WHO managerial reforms

Preamble

This paper is the first draft of proposals prepared by the Secretariat on managerial reforms at WHO. It synthesizes the thinking of the Secretariat about aspects of management that can be enhanced to improve the effectiveness of the Organization. It has been prepared as a discussion document. These proposals will be revised after feedback from various consultations taking place in the next several weeks. The revised paper will be presented to the Special Session of the Executive Board, 1-3 November 2011, as part of a larger, consolidated paper on WHO reform, encompassing programmatic, managerial and governance reforms.¹

PROPOSALS FOR MANAGERIAL REFORM

1. The proposed managerial reforms fall into five main areas:

   • *organizational effectiveness, alignment and efficiency*, through clarification of the roles, functions, responsibilities and synergies of the three levels of WHO—Headquarters (HQ), Regional Offices and Country Offices—and improved operational efficiencies.

   • *improved human resources policies and management*, which will include a revised workforce model; streamlined recruitment procedures; and enhanced performance management and career-development processes, including a learning strategy.

   • *enhanced results-based planning, management and accountability*, with a robust results-based management framework, based on a clear results chain; measures to improve accountability and transparency, including strengthening programmatic and financial controls and policies on conflicts of interest; and an approach to independent evaluation.

   • *strengthened financing of the Organization, with a corporate approach to resource mobilization*, through an increased proportion of predictable and sustainable funding, with stronger financial management; a replenishment model; and expansion of the resource base, including innovative financing mechanisms.

   • *a strategic communications framework*, which will strengthen trust in WHO’s position as the world’s leading global health authority.

¹ Three concept papers, on the World Health Forum, governance and an independent formative evaluation of WHO, have also been developed and shared with Member States. The feedback received
ORGANIZATIONAL EFFECTIVENESS, ALIGNMENT AND EFFICIENCY

Issues

2. WHO has a decentralized structure, with its Country Offices, Intercountry/Sub-Regional Offices, Regional Offices and Headquarters. This is an asset. However, the Organization has identified five areas where organizational effectiveness can be improved:

- The work of WHO Country Offices needs to be strengthened and made more effective;
- Headquarters and Regional Offices must be better aligned to provide support to countries;
- Normative work needs to be done more effectively;
- Corporate functions must be structured for maximum efficiency; and
- Some functions can be shifted from higher-cost duty stations to lower-cost ones.

Proposed actions

3. First, Country Offices will be more empowered to become more effective in carrying out their main functions (strengthen national capacities; provider/broker of policy advice and technical expertise; catalyst and convener of partners; facilitator of the country’s contribution to regional and global health; and leader of the international response to public health emergencies). Country Offices will be given greater delegated authority with correspondingly increased accountability. There will also be a redistribution of human and financial resources from HQ and Regional Offices to Country Offices. Better collaboration of Country Offices with other UN agencies will increase individual country support.

4. Second, HQ and Regional Offices will be better aligned and coordinated to provide support to countries and eliminate duplication of effort. Proposals include the following:

- Determine the division of labour and complementarity.
- Determine which level of the Organization should lead which aspect of WHO’s work and how to coordinate with other levels.
- Create standard operating procedures.
- Streamline how global and regional strategies are coordinated.
- Strengthen intercountry, interregional work and global centres of excellence distributed across regions to serve as sources of support.

5. Third, the Organization needs to perform its normative work more effectively by examining what is done at different levels of the Organization to eliminate duplication. “Rules of engagement” for aligning and rationalizing this work will be established. Steps include standardizing and harmonizing processes for the generation of norms, standards, policies, procedures and data based on evidence.

on these topics will be incorporated into the one consolidated paper that will be available for the Special Session of the EB.
6. Fourth, the corporate functions of the Organization, such as governance, resource mobilization, legal, audit and communications, will be structured for maximum efficiency.

7. Fifth, some functions will be shifted to lower-cost duty stations. In addition, WHO will introduce other measures to increase organizational effectiveness, in areas such as travel and publications.

HUMAN RESOURCES

Issues

8. The proposals for improving HR management seek to address several challenges: a mismatch between financing and sustainable staffing; need for faster recruitment; inadequate performance management; greater organizational mobility and rotation; and enhanced staff training. The current HR policy encourages staff to seek long-term employment with WHO, while the Organization’s funding is largely for short-term projects. The Organization requires greater flexibility to manage staffing effectively.

