

**13th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 27-29 March 2019

Provisional Agenda Item 5.1

SPBA13/INF/1
21 February 2019
Original: English

REPORT ON STRATEGIC ISSUES BETWEEN PAHO AND WHO

Introduction

1. The 2019 Governing Bodies cycle will be the second time this report is presented for Member State consideration. The report was initially requested in 2017 at the 29th Pan American Sanitary Conference, during the discussion of Agenda Item 8.1, Update on WHO Reform. The first report on PAHO-WHO strategic issues was presented to the 162nd Session of the Executive Committee in 2018 and addressed topics related to *a) governance; b) management, program, and budget; and c) selected technical initiatives.*

2. This second report presents an update on relevant issues in the relationship of the Pan American Health Organization (PAHO) to the World Health Organization (WHO) from August 2018 to January 2019. It addresses three broad areas: *a) governance, including WHO's transformational agenda and United Nations (UN) reform; b) strategic planning and program budget; and c) selected technical initiatives, including collaboration for universal health coverage.* Where a given topic is covered in more detail in another agenda item, reference is made to the relevant document.

Governance

WHO Transformation Agenda

3. In January 2019, a number of documents were submitted to the 144th Session of the WHO Executive Board (EB144) associated with Agenda Item 7.1, WHO Reform Processes, including the Transformation Agenda, and Implementation of United Nations Development System Reform (Documents EB144/31, EB144/32, EB144/33, EB144/33 Add.1, EB144/34, EB144/34 Add.1, and EB144/INF./4).¹ Several of these documents relate to rules and procedures for WHO governing bodies processes and are not of direct

¹ All documents discussed in the 144th Session of the WHO Executive Board are available at: http://apps.who.int/gb/e/e_eb144.html

relevance to PAHO. The main document (Document EB144/31) provides the overall context for the transformation agenda and links together the Sustainable Development Goals (SDGs), WHO reform, and the transformation agenda in a coherent framework for change. Paragraph 4 of the document sets out the main lines of action for the WHO Secretariat: *a)* clarifying WHO's role in attaining the SDGs; *b)* redesigning and harmonizing processes across major offices; *c)* putting country outcomes at the center of WHO's work across all three levels (Headquarters, regional, and country); *d)* improving the culture, organizational alignment, and capacity of WHO's human resources; and *e)* taking a new approach to communications and resource mobilization.

4. WHO's operating model (structure) is being adjusted to implement the new 13th General Programme of Work (GPW13) (1), which has a special focus on impact at country level in order to ensure a sustainable WHO country presence. There are four main principles: *a)* the strategic priorities of the GPW13 and its "triple billion" targets must drive WHO's work; *b)* technical, external relations, and business/administrative processes should be conducted in a consistent manner; *c)* the operational model should be aligned across seven major offices and three levels of WHO; and *d)* effectiveness and efficiency should be ensured across and within the three levels.

5. WHO is still working on ways to establish clear three-level linkages for each strategic priority, as well as to link WHO's technical, external relations, and business processes. A decision on a new structure to allow better alignment between Headquarters (HQ) and the regional offices, in order to deliver the GPW13 across all major offices and the three levels of WHO, is expected soon. Furthermore, WHO's mobility policy and the establishment of implementation plans and performance targets for each of the new process redesigns are expected to be finalized by the end of March 2019.

6. Many of the above elements may imply adjustments to the Pan American Sanitary Bureau (PASB). At the same time, PASB has already carried out a number of organizational improvements – beginning with PAHO in the 21st Century in 2004 and continuing through implementation of the PASB Management Information System (PMIS) and other recent operational improvements – that have addressed several of the priority areas of WHO reform. Any changes contemplated to align with WHO will take into account the existing frameworks of the Sustainable Health Agenda for the Americas 2018-2030 and the new Strategic Plan 2020-2025.

7. Given the yet-to-be-determined nature of many of the concrete changes expected under the WHO transformation, PASB is still waiting to conduct an assessment of which specific parts of the transformation can and should be adopted in the Region. This report will provide a platform for reporting on these developments.

