PPB/2010–2011

DRAFT PROPOSED PROGRAMME BUDGET 2010–2011

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INTRODUCTION

WHO's draft Proposed programme budget 2010–2011 presents the expected results and budget requirements for the biennium 2010–2011 within the broader context of the Organization's Medium-term strategic plan, which covers the six-year period 2008–2013. The strategic plan defines the strategic objectives for WHO, and details the Organization-wide expected results for the Secretariat for the period. The overarching priorities for health are described in the Eleventh General Programme of Work 2006–2015, which also reflects WHO's comparative advantages, its core functions, the main challenges it faces and its opportunities for the future.

Since the Medium-term strategic plan lays out the strategic direction of WHO for 2008–2013, the Organization-wide expected results for 2010–2011 remain largely the same as those for the biennium 2008–2009. However, the Programme budget 2010–2011 includes some shifts in emphasis, reflecting the evolving global health situation and the corresponding changes needed in WHO's work. For example, there is a new Organization-wide expected result on climate change and its impact on global health in strategic objective 8, in line with the need for WHO to expand its work in this increasingly important area. The plans described in this strategic objective were informed by discussions on this topic at the Sixty-first World Health Assembly.[1] Another new Organization-wide expected result, found in strategic objective 10, concerns patient safety, an issue that has been discussed at meetings of WHO's governing bodies and is recognized as an area needing greater attention in all parts of the world.

The result of an external review of the indicators of the Medium-term strategic plan has also shown that there is a need for improvement in the effort to make the indicators more measurable and meaningful.[2]

Budgetary implications of partnerships and outbreak and crises response

Partnerships

Recent discussions at meetings of WHO's governing bodies have highlighted the importance, and also the complexity, of the global health architecture, including partnerships and the need to consider coordination and harmonization among the various parties. In the Programme budget 2008–2009 a number of partnerships were noted but this was not an exclusive list and their contribution to the delivery of the Organization-wide expected results was not defined. As the major partnerships usually have independent governance mechanisms, it was also unclear how changes in the budget levels of these partnerships affected the overall WHO programme budget.

With a view to increasing the transparency of partnerships within the global governance of WHO, including their budget management, an analysis was undertaken of all the Organization's partnerships and collaborative arrangements. The results indicated that the group was highly heterogeneous, ranging from large partnerships with a considerable degree of independence but administratively hosted by WHO, to other entities having the characteristics of internal expert groups or advocacy arrangements.

Within the full grouping there is an identifiable subset involving major partnerships and collaborative arrangements that can be broadly divided in two groups: (i) those partnerships that contribute directly to the achievement of the Organization-wide expected results and follow the results hierarchy of the WHO programme budget, and which are therefore considered entirely inside the programme budget envelope; and (ii) those partnerships that were not fully aligned with the results hierarchy but which nonetheless have a strong link with WHO. Although the importance of these latter partnerships is

[1] Document WHA61/2008/REC/3, summary record of the sixth meeting of Committee A, section 2, in press.

[2] The improvement of indicators will be incremental and there may be further refinement in subsequent versions of the draft Proposed programme budget 2010–2011.

recognized for the achievement of the strategic objectives of the Medium-term strategic plan, their budgets have been moved outside the WHO programme budget envelope for the biennium 2010–2011.

Ten such partnerships and collaborative arrangements outside the programme budget envelope are listed in Annex 1, provides an explanation of these partnerships' strategic approaches as well as the scope of their work and their synergy and coordination with WHO for the biennium 2010–2011.1[1] This list is not exhaustive as WHO collaborates closely with many other entities, for example the Global Fund to Fight AIDS, Tuberculosis and Malaria, as well as the International Health Partnership. The list does, however, include all those partnerships that were specifically mentioned in the Programme budget 2008–2009.

The partnerships and collaborative arrangements that are considered within the WHO programme budget envelope have increased their share of the total budget and it is recognized that a separate approach to budget management needs to be taken in their case. Over the last bienniums the budget growth of these partnerships has been difficult to predict and their total contribution to the overall WHO budget has not been clear.

