**11th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

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Provisional Agenda Item 5.2

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UPDATE ON WHO REFORM

1.   The World Health Organization (WHO) reform was introduced by the Director-General in 2011 to improve health outcomes, promote coherence in global health, and build WHO into an organization that pursues excellence by being effective, efficient, responsive, objective, transparent, and accountable.[1] WHO reform includes three main areas of focus: programmatic, governance, and managerial reform. Each of these areas included specific outputs for which delivery has been monitored and measured against the results framework for reform.

2.   The WHO Secretariat has reported significant progress towards meeting the objectives of WHO reform in the areas of programmatic, governance, and management reform. The Overview of WHO Reform Implementation (Document EB140/38) presented by the WHO Secretariat to the Executive Board in January 2017 noted that many of the reform items were well advanced, and had made significant progress since the last report to the Sixty-ninth World Health Assembly in 2016. In January 2017 the WHO Secretariat reported on the progress and impact of the work undertaken through WHO reform, as evidenced by the status of the outputs, which are now all being implemented.[2] The WHO Secretariat reports that work in these areas will continue building on lessons learned and adapting to the changing health environment and capacities of WHO Member States. However, WHO has discontinued a defined output for WHO reform in the draft Proposed programme budget 2018-2019 presented to the Executive Board in January 2017.

3.   Since WHO reform began in 2011, the Pan American Sanitary Bureau (PASB) has reported annually to the Pan American Health Organization (PAHO) Member States through PAHO's Governing Bodies on progress made by WHO in the various reform components. In 2015, in response to a request by PAHO Member States, PASB began reporting on the implications and status of implementation of WHO reform items within PAHO. As reported to PAHO Member States, many of the reform components in PAHO

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[1]   About WHO: Why reform? http://www.who.int/about/who_reform/change_at_who/what_is_reform/en/.
[2]   Overview of WHO reform implementation - Report by the Secretariat EB140/30 (2017).

were more advanced than in WHO, primarily because of prior reform efforts within PAHO which began in 2003.

4.   The present update includes progress and achievements since the last PASB report to the PAHO Governing Bodies.[3]

5.   In light of the advances in implementation of reform in PAHO previously reported to the PAHO Member States, PASB is hereby proposing that the presentation of annual update reports on WHO reform to the PAHO Governing Bodies be discontinued. Accordingly, this would be the final annual update report to the PAHO Governing Bodies on WHO reform. Nonetheless, PASB will continue to keep the PAHO Member States informed on those elements of reform that remain relevant through individual agenda items submitted to the PAHO Governing Bodies.

Programmatic Reform

6.   The WHO Secretariat reports that programmatic reform has consistently been the most advanced aspect of reform in WHO. Programmatic reform has been geared towards achieving "improved health outcomes, with the Secretariat meeting the expectations of Member States and partners in addressing agreed global health priorities, focused on the actions and areas where the Organization has a unique function or comparative advantage, and financed in a way that facilitates this focus." Since last reported by the WHO Secretariat, the work of WHO has been focused mainly on the bottom-up planning process for development of the Programme budget 2018-2019.

7.   PAHO continues to use a bottom-up planning approach, including the identification of national priorities and resource estimations in collaboration with Member States, as the basis for defining its Program and Budget. PASB applied the refined methodology for the Programmatic Priorities Stratification Framework of the PAHO Strategic Plan (Resolution CD55.R2 [2016]) as part of the Program and Budget 2018-2019 development process, ensuring informed prioritization at the PAHO country level, with a strategic focus on those areas on which Member States believe that PAHO can have the most impact with its limited resources.

8.   Furthermore, the work of the Category and Program Area Networks at both the global and regional levels was integral to monitoring and assessing the previous program budgets, as well as development of the new WHO Programme budget 2018-2019. Within PAHO, face-to-face meetings of the six Category Networks were part of the program and budget development process and will continue to be held during refinement of the PAHO proposed Program and Budget 2018-2019 to be presented at the 29th Pan American Sanitary Conference in September 2017.

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[3] 55th Directing Council, Update on WHO Reform, Document CD55/INF/3 (2016).

9.	Improved predictability, reliability, and flexibility of funding were the main approaches in financing the WHO Programme budget. WHO was successful in mobilizing flexible funding in the 2012-2013 and the 2014-2015 biennia through financing dialogues, and the respective WHO Programme budgets were well funded. However, the situation has changed in 2016, partly due to the budget increase associated with health emergency program reform. As a consequence, WHO currently has a US$ 471 million[4] shortfall for the 2016-2017 biennium. The lack of financing for the WHO Programme budget 2016-2017 may impact on funding for PAHO's Program and Budget, which receives around 30% of its financing from WHO.

10.	With respect to monitoring and assessment, PAHO will continue to strengthen the joint monitoring and assessment process with Member States on the PAHO Program Budget and Strategic Plan that was introduced in the 2014-2015 biennium. This is key to ensure that PAHO programmatic results are assessed not only through its internal assessment process, but more importantly by PAHO Member States, providing a far more objective basis for program performance assessment. The joint assessment has been identified as a global best practice.