Proposed actions

9. The first proposal is to create a new workforce model that distinguishes functions linked to predictable long-term funding from project functions linked to short-term voluntary funding. Time-limited contracts will be revised to recognize short-term work, with incentives that make such positions more attractive. This change would allow WHO to achieve an optimal workforce balance to deliver more effectively. HR planning will be totally integrated into the planning and budgeting process to ensure that staffing structures are appropriate for the results planned and the income expected to be available, both in the shorter and longer terms.

10. The second proposal is to streamline recruitment and selection processes, with faster turnaround times. Ways to achieve this might include the development of generic post descriptions for all grade levels and the creation of rosters for some functions.

11. The third proposal is to improve performance management processes to underpin a high-performing culture based on excellence and accountability. In addition to the current system, staff will be evaluated through a more comprehensive feedback process, together with a policy for reward, recognition and addressing underperformance.

12. The fourth proposal is to review and implement a framework for mobility and rotation. This framework would include realistic career path options that capitalize on staff skills, competencies and knowledge.

13. The fifth proposal is to improve staff development and learning across the Organization, with a priority placed on country level.

MANAGING FOR RESULTS

Issues
14. This proposal addresses five areas for strengthening the current results-based management system: a clear results chain; a realistic budget; revised timeframes for planning and implementation; country-driven planning; and a new resource allocation mechanism.

**Proposed actions**

15. First, planning, programme and budget do not clearly articulate an easily understandable results chain. The new proposed results chain, which is based on commonly agreed terminology, is shown below. A standard set of indicators will form the basis for monitoring and evaluation of impact, outcomes and outputs. These will be organization-wide at the Impact and Outcome levels and specific for Country Offices, Regional Offices and HQ at the Output level. The number of Impacts, Outcomes and Outputs will be reduced compared with existing numbers of Strategic Objectives and Expected Results. Each level of planning will be monitored using predetermined methodologies and at specified time points, which will depend upon the periodicity established for each.

<table>
<thead>
<tr>
<th>Results Chain</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Impact</td>
<td>The highest-level change (usually, a sustainable change in the health of populations) that can be reasonably attributed to the Organization. For example, improvement in the health status of a population through: a decrease in morbidity and mortality; elimination or eradication of a disease; or a decrease in prevalence of risk factors.</td>
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<tr>
<td>Outcome</td>
<td>The work to which the Secretariat is expected to contribute—changes, primarily in institutional capacity and behaviour in countries—and against which its performance will be measured. For example, coverage of an intervention or health system performance, such as: vaccine coverage; treatment coverage; and access to care.</td>
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<tr>
<td>Output</td>
<td>What the Secretariat intends to deliver to influence institutional capacity and behaviour in countries and for which it will be held accountable. For example, tangible products and services at each level of the Organization, such as: legal frameworks and normative standards (HQ); regional health strategies (Regional Offices); and increased national capacity for surveillance (Country Offices).</td>
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<tr>
<td>Activity</td>
<td>The processes that turn inputs into outputs.</td>
</tr>
<tr>
<td>Input</td>
<td>The resources (human, financial, material and other) that the Secretariat will allocate to producing the outputs.</td>
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16. Second, Member States have requested that WHO’s budget be based more on realistic assumptions of projected costing of outputs, income and expenditures, and less aspirational. The Programme Budget will be based on accurate costing of outputs, expenditures and income. Approaches to standardized *costing of outputs* will be developed. *Expenditures* will be based on current and projected exchange rates, rates of inflation, staff and non-staff cost assumptions, and future planned activities. Projections of *income* will be based on the current economic situation, trends in international development assistance for health and historical contributions by Member States and other donors.

17. Third, different timeframes for planning and implementation are needed. A longer horizon for commitments by Member States and donors would improve planning. The period of the programme budget is short and preparation begins far in advance of the
budget period. Further, there are too many layers of planning and the Organization spends too much of its time planning. The periodicity—currently 10 years for the General Programme of Work, 6 for the Medium-Term Strategic Plan (MTSP), 2 years for the Programme Budget, and 2 years for operational plans—creates a cumbersome process. Proposals that streamline planning are to: maintain the current timeframe for the General Programme of Work, eliminate the MTSP layer and increase the Programme Budget to 3 or 4 years, with operational plans to be developed yearly.

18. Fourth, the Organization’s planning must better reflect the needs of countries. A revised planning process is required to ensure that country needs drive planning more strongly and to create greater coherence among plans at all three levels of the Organization.