Outbreak and crisis response

WHO has been playing an increasingly important role in outbreak and crisis response, and the activities concerned and their budgetary implications are by their very nature unpredictable. This has again led to budgetary increases that have not been fully distinguished from other types of increases.

In recognition of the budgetary considerations mentioned above, the draft Proposed programme budget 2010-2011 is presented in three segments. This segmentation applies both to the initial budget presentation and to budget management during the biennium. The three segments are:

- WHO programmes
- Partnerships and collaborative arrangements
- Outbreak and crisis response

In order to provide greater transparency and improve WHO's monitoring, management and implementation of the programme budget, outbreak and crisis response and partnerships and collaborative arrangements will be tracked and reported on separately. This will begin in the biennium 2008–2009, and will take full effect from the biennium 2010–2011.

This segmentation has implications of varying complexity for the different technical strategic objectives. Three strategic objectives (numbers 3, 7 and 11) are composed only of WHO programmes and have no components involving partnerships and collaborative arrangements; nor are these strategic objectives affected by outbreak and crisis response. Conversely, strategic objectives 1 and 5 contain all three budget segments.

Level of the draft Proposed programme budget 2010–2011

The budgets of WHO have been increasing consistently over the past four bienniums, rising from US$ 1800 million in the biennium 2002–2003 to US$ 4200 million in the biennium 2008–2009. There is a growing recognition that the Organization needs to consolidate its growth and strengthen its implementation capacity, while at the same time ensuring there is a continuing focus on priorities. With that in mind, the draft Proposed programme budget 2010–2011 has initially been established at the same **nominal value** as the baseline of the **WHO programme segment** of the revised programme budget for the biennium 2008–2009.

[1] The question of which partnerships should be included in the WHO programme budget envelope and which should remain outside is still under discussion.

In December 2007 the operational plans for the biennium 2008–2009 reflected the developments that had taken place and the increased demand registered since the approval by the Sixtieth World Health Assembly of the Programme budget 2008–2009. This was particularly evident in the partnership segment; however, it was also the case, albeit to a lesser extent, for the WHO programme segment.

On the basis of this analysis, the **WHO programme segment** of the draft Proposed programme budget 2010–2011 is initially set at US$ 3888 million, showing no increase as compared with operational plans for the biennium 2008–2009. The relative distribution between headquarters and the regions is unchanged within this budgetary provision. This strategic decision is in line with the Director General's commitment to maintain budgetary discipline and exercise restraint in line with the Organization's capacity to scale up implementation.

Within this overall budget envelope the Organization, (countries, regions and headquarters) has developed budget proposals across the 13 strategic objectives. The **partnership and collaborative arrangement segment** within the programme budget stands at US$ 747 million in the biennium 2008–2009; it has grown to US$ 1076 million for the biennium 2010–2011.

The **outbreak and crisis response segment** has also increased against the level for the biennium 2008–2009. The budget figure for that segment has been estimated at US$ 419 million, but can only serve as an indication in view of the unpredictability of the needs concerned. More generally, the governing bodies will, at regular intervals, be kept abreast of developments concerning the budget of the outbreak and crisis response segment.

It should be noted that for strategic objective 5, there is a budget of US$ 127 million under WHO programmes for those activities that are related to norms and standards, and capacity building to national emergency preparedness.

Table 1 illustrates the problems with predicting the Organization's response to outbreaks and crisis well in advance, and shows the steady increase in the budget value of partnerships and collaborative agreements. The lack of clarity on the full budgetary contribution of partnerships within the programme budget envelope has hitherto been a constraint in the overall budgetary process. It has become difficult to compare partnerships' budgets across bienniums since in the past these were not delineated and because there are budgetary movements as new partnerships are created and others become less important.

Table 1. Expenditure for the Programme budgets 2006–2007, 2008–2009 and for the Proposed programme budget 2010–2011 in budget segments (US$ million)

Budget segments	2006–2007 Expenditures	2008–2009 Approved budget	2008–2009 Revised budget	2010–2011 (before currency adjustments)
WHO programmes	2103.2	3741.6	3888.4	3888.0
Partnerships and collaborative arrangements within the budget envelope	705.0	369.9	747.0	1075.7
Outbreak and crisis response	290.0	115.9	316.2	419.0
Grand total	**3098.2**	**4227.5**	**4951.6**	**5382.7**

Partnerships and collaborative arrangements contribute more significantly to the achievement of some strategic objectives. Within strategic objective 1 the largest single component concerns the Global Polio Eradication Initiative, representing US$ 389 million. Details on the individual partnerships can be found in Summary Tables 4 and 5.

