Report of the seventh meeting of the Programme Development Committee of the Executive Board

Agenda item 1. Opening of the meeting

1. The seventh meeting of the Programme Development Committee (PDC) was held in Geneva from 11 to 12 January 2001 under the chairmanship of Mr J.A. Chowdhury (India). The list of participants is attached as Annex 1.


2. A comprehensive summary of the joint deliberations of PDC and the Administration, Budget and Finance Committee under this agenda item is attached as Annex 2.

• General programme of work, 2002-2005 (Document EB107/34)

3. The Committee welcomed the new format and sharpened focus of the general programme of work, 2002-2005, noting that previous programmes of work had not always been sufficiently forceful as governing and steering instruments. It especially appreciated the closer link with the budget and the clear response to requests made in previous sessions of the Executive Board. The Committee felt that the focus on a limited number of priorities, their greater visibility, and the shortened time frame should make it easier to ensure that objectives are met and progress is being made. While noting that child health was not explicitly listed as a priority in the general programme of work, one member underlined the need to ensure that this issue of global health importance was adequately considered across the priorities specifically mentioned.

4. One member of the Committee argued the need for further elaboration of activities in two of the strategic directions to guide both the medium- and long-term work of WHO. It was necessary for governing bodies to review whether such activities of the Organization should be broad or more specific. For this reason, discussion of the general programme of work, 2002-2005 at future sessions of the Executive Board would be important.

5. Other members of the Committee noted that, although the shorter and more focused format should make monitoring and evaluation easier, the mechanisms for doing so were not explicitly...
defined. In this sense, the engagement of the Executive Board in the evaluation of progress would likewise be important.

6. It was confirmed to the Committee that input from the governing bodies would be essential and that further elaboration of specific activities could be expected as part of this process.

7. In accordance with Article 28(g) of the Constitution, and in response to matters raised during the debates, the Committee instructed the Secretariat to prepare a draft resolution on this sub-item. The draft resolution, as amended by the Committee, was agreed by consensus.

Recommendation to the Executive Board

To adopt the draft resolution recommended by the Committee on the general programme of work, 2002-2005.

- Approaches to cost increases and exchange rates (Document EB107/INF.DOC./1)
- Miscellaneous income (Document EB107/INF.DOC./5)
- Use of extrabudgetary allocations (Document EB107/INF.DOC./4)

8. A summary of the joint deliberations of PDC and the Administration Budget and Finance Committee on these sub-items is included in the report in Annex 2.
ANNEX 1

LIST OF PARTICIPANTS

Chad
Dr M.E. Mbaiong (Member)

India
Mr J.A. Chowdhury (Member, Chairman)

Lao People’s Democratic Republic
Dr Ponmek Dalaloy (Member)

Qatar
Dr K.A. Al-Jaber (Member)

Sweden
Mrs K. Wigzell (Member)

Ms Ann-Christin Filipsson (Adviser)

United States of America
Dr T. Novotny (Member)

Ms Ann Blackwood (Adviser)
ANNEX 2

JOINT MEETING OF THE ADMINISTRATION, BUDGET AND FINANCE COMMITTEE AND THE PROGRAMME DEVELOPMENT COMMITTEE

1. The joint meeting of the Administration, Budget and Finance Committee (ABFC) and the Programme Development Committee (PDC) was held on 11 and 12 January 2001.


General discussion

2. The meeting was informed that the Proposed programme budget 2002-2003 differed from previous budgets in several significant ways. It applied the principles of results-based budgeting, it had been jointly prepared by headquarters and the regional offices, and it had been reviewed by all the regional committees before finalization. Like the general programme of work, 2002-2005, the proposed programme budget reflected the policy framework contained in WHO’s corporate strategy.

3. The structure of the programme budget, which covered 35 areas of work, and its place within WHO’s overall managerial framework was explained. It was stressed that the strategic planning reflected in the programme budget would be followed later in the current year by a process of operational planning, in which more detailed work plans, with precise products and activities, would be elaborated. The hierarchy of objectives in both the strategic and planning phases was also explained. Although the increase in projected funds from extrabudgetary sources was higher than in the past, projections were considered to be realistic.