19. Fifth, a new resource allocation model is needed to better reflect changing Organizational priorities and needs. Alternatives should include the allocation of resources by area of core business and organizational and country priorities.

Accountability and transparency

Issues

20. Managerial accountability, transparency and improved reporting to Member States and the Governing Bodies are needed. The Global Management System, one tool for accountability, contains a wealth of information. However, analysis of the information, and reports with validated results that are timely, consistent and meaningful, and that include assessment of resources and expenditures compared with budget is not adequate. Enforcement of current control mechanisms is not robust. Most of the needed policies are in place, but compliance with them can be improved. The audit and oversight system has limited capacity. Strengthened policies on conflicts of interest and information disclosure are required to deal with current complexities in global health.

Proposed actions

21. The Organization will strengthen accountability to the Member States and the Governing Bodies through more accurate and detailed reporting of results and resources. Mechanisms will be established for improved monitoring of programme planning and implementation, and financial and human resource management by WHO senior managers, at all levels of the Organization.

22. The Internal Control Framework will be strengthened and linked to roles and responsibilities assigned to staff, with routine monitoring of compliance and management action for breaches of compliance.

23. Audit and oversight will be better resourced to increase their capacities. This will enable increased frequency and broader coverage of internal audits.

24. The overall conflicts of interest policy will be strengthened. This will include the revised policy for outside experts issued in June 2010, the process to assess staff conflicts of interest and measures to address institutional conflicts. An Ethics Office will be established.
25. An Information Disclosure Policy will be developed, to include policies on publication of internal policy documents (such as whistleblower, harassment and investigation policies) and information (such as internal audit reports, financial disclosures, etc.).

26. Although monitoring is a critical element in supporting greater accountability, the Organization requires more realistic and measurable performance targets, rigorous and independent assessment of performance, greater specificity and detail in reporting performance, and clear consequences for poor performance. To address these challenges, operational plans will be monitored to ensure progress in programmatic and budgetary performance, based on a set of standard key performance indicators. WHO requires better methods to hold staff and the three levels of the Organization accountable for results. An aggregated performance report will be produced, covering all major offices.

### Approaches to independent evaluation

#### Issues

27. Evaluation plays a significant role in assessing and improving the performance of WHO and supporting organizational development. Numerous programmatic evaluations are carried out each year. There is a lack of systematic follow up on the recommendations of evaluations—follow up that would contribute to organizational learning and knowledge management. WHO lacks an established mechanism for oversight of evaluation by the Governing Bodies.

#### Proposed actions

28. The aim of the reform is to institutionalize a comprehensive approach to monitoring and evaluation in the work of WHO in two ways. First, by strengthening existing approaches through the development of a WHO Evaluation Policy based on best practice, which will be applied to all evaluations commissioned and conducted in WHO. Second, by establishing a mechanism for high-level independent evaluation, commissioned by the Governing Bodies, that is sustainable, effective, rapid, not resource-intensive, and has significant impact and influence.

29. There are several institutional arrangements through which the Governing Bodies could commission, provide oversight and conduct independent evaluations of the work of WHO:

- The Executive Board would commission and provide oversight for evaluations, approving Terms of Reference, endorsing selection of independent experts to conduct the evaluation, approving the work plan, and receiving and considering the evaluation report.
- Expand the mandate of the Office of Internal Oversight and Services (IOS). The Executive Board would review and approve the programme of work of evaluation of IOS, and receive and consider evaluation reports.
- Establish a separate Evaluation Unit. The Executive Board would need to establish a separate body that would report directly to the Board.
FINANCING

Revised financing framework

Issues

30. The current level of Assessed Contributions (AC) is not sufficient to carry out WHO’s work. Voluntary Contributions (VC) are expected to remain the major source of the Organization’s funding. The proposals seek to address the following problems: there is an imbalance of funding for different programmes between technical assistance and normative work, staff costs and activities, and few mechanisms are available to reallocate resources when needed. Funding is not sufficiently predictable or sustainable for agreed priorities nor fully aligned with the Programme Budget. The Organization is unable to plan for a longer time horizon and to reprogram funds if there is a lack of balance in contributions, and to move money around quickly for maximum responsiveness.

31. WHO needs a financing framework that provides predictable and sustainable funding, and contains mechanisms to increase voluntary contributions to address the gaps between required income and the programme budget, including a replenishment model and innovative financing mechanisms.