Table 2. Proposed programme budget 2010–2011 by strategic objective (broken down by budget segment and compared with the approved Programme budget 2008–2009).

Strategic objectives	Programme budget 2008–2009 (WHO programmes) (US$ million)		Proposed programme budget 2010–2011 (before currency adjustments)					
	Approved WHO programmes 2008–2009	Revised WHO programmes 2008–2009	Proposed WHO programmes 2010–2011 (US$ million)	Proportion of total WHO programmes %	Change over approved Programme budget 2008–2009 %	Partnerships and collaborative arrangements (US$ million)	Outbreak and crisis response (US$ million)	Total Programme budget 2010–2011 (US$ million)
1	625.2	677.2	658.1	17.0	5.3	880.1	151.2	1689.4
2	634.6	658.0	652.9	16.8	2.9	78	n.a	730.9
3	158.1	157.1	165.0	4.2	4.4	-	n.a	165.0
4	319.2	314.1	309.0	7.9	-3.2	40.5	n.a	349.5
5	134.0	134.1	127.2	3.3	-5.1	5	267.8	400.0
6	162.1	167.9	166.3	4.3	2.6	13	n.a	179.3
7	65.9	66.6	73.3	1.9	11.2	-	n.a	73.3
8	130.5	136.6	144.6	3.7	10.8	1.2	n.a	145.8
9	126.7	121.4	118.2	3.0	-6.7	4	n.a	122.2
10	494.6	506.8	505.5	13.0	2.2	53.9	n.a	559.4
11	134.0	161.9	162.5	4.2	21.3	-	n.a	162.5
12	214.3	244.3	265.9	6.8	24.1	-	n.a	265.9
13	542.4	542.4	539.5	13.9	-0.5	-	n.a	539.5
Total	**3741.6**	**3888.4**	**3888.0**	**100.0**	3.9	**1075.7**	**419.0**	**5382.7**

Although the WHO programme segment is unchanged in nominal terms between the biennium 2008–2009 and the biennium 2010–2011, Table 2 illustrates that some adjustments have been made between the strategic objectives in order to reflect increased emphases on the following:

- Strategic objectives 3 and 6 as a result of the endorsement by the Sixty-first World Health Assembly of the action plan for the global strategy for the prevention and control of noncommunicable diseases[1]
- Strategic objective 7 in response to the recommendations of the Commission on Social Determinants of Health
- Strategic objective 8 in order to accommodate the additional emphasis on climate change
- Strategic objective 10 in support of WHO's effort to revitalize primary health care, which is the focus of the *World health report 2008*
- Strategic objective 11 in order to support prequalification and quality control of medicines and the work on public health, innovation and intellectual property
- Strategic objective 12 in order to accommodate the increased number of meetings of the governing bodies and increased country presence and operationalization of the United Nations reform at country level.

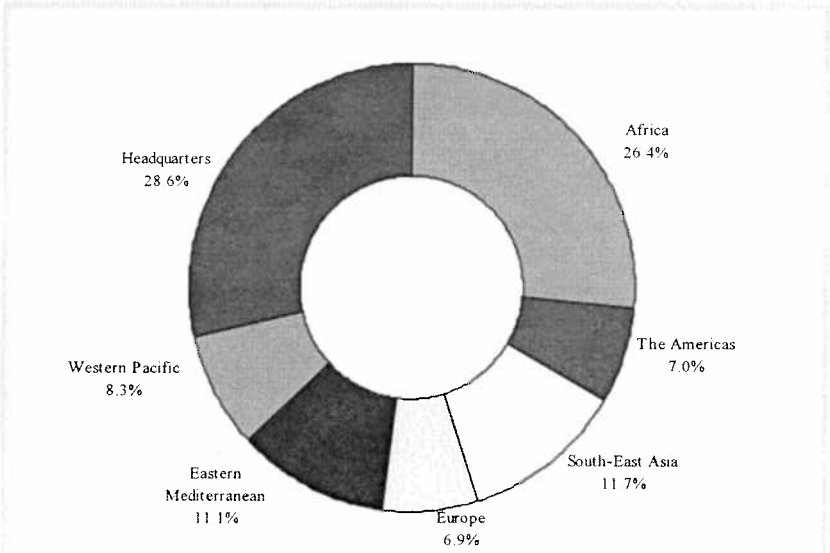
[1] Resolution WHA61.14.

