely involving Member States consistently throughout its implementation.

Programme budget 2014–2015

5. The first programme budget developed on the basis of GPW12 was for the 2014–2015 biennium. In this case, in order to strengthen control and oversight of the governing bodies, the programme budget for 2014–2015 was approved in its entirety for the first time by the Sixty-sixth World Health Assembly in contrast to previous practice whereby the Assembly has adopted appropriation resolutions only for the assessed contribution (AC) part of the budget, and simply took note of the part on estimated voluntary contributions (VC).
6. The Assembly's approval was granted, notwithstanding the fact that a costing of outputs to guide resource allocation for the coming biennium was still outstanding. The budget resolution adopted by the Sixty-sixth World Health Assembly (WHA66.2), however, included a provision stipulating that Member States would be kept fully informed, through the Executive Board and its Programme, Budget and Administration Committee (PBAC), about financing, resource mobilization, and strategic allocation of resources to major offices and programmes. In addition, the Assembly adopted decision WHA66(9) calling for a new, bottom-up planning process to be applied from the 2016–2017 biennium. This process will further articulate the

¹ Regional Committee document EUR/RC62/14 on "WHO reform"

results chain and linkages between impact, outcomes and outputs, and will clarify roles and responsibilities at the three levels of the Organization, as outlined for the first time in the programme budget 2014–2015.

7. The Regional Committee document EUR/RC63/Inf.Doc./3 on implementing the programme budget 2014–2015 provides further details on the structure and elements of change in the programme budget 2014–2015, in comparison with previous biennia.

Implications for the Regional Office

8. There is no doubt that the new mechanisms and methodologies called for by the World Health Assembly in respect of bottom-up planning for the programme budget 2016–2017, as set out in document EUR/RC63/20 on principles of planning, will have a major impact on the work of the Regional Office for Europe over the coming 1–3 years. This impact will be felt, and will need to be absorbed both by the country programmes as well as by the Regional Office's technical departments and administration.

9. A particular short-term challenge with regard to resource allocation for 2014–2015 is the fact that the distribution of funds between programme categories and major offices will not be known until the financing dialogue has been completed towards the end of 2013. Operational planning for 2014–2015 is, however, already well under way in country offices and the Regional Office. The planning process is based on a conversion of the Regional Office's programme structure from 13 strategic objectives (SOs), as used in 2012–2013, to 6 programme categories divided into 30 programme areas, as set out in the programme budget 2014–2015. Operational planning is also based on the assumption that the level of funding for the Region will be US\$ 225 million for 2014–2015, as foreseen in the programme budget approved by the World Health Assembly in May 2013. This assumption is of key importance both for the human resources plan for 2014–2015, which determines staffing levels, including extensions or termination of contracts for all staff in the Region, and for the development of biennial collaborative agreements (BCAs) concluded with Member States in the Region.

10. The Director-General has pledged to distribute AC funds for 2014–2015 more strategically than in the past across programmes and major offices; this distribution will also depend on the outcome of the financing dialogue towards the end of November 2013. The Regional Director is, however, confident that overall resources to the European Region, as an outcome of both the new financing dialogue and a more targeted resource mobilization strategy, will enable a fully funded programme budget for the new biennium with more flexible and better quality funds for the Region. A large part of these funds will be known before the start of the biennium. The Regional Director asks Member States in the European Region to support this process and help her to secure sufficient funding during this transitional period to ensure secure staffing, avoid negative effects on the human resources plan and enable full implementation of commitments undertaken in respect of Member States, as set out in the programme budget and the resolutions of the World Health Assembly and the regional committees. To facilitate the Regional Committee's discussions, information document EUR/RC63/Inf.Doc./4 describing the financial situation of the Regional Office for Europe and the challenges faced in the Region is available.

11. Although unlikely, a shortfall in resources would not only affect the Regional Office's intercountry programme, but also the BCAs. At the time of this year's BCA negotiations with Member States, neither the level of funding nor the funding source can be predicted with certainty. As mentioned above, the planning baseline will be to assume full funding for the Region's US\$ 225 million allocation within the programme budget. This allocation, approved by the World Health Assembly, is higher than that for 2012–2013. Member States should also be aware that the structure of the BCAs for 2014–2015 will need to be modified to reflect the

deliverables set out in the programme budget as approved by the Sixty-sixth World Health Assembly.

