



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



## **SECOND SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE**

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### **STATUS OF PAHO'S ENGAGEMENT WITH THE WHO GLOBAL MANAGEMENT SYSTEM (GSM)**

#### **Introduction**

1. WHO is implementing a Global Management System (GSM) which promises to simplify and harmonize WHO's global work by integrating a wide range of management and administrative systems and processes. This integration is designed to enable a global view of the management of health programs, facilitate decentralization, and improve timeliness and accuracy of information. In addition, WHO considers GSM to be an enabling platform for Results Based Management (RBM) and Knowledge Management (KM).
2. WHO currently expects to begin implementation of the GSM in June 2008 at WHO Headquarters in Geneva and in one Regional Office, with rollout to the other Regional Offices in sequence, except for PAHO, through the end of 2009. As stated in PAHO's Strategic Plan 2008-2012, PAHO intends to implement a separate but closely related process that will serve to improve its own organizational management, effectiveness and efficiency, and respond to GSM requirements. As PAHO moves forward, the intention is to leverage the work already undertaken by WHO.

#### **Background**

3. The scope of GSM is to integrate the operations of program management, budget, financial management, human resources management, payroll, procurement, asset management, contract management, and other processes. WHO expects this integration to facilitate a global view of the management of programs and improve WHO's global programmatic reporting and controls.

4. GSM is also expected to improve transparency and accountability, facilitate decentralization, clarify and standardize roles for authorizing and certifying actions, improve timeliness and accuracy of information, and support the reorganization of WHO operations to decrease its overhead costs. As part of its GSM efforts, WHO has established a Global Service Center in Kuala Lumpur, Malaysia to centralize many routine administrative tasks and improve the cost effectiveness of GSM. While the Global Service Center is an important element of WHO's GSM implementation, it should be noted that PAHO's current operations differ substantially from WHO and it is premature to identify the need to shift operations to a global or regional service center.

5. For many years PAHO has gradually invested in its corporate legacy systems. Although the level of harmony and integration among the various systems still needs to be improved, PAHO's major systems-program management, budget, financial management, procurement and payroll-incorporate the basic functionality to support the current needs of PAHO's country offices and Member States.

6. PAHO's Strategic Plan 2008-2012 is fully aligned with the WHO programmatic and managerial framework. At the same time, PAHO's corporate legacy systems have been periodically updated to accompany this new framework and attempts to keep in line with GSM principles. The introduction of major changes to PAHO's corporate systems during the term of the current Strategic Plan 2008-2012 may create disruptions, but ultimately would result in advanced, aligned, and integrated corporate systems.

### **Progress Report**

7. PAHO is in the process of developing the required interface between its current systems (program management, budget and financial) and GSM so that WHO can have integrated data from all regions and comply with global reporting requirements. Additionally, PAHO's functional business owners will continue their dialogue with their WHO counterparts to ensure that all future functional development is aligned with GSM principles.

8. In 2007, PAHO engaged a consulting firm to compare GSM capability to PAHO's existing functionality. The consulting firm identified good convergence in the areas of transparency, integration and efficiency, organizational flexibility, decentralization and accountability, knowledge management, results based management, and human resources management. The firm is continuing its work and is evaluating any functional gaps that may exist with GSM, as well as GSM's flexibility to accommodate PAHO's unique requirements as a separate legal entity. Meanwhile, PAHO has limited its development and maintenance of all corporate legacy systems to that which is strictly necessary to respond to changes in business rules, while ensuring that these systems do not diverge from GSM principles.

9. In the process of aligning to GSM, PAHO is committed to preserving key aspects of its business model, including its unique legal status and governance structure, while ensuring that functionality is maintained to guarantee that the levels of service and efficiencies now enjoyed by PAHO country offices and Member States are not diminished. There are several options that may satisfy this, e.g. participating as an integral part of the global governance process or implementing an independent copy of GSM. In the coming months, PAHO will be carefully evaluating different options.

10. PAHO will pursue a phased approach to alignment and data integration by functional area. System interfaces are expected to begin during 2008. However, since PAHO will leverage the work done by WHO, PAHO's schedule is contingent on progress made by WHO.

11. The cost of PAHO's engagement with GSM will be significant, because it needs to address maintaining all appropriate functionality unique to PAHO, converting existing applications and data into a new system, and managing the necessary organizational changes. In 2006, PAHO commissioned a study by another firm which estimated that PAHO's aggregate costs for adopting GSM could range from \$16.5 to \$38 million. Preliminary results from the current contractor are consistent with the high end of this estimate.

12. As PAHO continues the dialogue with WHO on the implementation of GSM, it expects to achieve many of the same benefits as is expected by WHO, including improvements in its capacity for results based management and knowledge management, while leveraging the work already done by WHO.

#### **Action by the Subcommittee on Program, Budget, and Administration**

13. In view of the foregoing, the Subcommittee is invited to comment on this progress report and provide general guidance. The Secretariat will provide an updated report to the 142nd Session of the Executive Committee.