In pursuance of the Organization's strategy to strengthen the first-line support provided to countries with adequate back-up at regional and global levels, the major part of the programme budget will be spent in regions and countries while maintaining headquarters functions. The "70%-30%" principle continues to guide the overall distribution of resources between regions/countries and headquarters, with the understanding that there will be variations between the strategic objectives and their underlying programmes depending on the nature of the programmes concerned. The budget distribution between the individual regions is unchanged for the WHO programme segment and reflects regional needs in line with the ranges from the validation mechanism for strategic resource allocation reviewed by the Executive Board[1] (see Figure 1).

Table 3(a). Proposed programme budget 2010–2011: major office by budget segment

Location (major office)	Total approved Programme budget 2008–2009 (US$ million)	Proposed programme Budget 2010–2011 (*before currency impact*) Total (US$ million)	WHO programmes (US$ million)	Partnerships and collaborative arrangements (US$ million)	Outbreak and crisis response (US$ million)
AFRO	**1193.9**	**1543.0**	1025.0	426.0	92.0
AMRO	**278.5**	**286.0**	272.0	5.0	9.0
SEARO	**491.5**	**627.0**	456.7	111.3	59.0
EURO	**274.8**	**297.0**	268.0	19.9	9.1
EMRO	**465.0**	**572.5**	433.0	53.8	85.7
WPRO	**347.9**	**358.5**	322.0	27.4	9.1
HQ	**1175.9**	**1698.7**	1111.3	432.3	155.1
Total	**4227.5**	**5382.7**	**3888.0**	**1075.7**	**419.0**

Figure 1. Distribution between regions and headquarters of the budget segment for WHO programmes for the biennium 2010–2011 (excluding partnerships and collaborative arrangements and outbreak and crisis response)



[1] See document EBSS-EB118/2006/REC/1, summary record of the fourth meeting, section 4.

The percentage of the total Proposed programme budget that relates to partnerships and outbreak and crisis response varies significantly between regions as can be seen in Table 3(b) below.

Table 3(b). Proposed programme budget 2010–2011: major office proportion of budget by budget segment

	WHO Programmes	Partnerships and collaborative arrangements %	Outbreak and crisis response	Total
AFRO	66.4	27.6	6.0	100.0
AMRO	95.2	1.7	3.1	100.0
SEARO	72.8	17.8	9.4	100.0
EURO	90.2	6.7	3.1	100.0
EMRO	75.6	9.4	15.0	100.0
WPRO	89.9	7.6	2.5	100.0
HQ	65.5	25.4	9.1	100.0
Total	**72.2**	**20.0**	**7.8**	**100.0**

Mechanisms of financing the Programme budget 2010–2011

Strategic objectives 1 to 11 are financed from both assessed and voluntary contributions, although voluntary contributions account for an increasing share of the total funding.

Voluntary contributions received by the Organization vary greatly in the degree to which they are earmarked for specific activities, in their predictability and in the time of their receipt. The voluntary contributions with both the least earmarking and a high level of predictability are obviously the easiest for WHO to align to its priorities and financing needs. The greater the earmarking of voluntary contributions, the more difficult it is for the Organization to fully finance all aspects of its work and some strategic objectives run the risk of not receiving sufficient funding.

It is encouraging that the number of donors providing fully flexible and highly flexible contributions has increased since 2006. It is hoped that this trend will continue as the management of these funds becomes more refined and as donor confidence in WHO's results-based management approach increases.