UN Reform from WHO and PAHO Perspective

8. As a UN Specialized Agency, WHO has embraced three key aspects of UN reform: *a)* high-level advocacy and an integrated approach to the health-related Sustainable Development Goals; *b)* planning and delivery of country-level activities; and *c)* joint

communications and resource mobilization. UN reform has significant governance and managerial implications for WHO, notably pertaining to the agency's governance structure and the accountabilities of WHO's Country Representatives with respect to the UN Resident Coordinator (RC) at country level. UN reform also has financial implications for WHO, including *a*) doubling the WHO cost-sharing contribution to the Resident Coordinator system; *b*) a 1% coordination fee assessed on highly earmarked voluntary contributions received by WHO; *c*) potential for common business operations and/or locations with the UN; *d*) harmonization of WHO's cost-recovery policies and rates with those of the UN; and *e*) a proposal to allocate at least 15% of WHO's non-core development funding to joint UN activities.

9. Acting in its capacity as the WHO Regional Office for the Americas (AMRO), PASB will support WHO's implementation of UN reform; at the same time, PAHO will safeguard its own constitutional status as the specialized health agency of the inter-American system. PAHO will therefore continue to independently implement its Region-wide specific mandates as dictated by its Member States, working directly with ministries of health and other ministries in carrying out its technical cooperation activities at country level, in parallel to the UN system. PAHO personnel at country level will continue to be solely accountable to the PAHO Director. PAHO will "report" to the UN Resident Coordinator by providing information on its technical activities implemented as AMRO at country level. Common UN business operations/co-location will be evaluated by PAHO as needed, on a case-by-case basis.

10. Given that funding of the Resident Coordinator system is a UN commitment, WHO's voluntary contributions are subject to the 1% coordination fee that subsidizes UN reform financing. This would include any WHO voluntary contribution funding that is directed to AMRO. However, voluntary contributions received directly by PAHO (as a non-UN entity) will not be subject to the 1% coordination fee.

11. In light of the significant governance, managerial, and financial implications of UN reform, PAHO seeks Member States' support to ensure respect for its constitutional status while collaborating with WHO in its implementation of UN reform.

Updates on the Implementation of FENSA in the Region

12. PASB continues to fully implement the Framework of Engagement with Non-State Actors (FENSA) in accordance with Resolution CD55.R3 of the PAHO 55th Directing Council, which requested the Director to implement the Framework "in a coherent and consistent manner, and in coordination with the Secretariat of WHO, with a view to achieving full operationalization within a two-year timeframe, taking into account PAHO's constitutional and legal framework" (2). PAHO has complied with this mandate, as fully reported in more detail in documents SPBA13/5, Engagement with Non-State Actors, and SPBA13/6, Non-State Actors in Official Relations with PAHO.

Recommendations from the G20 Summit on Priorities for Health, Sustainable Development, and Climate Change

13. Argentina presided over the Group of Twenty (G20) in 2018, the first country in South America to do so. The overall theme was building consensus for fair and sustainable development through an agenda that is people-centered, inclusive, and forward-looking. The focus was on three main pillars: the future of work, infrastructure for development, and a sustainable food future. In addition, gender was a cross-cutting theme. A dedicated Health Working Group (HWG) was established under the Sherpa (government emissary) Track and culminated in a G20 health ministerial meeting, a health emergency simulation exercise with the G20 ministers of health, a G20 health declaration, and a full paragraph on health in the G20 Leaders' Declaration. The health issues addressed in the 2018 G20 were *a)* strengthening health systems and ensuring their resiliency to health emergencies in line with the International Health Regulations (IHR, 2005); *b)* preventing antimicrobial resistance; and *c)* addressing malnutrition, with special emphasis on child obesity. Mention was also made of the SDG 3 global action plan and ending the epidemics of malaria, HIV, and tuberculosis.

14. Actions by PAHO and WHO included high-level advocacy to keep health on the G20 agenda, provision of an "input note," and organization of two PAHO internal technical consultations with the Argentine G20 team. PAHO provided continuous technical cooperation at HWG and Sherpa meetings, particularly in formulation of the Health Ministerial Declaration and the Leaders' Declaration, encouraging the G20 countries to step up their activity in global health while emphasizing the existing commitments of WHO Member States. In addition, WHO intervened at Sherpa meetings on other topics such as early childhood development (Development Working Group), the importance of education for health (Education Working Group), and the effects of climate change on health (Climate Sustainability Working Group). In the latter case, WHO stressed the need for the health sector to adapt to climate change, as well as the co-benefits to health of mitigating greenhouse gas emissions.