4. Members of the committees welcomed the programme budget in its new format. In particular, they appreciated its clarity, its close relationship with other policy instruments guiding the reform process, the overview of funds available from all sources, and the inclusion of activities at all levels of the Organization. Members further noted that the projected increases in extrabudgetary funds were a tribute to WHO’s renewed strength and dynamism. Some were concerned by the growing discrepancy in the amounts funded from the regular budget and from voluntary contributions, and saw the need for vigilance to ensure that important programmes, which might not be attractive to donors, did not suffer.

5. Specific questions raised centred on the extent to which priorities agreed on in recent international forums were reflected; the absence of detail on expenditures for human resources and contractual services; and the need for adequate emphasis on evaluation. Additional questions concerned the impact on the programme budget of the new Massive Effort against diseases of poverty and of joint ventures with other organizations and foundations, such as the Global Alliance for Vaccines and Immunization (GAVI). Members also sought assurance that clearly important areas, such as child health, that would be funded from budget lines across the Organization, were accorded adequate priority with regard to resources.

6. The meeting was informed that the programme budget under consideration was strategic in nature, and that breakdowns for human resources requirements would be provided in a subsequent
phase, once operational planning was completed later in the current year. Concerning staffing needs, the concept of strategic budgeting would allow greater flexibility than in the past. The relationship of the Massive Effort, which aimed to help countries draw on bilateral funds, to existing WHO programmes was explained, and the impact on the budget of GAVI financing handled directly by the Organization was clarified.

7. The meeting decided to consider the 35 areas of work set out in the programme budget in nine groups.

**Communicable diseases**

8. Several members expressed concern that some vital areas of work showed allocations of zero amounts at regional level. One member asked for reassurance that funding would be adequate to tackle the growing problems of tuberculosis and resistance to antimicrobial drugs.

9. It was explained the new structure of the programme budget, of which the 35 areas of work were the building blocks, was not always matched, area-by-area, with similar activities in the regional offices. These differences resulted in the allocation of zero values to several budget lines in the regions, and thus explained why no financing appeared under several specific headings. For the Region of the Americas, it was important to realize that PAHO had a separate budget that was not included in the WHO budget. Concerns about allocations in the Regional Office for the Americas should be resolved when the PAHO budget was looked at in its entirety. Members were reassured about the evolution and adequacy of the budget for tuberculosis, though the Organization did face some constraints for financial reasons.

<table>
<thead>
<tr>
<th>Recommendation to the Secretariat</th>
<th>To prepare a brief paper, for submission to the Executive Board at its 107th session, explaining the zero allocations for some budget lines.</th>
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**Sustainable development and healthy environments**

10. Although members welcomed the increases shown for most items in this group, considerable concern centred on the reductions indicated for nutrition, particularly as malnutrition, especially in children, remained a major problem in many developing countries. Reduced funding for health and environment was likewise of concern in view of mounting awareness of the health impact of environmental hazards. Several members noted the growing political importance of food safety and the complexity of issues involved. One member asked for reassurance that WHO collaborated closely with FAO to ensure that health arguments were at the forefront when economic and agricultural sectors considered food safety issues.

11. Members were reassured of the close collaboration with FAO and the importance of food safety as a priority for the Organization.

**Noncommunicable diseases and mental health**

12. Members welcomed the increases shown for most items in this group, especially mental health and substance abuse. The leadership of the Tobacco Free Initiative, and the vital work under way to establish the framework convention on tobacco control, were especially appreciated. It was felt that WHO’s strong leadership in this area would help mobilize national action and attract funds for use at country level. Noting the sharp increase in regular budget funding for tobacco control, but not from
other sources, one member asked for clarification concerning the extent of reliance on extrabudgetary funds in this sensitive area.

13. Members were informed of the difficulty of attracting extrabudgetary resources for tobacco control and of the current needs for increased funding in order to support continued work on the framework convention. The increases in allocations to the regions were intended to help shore up countries for what would be a long fight against formidable opponents.

Family and community health

14. Discussion centred on the severity of the HIV/AIDS pandemic and the need to maintain work in this area as a top priority. Clarification was requested on the relationship with UNAIDS, the existence of a unified work plan and budget with UNAIDS, WHO involvement in a summit later this year, and progress in negotiations with the pharmaceutical industry aimed at making therapeutic drugs more accessible and affordable, as requested in resolution WHA53.14, HIV/AIDS: confronting the epidemic.