Advisory group on financial resources

Based on experience gained since 2006, a number of steps have been taken to improve the alignment of voluntary contributions to the approved programme budget. An advisory group on financial resources has been established to exercise oversight and provide recommendations to the Director-General on corporate financing. The group is chaired by the Deputy Director-General, and charged with the monitoring of financial and technical implementation, and of resource availability and funding gaps across strategic objectives and locations. The Organization-wide implementation of the global management system will enhance the advisory group's ability to monitor implementation and financial needs closely across the Organization.

Core voluntary contributions

An important financing and management mechanism has been established, namely, the **core voluntary contributions account**. This account will manage those core voluntary contributions that are either fully flexible or highly flexible (earmarked at strategic objective level). The account will help to ensure that funds are available to implement the programme budget so that the integrity of the strategic objectives and Organization-wide expected results is maintained, and so that there is a better programmatic delivery of the totality of the Medium-term strategic plan. The oversight of the core voluntary contributions account lies with the advisory group on financial resources. Discussions with major donors and partners have indicated growing support for this mechanism and the aim is to ensure approximately US$ 300 million of such fully flexible or highly flexible funds for the biennium 2010–2011.

Core voluntary contributions that are earmarked to the level of Organization-wide expected results/major office/theme are referred to as "**designated core voluntary contributions".** Such funds are managed through the Organization-wide technical programmes and networks in order to ensure efficient and timely delivery of the expected results. Designated core voluntary contributions are estimated at about US$ 400 million for the biennium 2010–2011.

Other voluntary contributions

In addition to the total of US$ 700 million of core voluntary contributions, about US$ 3754 million is expected to be raised in the form of specified contributions (Table 5). The expectation that the Organization will be able to mobilize the proposed level of voluntary contributions is considered justified on the basis of current trends.

Strategic objectives 12 and 13

Successful implementation of WHO's programme budget requires adequate financial, programmatic, infrastructure, monitoring, and accountability mechanisms. A proportion of the operating costs of these mechanisms is directly attributable to the programmes and their expected results, and is therefore part of the respective strategic objective budgets. However, other administrative and managerial functions, by their nature, cannot be directly attributed to technical programmes. These include, within strategic objective 12, the governance mechanisms of the Organization including the various meetings of the governing bodies. The latter involve both statutory meetings and those arising from new emerging issues. Functions such as legal services, the Ombudsman and the office of the Internal Auditor are also budgeted in this strategic objective.

Strategic objective 12 also includes the salary provisions for the senior officers of the Secretariat at all levels of the Organization. This includes country representatives, Regional Directors, Directors of Programme Management, Assistant Directors-General and the Office of the Director-General.

Strategic objective 13 includes costs for financial management, information technology, human resources, procurement, planning and performance management, building management and infrastructure, staff development and learning, and security.

The growth in the Organization and its budget in recent years has placed increased demands on management and administrative support functions. In order to meet these demands some cost efficiencies have been made and further efforts are planned for the biennium 2010–2011. However, it is clear that any additional reduction in the resources available for administrative functions will affect the Organization's ability to achieve its technical objectives.

A proportion of voluntary contributions, referred to as "**programme support costs**", is used to cover the indirect costs incurred in implementation and in financing the administrative support services that underpin effective achievement of the expected results in all strategic objectives. In keeping with the

authority given to the Director-General in both the Financial Regulations and Health Assembly resolutions, programme support costs of 13% are levied in order to help to meet the budgetary requirements of strategic objectives 12 and 13. However, in practice, it has proven impossible to reach the 13% target. This is explained by the large number of exceptions, including a standard reduced cost for emergencies and crises and for the programme against poliomyelitis, as well as the general pressure on the United Nations system to reduce its charges for programme support costs. The current average collection rate amounts to only 7% of the overall voluntary contributions. This insufficient rate has lead to a growing financing gap for strategic objectives 12 and 13.

The cost of delivering the administrative services has been increasing as a result of the growth in WHO's level of operations. This increase has been exacerbated by the falling value of the dollar and has been particularly critical to the financing of support functions, given the high preponderance of costs at headquarters in Switzerland, which are denominated in Swiss francs. Similar situations exist in several of the regional offices but to varying extents. In view of this, during the biennium 2010–2011, the two instruments described below will be employed in order to close the financing gap.