Strategic Planning and Program Budget***13th General Programme of Work 2019-2023***

15. The 13th GPW was approved at the 71st World Health Assembly (WHA71) in May 2018. Notably absent from the document was a full results chain containing the health outcomes and impacts that the GPW seeks to attain, including measurable indicators of achievement. This information was contained in draft form in the Impact Framework presented in September 2018 by the WHO Secretariat to the 56th Directing Council as an information document (CD56/INF/5, Rev. 1) (3). The Impact Framework sets out a three-tiered approach consisting of *a)* the overarching healthy life expectancy (HALE) indicator; *b)* the triple billion targets, namely universal health coverage (UHC), health emergencies, and healthier populations, along with associated indices to measure them; and

c) 46 programmatic targets and related indicators.² This framework had been presented previously through web-based consultations with all Member States, but the 56th Directing Council was the first time AMRO Member States considered it formally.

16. PASB recommended development of a conceptual reference framework providing background on the scope of the UHC index, content, and methodological approach, leading to the definition of indicators. In addition, PASB suggested a comprehensive intra-regional consultation of experts to examine and progressively develop the UHC index. Furthermore, there were concerns about the ability of all countries to contribute quality data for the proposed indicators, given the different stages of maturity of health information systems in the countries; therefore, a comprehensive plan to strengthen information systems would be required.

17. The WHO Impact Framework was subsequently presented to the PAHO Strategic Plan Advisory Group (SPAG) at the beginning of December 2018, and then to EB144 in January 2019 as a document associated with the draft WHO Programme Budget 2020-2021 (4). Feedback provided by WHO Member States globally at EB144 indicated that the Impact Framework still requires significant additional refinement and consultation with Member States before it can be considered for approval. This work is ongoing, and PASB is actively engaged.

WHO Programme Budget 2020-2021

18. The WHO Programme Budget (PB) 2020-2021 is the first Programme Budget under the 13th GPW. A very preliminary version of the document was presented to the 56th Directing Council (and other regional committees) in 2018 (Document CD56/INF/4), but the first full version was considered at EB144 (Document EB144/5) (5, 6). The overarching objective of the WHO Programme Budget 2020-2021 is “impact for people at the country level,” setting the right direction for the organization’s efforts to strengthen WHO country offices. The PB includes a results structure with 12 outcomes and 42 outputs, a significant reduction with respect to the current GPW12 and WHO Programme Budget 2018-2019. The proposed outputs reflect results beyond the managerial scope of the WHO Secretariat but are nonetheless defined as its sole responsibility, rather than a joint responsibility of the Secretariat and Member States. In PAHO, outputs are considered the joint responsibility of the Member States and PASB, although the larger responsibility falls on PASB at the output level.

19. The total draft proposed budget for WHO in 2020-2021 is US\$ 4.7 billion,³ with \$4 billion for base programs. This represents an 8% increase over 2018-2019. The rise in the new proposed budget is justified mainly by the need to increase country capacity, transition of polio-related functions into the base programs, increased normative work, inflation, and the UN reform levy. The budget also brings back into the PB the

² Number adjusted according to EB144/7.

³ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

emergencies operations/appeals component and the Pandemic Influenza Preparedness (PIP) Framework component (both excluded during the current biennium).

20. AMRO's proposed budget allocation is \$219 million, 15% higher than in 2018-2019 (\$190.1 million). Despite the increase, it should be noted that AMRO receives the smallest share (5.5%) of WHO's total Programme Budget. PAHO's technical teams developed a regional crosswalk, and this was used to apportion funds received for each category and program area in line with the new WHO program and budget structure.

21. AMRO's distribution by functional level is \$127.9 million (58.4%) for PAHO/WHO Representative offices in the countries, and \$91.1 million (41.6%) for the regional office. The distribution to country level is 8.3% higher than in the 2018-2019 biennium, and it is considered realistic and aligned with WHO commitment to strengthening the country level.