32. Management, administration work and corporate functions are insufficiently financed. At the same time, the burden on the Organization to support activities funded by VC has increased. This is coupled with an inability to raise adequate funds for programme support.

33. There are challenges posed between currencies of expenditure and currencies of income. This can create significant financial risks when currencies widely fluctuating. This mismatch is likely to continue and requires urgent attention.

Proposed actions

34. Options include:

- Increasing the percentage of the Organization’s budget that is predictable (before the beginning of the biennium) up to 70%. This would ensure that staff costs and essential non-staff work with a longer horizon are covered in a more predictable way, which is crucial as the cost of staff, through which the Organization carries out its knowledge- and expertise-based work, constitutes more than 50% of the budget. Higher levels of predictable income could be achieved, for example, through an absolute increase in the percentage of AC or through the institution of a replenishment model, which would facilitate a collective commitment to financing part of the programme budget before the budget period begins. Such a model would be based on global best practices.

- WHO requires sufficiently flexible income to respond to emerging needs and priorities as well as to reprogram funds to underfunded priorities. AC for the projected Programme Budget 2012-2013 is ~25% and Core Voluntary Contributions Account is ~10%. Increasing full and highly flexible income from this projected baseline to 40%, for example, through more VC provided at a higher order of the Programme Budget, is feasible and important.

- Increase the resource base through new and innovative sources of funding.
• Index AC to stable currencies to protect against fluctuations in exchange rates that would negatively affect implementation. This is a longer term solution that would help solve the imbalance between currencies of income and expenditure. An annual review of exchange rates that analyses the imbalances between currencies of income and expenditure and makes the necessary budgetary adjustments should be implemented.
• Enforce adherence to Programme Support Costs, which have been agreed by the Governing Bodies, and ensure that budgeting and cost accounting are done consistently across the Organization, allowing for comparison and better explanation of costs.

Revised corporate resource mobilization strategy

Issues

35. The current resource mobilization strategy is carried out in silos, such that the Organization’s approach can become fragmented and uncoordinated. The lack of a corporate-level resource mobilization strategy that clearly defines priorities and approaches to donors makes it difficult for some parts of the Organization to take advantage of resource mobilization opportunities. Some have developed strategies of their own and successfully raised significant funds, but others have not. Resource mobilization efforts across the Organization are not well coordinated. Communications work is also occasionally fragmented and strong connections to resource mobilization are not always present.

Proposed actions

36. The proposed solution is to implement a revised corporate resource mobilization strategy. The aims of this strategy will be to: improve the effectiveness of existing resource mobilization activities through informed, consistent approaches to donors; and to expand or strengthen the donor base through approaches to emerging donor nations, country-level donors, philanthropic organizations and the private sector (coupled with appropriate risk management). Links should be strengthened among implementation, donor reporting and strategic communications.

Strategic communications

Issues

37. In an increasingly complex and crowded health landscape, Member States, partners, donors, the media and the public have drawn attention to the need for a more consistent, coordinated and high-profile communications representation of the Organization. Several recent external assessments underscore the need for a proactive and unified WHO voice.

Proposed actions

38. A comprehensive communications framework is essential to strengthen WHO’s position as the world’s leading global health authority and increase trust in the Organization. The framework will address immediate challenges and take into account longer-term concerns.
39. First, a regular system of measuring stakeholder perception and needs will provide important input into the development and periodic review of a comprehensive Organization-wide communications strategy. WHO will review its brand and identity for the 21st century and find cost-effective ways to implement brand standards throughout the Organization. Reputational risks will be managed more vigorously through a strengthened communications surveillance system for early warning, proactive response, and joint work with UN and other partners on shared concerns.

40. Second, WHO will build and properly deploy its communications capacity through improved coordination across the Organization, increasing efficiencies in the way communications functions are delivered, developing communications surge capacity for deployment in emergencies to any location where it is needed, aligning better with resource mobilization and donor stewardship, and developing standard operating procedures for emergency communications as well as continuously improving the communications skills of staff.

41. Third, WHO will develop effective and cost-efficient platforms for communications, enabling staff and partners to communicate success stories that describe the impact of WHO’s work, use champions and spokespersons effectively, use social media wisely, be proactive in reaching out to and educating the media, invest in technology for broadcast and web-based media outreach and ensure that more multi-lingual communications material reach a broader audience in Member States.