- An increased proportion of the assessed contributions will be applied to strategic objectives 12 and 13. At all locations, the aim should be for a minimum of 60% of the budget of these two strategic objectives to be financed from assessed contributions.
- A mechanism for common administration costs has been established. The mechanism's initial setting (a minimum of 2.5% of staff costs) will be increased. This income source, which is within the strategic objective envelopes will be used for financing the following corporate management and administrative functions: United Nations common charges including security; real estate, exchange rate hedging; the global service centre; insurance costs and global information technology.

During the biennium 2008–2009, the Secretariat will analyse and explore options for closing the financing gap in strategic objectives 12 and 13 through further efficiency savings and alternative financing modalities. In addition, WHO continues to participate in the ongoing work of the United Nations system consultations on cost recovery.

Adjustments for currency fluctuations

If expenditure financed by dollar income is to remain unchanged, such income will have to be adjusted upwards. In this way, the same amount of local currencies can continue to be purchased. WHO incurs expenditures in many currencies, and to the extent that these expenditures are financed by United States dollar income sources (assessed contributions and voluntary contributions in United States dollars), the dollar cost of these expenditures in the biennium 2010–2011 will be higher than in the biennium 2008–2009. This is the continuation of a trend that has been visible over the last three bienniums.

Table 4. Estimated impact of exchange rate change on the Programme budget 2010–2011 compared with exchange rate used for preparing Programme budget 2008–2009

	Exchange rate at May 2006	Impact of exchange rate change	Exchange rate at June 2008
		(US$ million)	
US$ financed component of total budget			
Assessed contributions	929		
Voluntary contributions	1077		
Subtotal US$ financed	2006	301	2307[1]
Financed in other currencies	3377		3377
Total Programme budget	**5383**		**5684**
US$ currency fall as weighted average of WHO cash flows			15%[2]

In Table 4 calculations are presented showing:

(i) The total component of United States dollar-based income, within the overall programme budget, based on the proposed level of assessed contributions, and expectations of donor agreements concluded in United States dollars.

(ii) The weighted average fall in the value of the United States dollar against the currency of expenditure in each major office location within WHO. The exchange rates used for this purpose are those that prevailed at the time of preparation of the Programme budget 2008–2009 and those of June 2008. This assumes that June 2008 exchange rates will approximate to those during the biennium 2010–2011; however, given that there will be further exchange rate movement, and that it is impossible to forecast accurately future exchange rates, it is proposed that these calculations be subject to further review in early 2009. Following this, the finalized Proposed programme budget 2010–2011 will be presented to the Health Assembly in May 2009.

(iii) Location-specific exchange rate movements have been weighted in accordance with the planned overall budget percentage distribution between offices.

Table 4 indicates that an amount of US$ 301 million is required to ensure that the same absolute (nominal) values of local currency expenditures as those budgeted for the biennium 2008–2009 can be met across the Organization. This is **before** taking into consideration any inflation affecting activity cost increases or salary increases.

[1] Exchange rate impact is assumed uniquely on that component of the total income in United States dollars and for which expenditures are incurred in the currencies of each of the major offices, in proportion to the overall budget distribution. For example, the United States dollar-denominated share of the budget allocation to headquarters is 28.5%, or US$ 572 million of the total US$ 2006 million. This financing is used to pay expenses denominated in Swiss francs, or that are correlated to the Swiss franc (e.g. salaries of staff members in the professional category).

[2] Currency fall calculated between May 2006, being exchange rates at the time of preparation of the Programme budget 2008–2009, and exchange rates at June 2008. This analysis excludes further potential exchange rate costs associated with the fall in value of other significant income currencies versus currencies of expenditure, most notably the United Kingdom pound.

Income projections for the Programme budget 2010–2011

It is proposed that this US$ 301 million increase (subject to any readjustment prior to submission to the Health Assembly) be applied in the same proportion to assessed and voluntary contributions so as to maintain the same proportionality between these different sources of financing. For assessed contributions this translates into an additional US$ 51.9 million.