12. Finally, the Regional Committee's attention should be drawn to the oversight and governance implications of the revised format of the programme budget 2014–2015 with regard to the European Observatory on Health Systems and Policies. Like all of the Organization's hosted partnerships, the Observatory will be outside the programme budget framework in the next biennium, which may have implications for monitoring the Observatory's activities and its accountability to WHO Member States.

13. Regional Committee document EUR/RC63/Inf.Doc./3 provides further details on outstanding issues linked to the implementation of the programme budget 2014–2015 in the European Region. Further important information on WHO's ongoing financial reform is provided in document EUR/RC63/19 on the first financing dialogue.

Governance reform: global versus internal governance

14. There are two aspects to the issue of governance reform: one concerns the broader question of WHO's role in the global health architecture and the Organization's interaction with other stakeholders in international health, and the other is a more internal, restricted view, focusing on oversight, coordination, methods of work and the rules of procedure of the Organization's governing bodies.

WHO's role in global health governance

15. The growing number of organizations working in international health creates a need for clearer definitions of roles and responsibilities and better rules of engagement, in order to move towards national, regional and global health goals in a coordinated manner.

16. The Executive Board, at its 132nd session in January 2013, considered two issues linked to global health governance: one on the issue of hosted partnerships and the other focusing on WHO's engagement with nongovernmental organizations (NGOs). The subsequent 133rd session of the Board, in May 2013, took up the basic question of WHO's role in global health governance as an expression of its constitutional mandate to act as "the directing and coordinating authority on international health work". As part of that discussion, the Board also considered a Secretariat proposal on the formulation of a typology and basic principles for the Organization's interactions with non-State actors.

17. Consultations on all of the above issues will continue in January 2014 at the 134th session of the Executive Board. The agenda for that session will include a proposal for an overarching framework for engagement with non-State actors, based on the discussions that took place at the 133rd session. The agenda will also include discussions on draft policies on engagement with NGOs and private commercial enterprises, as requested by the Board at its 132nd session in January this year.

18. The issues linked to WHO's role in global health governance are complex and diverse. In practical terms, progress has therefore also been somewhat slow, as acknowledged by the Director-General. Some delegations present at the Sixty-sixth World Health Assembly characterized this area as possibly the weakest link in the Organization's overall reform process.

Internal governance of WHO

19. The internal governance of WHO is also an element of reform where more work is required, as pointed out by delegates at the Sixty-sixth World Health Assembly.

20. In 2012, the World Health Assembly, through decision WHA65(9), stated the need to “strengthen, streamline and improve the methods of work and roles of the governing bodies”. Member States in the European Region have taken several steps in this regard, through the work entrusted to the two working groups on governance established by the Standing Committee of the Regional Committee (SCRC) in 2010 and 2012, which has led to improved methods of work, strengthened oversight and revised Rules of Procedure of the Regional Committee and of the Standing Committee.

21. At its 133rd session, immediately after the closure of the Sixty-sixth World Health Assembly, the Executive Board discussed possible criteria for inclusion, exclusion or deferral of items on the provisional agenda of the Board, and requested that the Secretariat further develop such criteria for its 134th session in January 2014.

22. Other elements of internal governance, however, still remain to be addressed. In this regard, delegates drew attention to the strategic leadership of the Executive Board and the World Health Assembly and raised questions on how the Executive Board could interact in a more synergistic and structured manner with the regional committees, on the oversight role of regional committees and subsidiary bodies and on improving the alignment of regional governing body processes.

23. In its review of the management and administration of WHO, the United Nations Joint Inspection Unit (JIU) made a similar observation, recommending a comprehensive review of the governance process at regional level with concrete proposals to improve the functioning of regional committees and subcommittees, as well as finalizing the harmonization of their rules of procedure for the consideration of regional committees.²

Implications for the Regional Office

24. Regarding WHO’s role in global health governance with all its associated subsidiary issues, European Member States will doubtless continue to provide essential contributions to the Director-General, since this area, more than any other, needs to be Member State driven.