22. WHO Programme Budget 2020-2021 was presented to EB144. However, Member States did not endorse it for approval at the 72nd World Health Assembly (WHA72), instead signaling that the document required significant additional information. Furthermore, Member States requested inter-sessional consultations in the period between EB144 and WHA72 so that they could consider the additional information. PAHO will support these consultations in whatever form they take (probably a combination of regional and Geneva-based consultations).

Updates on WHO Budget and Financing 2018-2019 (WHO Portion of the PAHO Program Budget)

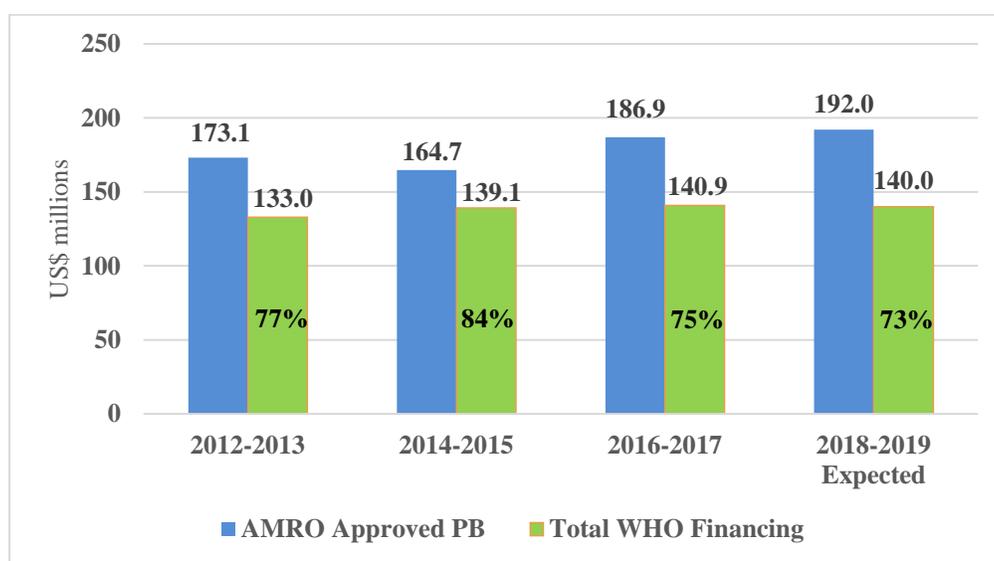
23. Document EB144/43, Overview of Financing and Implementation of the Programme Budget 2018–2019, was presented to EB144. Table 1 below provides figures on WHO funding for the regional level during 2018-2019, as of January 2019.

Table 1. WHO Programme Budget (PB) 2018-2019
Funding Levels across Regions
(in US\$ millions)

| Major Office | Approved PB | WHO Flexible Funding | WHO Voluntary Contributions | TOTAL WHO Funds Budgeted | % TOTAL (Budgeted/ Approved PB) |
|--------------|--------------|----------------------|-----------------------------|--------------------------|---------------------------------|
| AMRO | 192 | 91 | 34 | 125 | 65% |
| AFRO | 1,161 | 302 | 285 | 587 | 51% |
| EMRO | 545 | 145 | 147 | 292 | 54% |
| EURO | 262 | 102 | 89 | 191 | 73% |
| SEARO | 344 | 143 | 106 | 249 | 72% |
| WPRO | 286 | 116 | 100 | 216 | 75% |
| HQ | 1,631 | 254 | 803 | 1,057 | 65% |
| Total | 4,421 | 1,153 | 1,564 | 2,717 | 61% |

24. The WHO budget space allocation for AMRO has risen in recent biennia, from \$164.7 million in 2014-2015 to \$186.9 million in 2016-2017 to \$192 million in 2018-2019. The proposal for 2020-2021 is \$219 million. In 2016-2017, WHO financed approximately 75% of the AMRO Program Budget, and we expect a similar amount in 2018-2019. The Region of the Americas is proportionally and absolutely the least well funded among all WHO regions, and WHO funding remains flat despite budget increases. Figure 1 was presented to the Group of the Americas (GRUA) meeting in Geneva during the 144th Session of the Executive Board and illustrates the historical budget and funding situation for AMRO.