Thus the nominal level of assessed contributions amounting to US$ 980.7 million is proposed for the biennium 2010–2011, and an amount of US$ 4702.9 million will need to be raised from voluntary contributions. This will give a total budget of US$ 5683.6 million.

Miscellaneous income will continue to provide support in line with assessed contributions, but it is proposed that the budgeting of the funds concerned should be performed at a different moment. Miscellaneous income is derived mainly from interest earnings on assessed contributions, collection of arrears of assessed contributions, and unspent assessed contributions at the end of a biennium. Due to the uncertainty of the income generated from miscellaneous income, these funds will no longer be budgeted at the planning stage, but will instead be subject to separate appropriation by Member States, based on the actual income available in the year following recognition of income. This change will bring WHO practice in line with the International Public Sector Accounting Standards (IPSAS).

Table 5. Proposed programme budget 2010–2011: financing compared with actual expenditures in the biennium 2006–2007 and the approved Programme budget 2008–2009

Source of income	Actual expenditures 2006–2007		Approved Programme budget 2008–2009		Proposed programme budget 2010–2011		Proposed programme budget 2010–2011 (currency adjusted)	
	US$ million	%	US$ million	%	US$ million	%	US$ million	%
Assessed contributions	863.3		928.8		928.8		980.7	
Miscellaneous income	35.3		30.0		0.0		0.0	
Total assessed contributions	**898.6**	29.0	**958.8**	22.7	**928.8**	17.3	**980.7**	17.3
Fully and highly flexible voluntary contributions	150.0		200.0		300.0		300.0	
Designated core voluntary contributions	220.0		400.0		400.0		400.0	
Specified voluntary contributions	1829.6		2668.7		3753.9		4002.9	
Total voluntary contributions	**2199.6**	71.0	**3268.7**	77.3	4453.9	82.7	**4702.9**	82.7
Total financing	**3098.2**	100.0	**4227.5**	100.0	**5382.7**	100.0	**5683.6**	100.0

The distribution of the overall currency adjustment with respect to headquarters and the regions will be determined nearer the date of implementation depending on the effect of the currency fluctuation at the location in question.

Included in the total financing needs is the budgeted US$ 1076 million for partnerships and collaborative arrangements that are expected to be financed from specified voluntary contributions (see Table 1).

Monitoring the programme budget

Performance monitoring and assessment are essential for the proper management of the programme budget and for informing the revision of policies and strategies. Monitoring, review and assessment of the programme budget are conducted at the 12-month period (the mid-term review) and upon completion of the biennium (the programme budget performance assessment).

The mid-term review serves to track and appraise progress towards achievement of the expected results. It facilitates corrective action, and the reprogramming and reallocation of resources during implementation. For each strategic objective, colour ratings are assigned (red, yellow or green) in order to indicate progress in achieving the expected results at the mid-term. The review also identifies and analyses the impediments, problems and risks encountered, together with the actions required to ensure that the expected results are achieved.

The end-of-biennium programme budget performance assessment is a comprehensive appraisal of the performance of each organizational level and of the Organization as a whole, including the achievement of the targets set for the expected result indicators. The assessment focuses on achievements as compared with planned results, and on lessons learnt, in order to inform planning for the next biennium. The relevant findings provide essential information for subsequent programme budgets and for possible revisions to the Medium-term strategic plan. The performance assessment for the biennium 2006–2007 has noted the lessons learnt and these have informed the formulation of the draft Proposed programme budget 2010–2011.

The set of indicators for all Organization-wide expected results in the Medium-term strategic plan 2008–2013 has been carefully and systematically reviewed with the aim of improving clarity and facilitating measurement and reporting. Most of the indicators have been refined; some have been replaced when it was considered that they unable to provide an adequate measurement of the stated result. The refinement and tracking of indicators across all levels of the Organization represents an incremental process and work undertaken in the current biennium will also lead to improvements in processes and tools for the biennium 2010–2011.

The mid-term review and the programme budget performance assessment processes each generate a document, both of which are submitted to the governing bodies for their consideration. A new timeline for production of these documents is already envisaged for the biennium 2008–2009: the review will be made available for the Health Assembly in May following the first year of the biennium; the assessment will be submitted to the same body in May following the second year.