25. Such contributions will likely be made mainly through the global governing bodies. As the reform process in this area will extend well into 2015, however, regional governing bodies, such as the SCRC, can continue to provide coordinated European input into the global discussions through the Regional Committee. In this regard, the Regional Director would like to remind the Regional Committee that one of the supporting studies for the Health 2020 policy framework was on governance for health in the 21st century. This study provides many examples of how better collaboration among different health actors can address the social determinants of health and improve health outcomes in the European context.

26. Regarding WHO’s internal governance, the Regional Office for Europe could contribute significantly to the above-mentioned review recommended by the JIU. A great deal of experience has been gained from the governance reviews undertaken by the SCRC and its

² Recommendation 1 on “Decentralization” in United Nations Joint Inspection Unit report JIU/REP/2012/7

working groups over the past four years, which could be to the benefit of the whole Organization, particularly in such areas as strengthened subsidiary bodies of the regional committees, oversight through regular management reports, transparency and linkages with Member States.

27. As members of the Regional Committee will recall, the Regional Director presented a comprehensive report and related resolution on governance reform to the Regional Committee at its sixtieth session in September 2010.³ This topic is again on the agenda for the sixty-third session of the Regional Committee. Document EUR/RC63/16 on governance reform in the WHO European Region outlines the SCRC's recommendations to the Regional Committee on the following issues:

- process for nominating members of the SCRC and the Executive Board
- transparency of SCRC proceedings
- procedure for the submission and amendment of Regional Committee resolutions
- credentials screening mechanism for Regional Committee sessions
- communication by members of the SCRC with WHO Member States
- Code of Conduct for the nomination of the Regional Director
- changes to the Rules of Procedure of the Regional Committee and the SCRC.

28. The Regional Committee will be asked to consider all of the above issues through draft resolution EUR/RC63/Conf.Doc./5.

Managerial reform: financing of WHO

29. The objective of ensuring greater predictability, transparency and flexibility in the future financing of WHO as a key element of WHO reform is where the most progress has been made over the past 12 months. It is also the area that will present the most significant challenges for the Secretariat over the next 1–3 years.

30. Member States will recall that this was the starting point of WHO reform, initiated through an informal consultation in Geneva in January 2010. The issue has since been on the agendas of both the Executive Board and the PBAC, including the extraordinary session of the PBAC on 6 and 7 December 2012, which concluded that there were five essential steps to be taken to achieve greater predictability and flexibility of WHO's future financing.

- The entire programme budget, not just the assessed contributions, must be approved by the World Health Assembly.
- A two-step financing dialogue, with the participation of Member States and other major contributors, should be arranged to review resource requirements and address funding gaps.
- Better coordination of Organization-wide resource mobilization and strategic allocation of resources is required.
- Avenues should be explored for broadening WHO's donor base, focusing on Member States, international organizations and philanthropic foundations.

³ Regional Committee document EUR/RC60/11 and Regional Committee resolution EUR/RC60/R3 on "Governance of the WHO Regional Office for Europe"

- Mechanisms should be explored for encouraging supplementary assessed contributions from those Member States willing to do so.

31. At the May 2013 sessions of the PBAC and the World Health Assembly, the Secretariat presented a consolidated paper summarizing all the work undertaken on this issue over the past two years. The Sixty-sixth World Health Assembly consequently decided to establish a financing dialogue, facilitated by the Chairman of the PBAC, on the financing of the programme budget 2014–2015. The first meetings were scheduled for June and November 2013, in accordance with the modalities set out in the paper presented to the Assembly.⁴

32. In order to facilitate transparency of the financing dialogue, a web-based portal has been set up where all available financial information is posted. Furthermore, the experience and lessons learned from the first meeting of the financing dialogue on 24 June 2013 will be discussed by all six regional committees in 2013, in order to provide structured input to the planning for the second meeting in November 2013. In the longer term, a more formal evaluation of the advantages, disadvantages and experiences acquired with respect to both the financing dialogue and related resource mobilization will also be conducted, and presented to the Executive Board and the World Health Assembly in 2014. That evaluation will enable full Member State review and guidance, including consideration of how to ensure the proper involvement of the governing bodies in the processes, in advance of the financing dialogue for the 2016–2017 programme budget.

33. The PBAC and the World Health Assembly also noted that a financing dialogue, however well planned, would not in itself be enough to meet the objective of transparency and flexibility in the future financing of the Organization. Equally important would be the development of a new and equitable mechanism for strategic resource allocation that would facilitate alignment of resources with agreed priorities and implementation capacities – as well as a coordinated mechanism for resource mobilization across the three levels of the Organization.