11.	PAHO is developing a Program and Budget Web Portal to provide Member States with information on programmatic and budget implementation. PAHO's Web Portal, to be launched by the third quarter of 2017, will present information similar to that available on WHO's Programme Budget Web Portal.

Governance Reform

12.	WHO reports significant advancement in the area of governance reform since the Sixty-ninth World Health Assembly. WHO is now working to develop forward-looking scheduling of agenda items and improve agenda management for meetings of its governing bodies (see also Document EB140/INF./3). As previously reported to the PAHO Member States, PASB has already implemented similar reforms in PAHO.

13.	The performance metrics for WHO governance reform highlight the need for improved efficiency and effectiveness of the WHO governing body sessions. There has been a continued increase in the number of agenda items (more than 50%) and page content (threefold) of items discussed by the World Health Assembly over the past seven years. In this regard, PASB continues to work towards limiting the number of agenda items that are presented to the PAHO Governing Bodies and improve the quality of its reports, which is an ongoing challenge. PAHO has also established a 'sunsetting' system to review the status of the implementation of mandates and 'sunset' resolutions that have been completed.

14.	An important achievement in WHO governance reform was the adoption by the World Health Assembly in May 2016 of the Framework of Engagement with Non-State

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

Actors (FENSA), which concluded years of intergovernmental negotiations. In September 2016, FENSA was adopted by the PAHO Member States at the 55th Directing Council through Resolution CD55.R3. The resolution instructed the Director of PASB to implement FENSA in a coherent and consistent manner in coordination with the Secretariat of WHO with a view to achieving full operationalization within a two-year time frame, taking into account the PAHO constitutional and legal framework. The Director was also requested to report on the implementation of FENSA at the PAHO Executive Committee's June sessions, under a standing agenda item, through its Subcommittee on Program, Budget, and Administration. Under Resolution CD55.R3, FENSA also replaces the Guidelines of the Pan American Health Organization on Collaboration with Commercial Enterprises and the Principles Governing Relations between the Pan American Health Organization and Nongovernmental Organizations. PASB will report annually to the PAHO Governing Bodies on FENSA implementation and on Non-State Actors in official relations with PAHO.

Emergency Reform

15.   The WHO Secretariat continues its implementation of the new WHO Health Emergencies Program (WHE). The WHE officially began its activities on 1 July 2016. The Executive Director of WHE assumed his duties on 27 July 2016.

16.   The core budget of WHE is 56% funded; appeals are 33% funded; and the Contingency Fund for Emergencies is 34% funded. The WHO Secretariat reports that WHE completed its 2018-2019 results framework with new indicators, baselines, and targets. These modifications are detailed in the draft Proposed programme budget 2018–2019 (Document EB140/36) submitted to the Executive Board, where a $69.1 million increase is proposed for the WHE during that biennium, including only a slight increase of $1.8 million for activities in the Region of the Americas.

17.   In keeping with PAHO's commitment to align with WHO, and in accordance with the PAHO constitutional framework, the Director of PASB established the PAHO Health Emergencies Department (PHE) on 15 September 2016, bringing together the Organization's former Department of Emergency Preparedness and Disaster Relief and the Unit of International Health Regulations/Epidemic Alert and Response, and Water Borne Diseases under a consolidated management structure that reports directly to the Director of PASB. While the PHE functionally aligns its work in emergencies with WHE, it maintains priority areas of work for PAHO not otherwise included in WHO.

Management Reform

18.   WHO has focused management reform efforts in the following areas:

a)   Human resources: alignment of staff profile with WHO needs by attracting and retaining talent and by providing an enabling work environment.

b)   Accountability and transparency: emphasis on delegation of authority, ethics, response to audit recommendations, identification of cost efficiencies, risk management, and participation in the International Aid Transparency Initiative.

c)   Evaluation: expansion of WHO evaluation activities and public access to the respective reports.

d)   Information management: most activities are planned for 2017, including assessment, development of a disclosure policy, and development of a new publications model.

e)   Communications: finalization of the WHO communications strategy and expansion of the emergency communications network, among other reforms.

19.   Actions by PAHO in these areas are described below.

20.   PAHO has begun implementation of its own human resources strategy in keeping with the transition to PASB Management Information System (PMIS). PAHO has focused on improving its recruitment process (it is implementing the Taleo talent management system together with WHO), developing the iLearn platform, and preparing for implementation of the revised compensation package for professional staff as mandated by the International Civil Service Commission.

21.   PAHO completed the transition to PMIS in 2016. Much of the work in 2016 has been focused on stabilizing the system and streamlining business processes for efficient delivery of technical cooperation. In December 2016, PASB completed its first annual financial closure using the new system. For the remainder of the biennium, the focus will be on steps to ensure compliance and quality data revisions to the grant management functionality, enhancements for data analytics and reporting, preparations for biennial closure and on system design, and testing for the new Program and Budget 2018-2019 structure.

Action by the Subcommittee on Program, Budget, and Administration

22.   The Subcommittee is invited to take note of this report and provide its opinion on the proposal to discontinue further reporting on WHO reform to the PAHO Governing Bodies.

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