Figure 1. WHO Funding versus Budget for AMRO



25. As shown above, AMRO expects to receive a total of around \$140 million from WHO in 2018-2019, composed of \$103 million in flexible funds (including flexible funds for WHO Health Emergencies) and \$37 million in voluntary contributions. This amount would be the same as in the last biennium, and would result in a 27% AMRO funding gap by the end of 2019.

Selected Technical Initiatives

Collaboration for Universal Health Coverage

26. PASB has participated in and supported the global movement toward universal health coverage, with specific emphasis on addressing barriers to access to the health system and the social determinants of health. Countries have advocated strongly for primary health care as the principal strategy to achieve universal health coverage. The Region was well represented in the Global Conference on Primary Health Care, held in Astana, Kazakhstan, in October 2018, with 24 countries in the Americas providing technical input into the final declaration.

27. PASB has participated actively in discussions about how to measure achievement of the triple billion targets and has provided technical input into the continuing evolution of the UHC index. Going forward, PAHO will remain fully engaged in global processes around UHC and primary health care. Among other things, the Bureau will support Member States in landmark meetings in 2019, including the 72nd World Health Assembly, the G20 Summit, and the United Nations General Assembly High-Level Meeting on Universal Health Coverage.

Action by the Subcommittee on Program, Budget, and Administration

28. The Subcommittee is requested to take note of the report and provide any comments it deems appropriate.

References

1. World Health Organization. Draft thirteenth general programme of work, 2019–2023 [Internet]. 71st World Health Assembly; 21-26 May 2018; Geneva, Switzerland. Geneva: WHO; 2018 (Document A71/4) [consulted 22 February 2019]. Available from:
http://apps.who.int/gb/ebwha/pdf_files/WHA71/A71_4-en.pdf
2. Pan American Health Organization. Framework of Engagement with Non-State Actors [Internet]. 55th Directing Council of PAHO, 68th Session of the Regional Committee of WHO for the Americas; 2016 Sep 26-Sep 30; Washington, DC. Washington, DC: PAHO; 2016 (Resolution CD55.R3) [cited 22 February 2019]. Available from:
https://www.paho.org/hq/index.php?option=com_docman&task=doc_download&gid=36369&Itemid=270&lang=en
3. Pan American Health Organization. Presentation of the Methodology used to Develop the Indicators to Measure Progress in Implementation of the 13th General Programme of Work, and Review of the Resulting Indicators and Targets [Internet]. 56th Directing Council of PAHO, 70th Session of the Regional Committee of WHO for the Americas; 2017 Sep 23-27; Washington, DC. Washington, DC: PAHO; 2017 (Document CD56/INF/5, Rev. 1) [cited 22 February 2019]. Available from:
<http://iris.paho.org/xmlui/bitstream/handle/123456789/49635/CD56-INF-5-e.pdf?sequence=1&isAllowed=y>
4. World Health Organization. Proposed programme budget 2020–2021 WHO Impact Framework [Internet]. 144th session of the Executive Board; 24 Jan-1 Feb 2019; Geneva, Switzerland. Geneva: WHO; 2018 (Document EB144/7) [consulted 22 February 2019]. Available from:
http://apps.who.int/gb/ebwha/pdf_files/EB144/B144_7-en.pdf

5. Pan American Health Organization. Proposed WHO Programme Budget 2020-2021 [Internet]. 56th Directing Council of PAHO, 70th Session of the Regional Committee of WHO for the Americas; 2017 Sep 23-27; Washington, DC. Washington, DC: PAHO; 2017 (Document CD56/INF/4) [cited 22 February 2019]. Available from: https://www.paho.org/hq/index.php?option=com_docman&task=doc_view&gid=46184&Itemid=&lang=en
6. World Health Organization. Proposed programme budget 2020–2021 [Internet]. 144th session of the Executive Board; 24 Jan-1 Feb 2019; Geneva, Switzerland. Geneva: WHO; 2018 (Document EB144/5) [consulted 22 February 2019]. Available from: http://apps.who.int/gb/ebwha/pdf_files/EB144/B144_5-en.pdf

- - -