34. When the discussion in the Assembly turned to the programme budget for 2014–2015, and in reply to numerous interventions, the Director-General outlined her commitment to seven key priorities for developing the 2016–2017 programme budget.

- Prioritization for 2016–2017 will be developed bottom-up.
- Costed outputs will guide the development of the programme budget.
- There will be improvements in the “results chain” demonstrating in particular how “leadership priorities” link in with programme categories.
- The Capital Master Plan will be included in the programme budget 2016–2017.
- A mechanism for strategic and coordinated allocation of resources will be developed, with allocations based on results.
- A robust, bottom-up planning process, based on clear roles and responsibilities across the three levels of the Organization, will guide the development of the programme budget for 2016–2017.
- Firm proposals will be made to the Executive Board and the World Health Assembly on how to handle administrative and management overhead costs in future.

⁴ World Health Assembly document A66/48 on “Financing of WHO”

Implications for the Regional Office

35. There is little doubt that the Director-General's commitment to these seven priorities smoothed the way for Member States' approval of the programme budget for 2014–2015 and the related proposals for financing dialogues to take place in June and November 2013.

36. There can also be little doubt that the same seven points constitute a formidable challenge and added workload for the Secretariat at both headquarters and regional levels.

37. With regard to the implications of the financing dialogue for the Regional Office for Europe, and its impact on operational planning for 2014–2015, reference is made to paragraphs 10–12 above. At the time of drafting this document, work is progressing on the assumption that the US\$ 225 million set out in the programme budget will be fully funded. The Regional Director will give a verbal update on the situation when she presents her report on the work of the Regional Office to the Regional Committee.

38. Document EUR/RC63/Inf.Doc./3 on implementing the programme budget 2014–2015 outlines the work under way in the Regional Office to ensure a corporate implementation in the European Region of the 2014–2015 programme budget, including the key deliverables and the related European Region-specific accountability framework.

39. With regard to the Director-General's plans for a bottom-up planning process for 2016–2017, a set of corporate guidelines is being presented to all six regional committees in 2013. The Regional Committee for Europe's comments on these guidelines will constitute important feedback for the Executive Board in January 2014.

40. In agreement with the SCRC, the Regional Director is also establishing an SCRC sub-group to support her over the coming months in the preparations for establishing the new financing mechanism, in order to ensure that the Regional Office receives the resources necessary to fulfil its workplan.

41. In addition to these immediate priorities, the Regional Office will also need to give close attention to other elements of the Director-General's seven-point agenda, including prioritization for 2016–2017, principles and methodologies for costing outputs, improvements to the "results chain" and the development of a bottom-up planning process for 2016–2017.

42. It is expected that these development issues will occupy senior staff at both regional and country levels for most of 2014 and 2015. The Regional Director intends to seek the advice and support of the SCRC on several of the topics listed.

Other reform Issues

43. The May 2013 meetings of the PBAC and the World Health Assembly also heard a presentation of a new web-based reform implementation plan, providing a comprehensive overview of progress on all elements of reform as of the first quarter of 2013.

44. The implementation plan and report are well-structured and cross-referenced to the recommendations made by the JIU in its two reports of December 2012, which focused on the management and administration of WHO and were subsequently endorsed by the Executive Board at its 132nd session in January 2013.

45. Due to the timetable imposed by the GPW12 and the programme budget 2014–2015, the governing bodies' main focus over the past 12 months has unavoidably been on the issues

linked to programme development, budgeting and related financing, as discussed above. Other elements of management reform, such as strengthening country offices, human resource management, accountability and transparency and the implementation of an evaluation policy have therefore not been discussed to the same extent during recent governing bodies meetings. Progress has, however, been made in these areas, as outlined in the report on reform submitted to the Regional Committee at its sixty-second session (EUR/RC62/14, paragraphs 45–55). Further developments in these areas can be seen in the relevant elements of the web-based reform implementation plan.

46. The Regional Director will update the present progress report on WHO reform and its implications for the European Region for consideration by the SCRC at its meetings over the course of 2014. It will then be presented to the Regional Committee at its sixty-fourth session, in accordance with the annual rolling plan.