15. Members were informed of several organizational changes at WHO, which took place after preparation of the programme budget, that represented an effort to scale up WHO’s response to the pandemic, especially in terms of its normative work. Stronger action was foreseen in the areas of prevention, care, support, and strengthening of the health sector’s response. The contribution from UNAIDS to this budget line was small. WHO collaborated closely with UNAIDS and was heavily engaged in preparation for the forthcoming meeting of heads of State at the United Nations. Interactions with the pharmaceutical industry were ongoing, and WHO was providing support to countries in their direct negotiations with pharmaceutical companies.

Evidence and information for policy

16. Members welcomed the inclusion of a budget line for research policy and promotion, a vital area that was often neglected. Noting the importance given by Member States to WHO as a source of authoritative information and advice, one member requested clarification on the mechanisms by which the Organization secured expert opinion, particularly when scientific evidence was not firm. Other members wished to know if requests made in resolution EB105.R6, on the use of languages in WHO, were reflected in the allocation to health information management and dissemination, and what provisions were made for work on bioethical issues.

17. Members were advised about the mechanisms used by WHO to gather expertise and draw on its network of expert panels and collaborating centres. Efforts to promote multilingualism were taking place throughout the Organization and were thus reflected in several budget lines. Although bioethics was not separately included in the budget, the Organization was pursuing several projects associated with elucidation of the human genome and the ethical review of research.

Health technology and pharmaceuticals

18. Several members expressed concern over the reduced funding for vaccines and immunization, and requested clarification. Additional queries related to collaboration with WTO, particularly concerning the pressing need for more affordable vaccines and medicines in developing countries, and support for WHO’s normative work on vaccine safety.
19. It was explained that 80% of the resources for immunization and vaccine development were currently devoted to the drive to eradicate poliomyelitis. As WHO hoped to stop transmission within 24 months, and certify eradication by 2005, the need for funds would gradually diminish. Concerning vaccine development, initiatives such as GAVI did much to stimulate research and encourage industry to develop new vaccines. Members were reassured that vaccine safety remained a top priority. Collaboration with WTO continued to expand in line with the directions set out in the Revised Drug Strategy.

20. Concerning GAVI, one member drew attention to the many conditions that had to be met before assistance was granted. In effect, some of the poorest countries, which could not meet those conditions, were being excluded.

External relations and governing bodies

21. Several members mentioned the need to have documentation for the governing bodies prepared in a timely fashion. One observer delegation reiterated previously mentioned concerns about linguistic diversity, and suggested that additional results and indicators on the matter might be useful.

General management

22. One observer delegation requested clarification regarding the increased allocation to human resources development for the European Region. It was explained that the increase derived from the introduction of new programmes for staff development and training.

Director-General, Regional Directors and independent functions

23. One observer delegation asked for clarification concerning internal mechanisms for evaluation and the way in which they worked to ensure support for strategic decisions and to determine which programmes needed to be strengthened or diminished.

24. It was explained that, in the new managerial structure, programme evaluation was linked to the budget and management reform, and not to audit. A system for evaluation was in preparation and would be detailed in a forthcoming report, which would evaluate the eradication of poliomyelitis and the process of strategic budgeting. Moreover, in many cases, an evaluation component was built into programmes and therefore did not need to be reflected in a separate budget line.

25. Attention was drawn to the Director-General’s intention to use the Exchange Rate Facility more strategically in future, in accordance with new Financial Regulation 4.4, and to limit the application in the regular budget for 2002-2003 to the local currencies of headquarters and the Regional Office for Europe. Cost increases for the regular budget were to be calculated in the light of information obtained from an authoritative external organization providing forecasts all over the world. Before making her request in that regard, the Director-General also intended to consult her staff. Moreover, a foreign exchange option was to be purchased, to insure the Organization against foreign exchange losses beyond those that would be provided for by the Exchange Rate Facility. The cost of that option would be a charge on Miscellaneous Income.
• **Miscellaneous income** (Document EB107/INF.DOC./5)

26. With regard to the Executive Board’s confirmation of the Financial Rules, members welcomed the information provided about the implications of replacing previous practices concerning Casual Income with new procedures relating to Miscellaneous Income.

• **Use of extrabudgetary allocations** (Document EB107/INF.DOC./4)

27. One member found that the reports cited as sources of information were voluminous and that it was not practical for Member States easily to identify and collect the desired information on extrabudgetary resources by country. Although much information was available on expenditure, it was not easy to see how extrabudgetary resources were allocated at country level in the present financial system.

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