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Rt Hon Justine Greening MP
Secretary of State
Department for International Development
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20 November 2013

Dear Ms Greening,

I am pleased to refer to your letter of 1 November 2013, announcing the findings of the Multilateral Aid Review (MAR) 2013 update. I welcome the acknowledgement that WHO continues to play a critical role in the multilateral development system and has made good progress against the MAR reform priorities, particularly in ensuring a clearer results chain, strengthening its financial systems and achieving significant cost savings.

The Department for International Development's (DFID) decision to increase its core voluntary contribution to WHO to £14.5 million for 2013-2014 is most appreciated and I would like to convey my sincere gratitude for this expression of trust and confidence in WHO's leadership in global health.

As you know, in 2011, WHO embarked on the most extensive reform process in its history, designed to enable the Organization to better address the complex challenges of health in the 21st century. WHO continues the implementation of the reform's three strands - programmes and priority setting, governance and management - and additional information on ongoing work related to the MAR reform components is presented in the attachment.

I take this opportunity to thank DFID for an interactive and constructive process throughout the MAR exercise.

Yours sincerely,

Dr Margaret Chan
Director-General

MAR REFORM COMPONENTS AND WHO

In 2011 WHO embarked on the most extensive reform process in its history, designed to enable the Organization to better address the complex challenges of health in the 21st century. WHO welcomes the recognition from DFID in the MAR update of the progress made, while at the same time emphasising that the scale and breadth of the reform means that full implementation will need continued effort over the next few years from the Secretariat and Member States. The following sections describe reform efforts being taken forward in the UK reform priority areas, as part of the wider reform effort.

Contribution to Results

One of the main objectives of the WHO reform is to make WHO's work more effective, efficient and relevant in countries and adapt it to the variety of needs and stages of development. To address this challenge, WHO will focus on a few priorities in each country, utilizing the Country Cooperation Strategy (CCS) as a strategic management tool to create synergy and alignment between WHO leadership priorities and the national health priorities and strategies. Furthermore, this will be institutionalized through a sequential bottom-up operational planning process and WHO's performance, organizational effectiveness and contribution to the national results will be assessed through a corporate assessment framework currently being developed.

WHO is taking significant steps to improve its leadership role in fragile states and complex emergencies, based on feedback received from various reviews, including MAR and MOPAN. It will aim to ensure that health partners address programmatic and geographic gaps with life-saving interventions while building national capacities for risk management and resilience. For instance, WHO will support priority countries through an integrated country office programme of work, establish core posts for health clusters at the country level, as well as backstopping and oversight functions in regions and at headquarters to strengthen overall leadership, improve performance tracking, strengthen global partnerships and develop country health cluster staff.

Strategic and Performance Management

A revised human resource strategy is currently under preparation and is based on three main pillars: 1) attracting talent, 2) retaining talent, and 3) an enabling environment; and four cross-cutting principles: gender balance, diversity, collaboration and accountability. Pillar 2 (retaining talent) covers the whole area of career management, which includes workforce planning, performance management, career development and mobility.

Within the performance management area, WHO will shortly publish its new policies on Recognition and Rewards and Improving Performance. Through these policies, top performers will be recognized and rewarded, and managers will be provided with a framework and tools to address poor performance. In addition, effective 1 January 2014, WHO will implement an enhanced Performance Management and Development

System that will focus on: (a) increased collaboration; (b) more objective measurement of performance based on performance indicators; and (c) staff development. Overall, supervisors will be expected to serve more in the role of a coach, enabling staff members to make informed choices about their career.

Financial and Resource Management

WHO's new web portal is a key tool in supporting the financing dialogue process. It will provide WHO stakeholders with a transparent view of WHO's 2014-2015 programme budget and financing, including tracking and reporting on results and on how financial resources are allocated and implemented. Member States and other contributors have been deeply involved in the financing dialogue process since June 2013, through regional committee discussions, briefings with Geneva missions and bilateral meetings with the Secretariat. These discussions have shaped the agenda for the 25-26 November 2013 Financing Dialogue meeting. The financing dialogue and resource mobilization experiences will be evaluated, and Member States' engagement in the evaluation will be sought.

To ensure that compliance and financial controls are strengthened at the regional and country levels, the updated Internal Control Framework is being accompanied by new country management checklists, training measures, and the introduction of Statements of Internal Control to be signed by each head of country office. Improved compliance is a priority objective of WHO as evidenced by the establishment of the Office of Compliance, Risk Management and Ethics as well as by the strengthening of the Office of Internal Oversight Services.

Cost and Value Consciousness

The cost saving initiatives have continued through 2013. The projected 2012-2013 management and administrative costs show a 11% reduction compared to 2010-2011, estimated at US\$ 760 million compared to US\$ 858 million in 2010-2011. Savings have been achieved as a result of the shifting of functions to lower cost centers and outsourcing of some functions, notably in headquarters. Based on the recommendations of an external study, proposals for improved transparency and financing for all management and administrative costs will be presented to Member States at the 134th session of the Executive Board in January 2014 (EB134/11).