



REGIONAL OFFICE FOR THE WESTERN PACIFIC
BUREAU RÉGIONAL DU PACIFIQUE OCCIDENTAL

REGIONAL COMMITTEE

Twenty-first Session
Manila
1-8 September 1970

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ORIGINAL: ENGLISH

Provisional agenda item 19

LONG-TERM FINANCIAL INDICATORS (RESOLUTION EB45.R13)

1. In his report¹ to the Twentieth World Health Assembly on the second report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, the Director-General indicated that "it is the intention to study the possibilities for further improvement and refinement of the planning process in WHO, including the indication of some broad long-term financial indicators of future programmes" (underscoring supplied).

2. In his report² to the Executive Board at its forty-third session on Long-Term Planning in the Field of Health and Biennial Programming, the Director-General dealt with the question of the establishment of financial indicators, including the statement in paragraph 12.1 to the effect that "what is at issue in the recommendations of the Ad Hoc Committee is a desired change whereby planning becomes not only more far-sighted and more precise, but also better related to its financial aspects. However, financial indicators of international assistance can only be established when programme goals have been decided upon. It then becomes possible to link such goals to costs. This would, in turn, make it possible to exercise fiscal discipline consistent with established priorities".

/3. The Regional ...

¹Off. Rec. Wld Hlth Org. 160, Annex 8, 83.

²Off. Rec. Wld Hlth Org. 173, Annex 11, 60.

3. The Regional Director reported to the nineteenth session of the Regional Committee (document WPR/RC19/7) as follows:

"Headquarters is studying the question of developing long-term financial indicators of future programmes. Clearly the basis of any such indicators must be established first in terms of programme goals and targets and the requirements necessary for their achievement."

4. The Twenty-second World Health Assembly in resolution WHA22.53 (attached as Annex 1) requested the Director-General to explore further the feasibility of providing appropriate long-term financial indicators and report thereon to the forty-fifth session of the Executive Board.

5. The Executive Board at its forty-fifth session considered the Director-General's report on Long-Term Planning in the Field of Health, Biennial Programming and Improvement of the Evaluation Process, as contained in document EB45/40 (attached as Annex 2) and adopted resolution EB45.R13 (attached as Annex 3). The Executive Board in its resolution EB45.R13 noted that this complex subject requires more detailed study, including consultations with recipient governments, which will be carried out through the regional offices and the results considered by the regional committees.

6. Although there has not been sufficient time to undertake the consultations with governments prior to this meeting of the Regional Committee, the matter is being presented at this time in order that the Committee may be able to discuss it on a preliminary basis.

7. If the Committee agrees, its preliminary views on this matter will be transmitted to the Director-General for inclusion in the progress report which he intends to submit to the forty-seventh session of the Executive Board.

TWENTY-SECOND WORLD HEALTH ASSEMBLY

WHA22.53
25 July 1969

LONG-TERM PLANNING IN THE FIELD OF HEALTH, BIENNIAL PROGRAMMING,
AND IMPROVEMENT OF THE EVALUATION PROCESS

The Twenty-second World Health Assembly,

Having considered the reports by the Director-General¹ on long-term planning in the field of health and biennial programming and on the improvement and strengthening of the evaluation process, and the recommendations of the Executive Board thereon;

Having considered the proposals of the Director-General for taking the first steps towards a future presentation of a projection of the Organization's programme for a further year; and

Taking account of the long-term results that can be expected of the new programme and budget information system

I

1. NOTES with satisfaction the proposals made for further strengthening the planning and evaluation processes of the World Health Organization; and
2. STRESSES that realistic long-term planning of WHO's programme is dependent in large measure upon methodical health planning, the formulation of a budget based on programmes, and evaluation at the national level, and that the Director-General should continue to respond to requests for assistance in national health planning;
3. BELIEVES that the long-term planning of the Organization's programme can be achieved in successive stages;
4. REITERATES the importance of evaluation in guiding the formulation of programme policies and the planning and execution of the health programmes;

¹ Annexes 11 and 12 of Official Records No. 173.

5. REQUESTS the Director-General to take the necessary steps to implement the proposals concerning long-term planning and the improvement and strengthening of the evaluation process; and to ensure dissemination to a member of the Executive Board of such available evaluation data on projects as currently exist and that member may request;
6. REQUESTS the Director-General to evaluate the most appropriate approaches for the integration of health planning studies with the educational programmes in medical schools;
7. REQUESTS the Director-General to continue to collaborate actively in the development of the health sector of the broad international strategy for the Second United Nations Development Decade;
8. REQUESTS the Director-General to explore further the feasibility of providing appropriate long-term financial indicators and report thereon to the forty-fifth session of the Executive Board; and
9. REQUESTS the Director-General to ask the Member States to send to WHO their observations and recommendations on questions of long-term planning in the field of health and the establishment of a new general programme of work of WHO for 1972-1976;

II

1. DECIDES that, in principle, the World Health Organization should adopt a system of biennial programming;
2. CONSIDERS that, as a first step, the Director-General should:
 - 2.1 Provide in his annually proposed programme and budget estimates additional information which would, for example, include for 1971:
 - (i) an appendix containing a summary by major programme heading for 1969, 1970 and 1971 with a projection for 1972 based on the indication of the governments' priorities for future programmes of WHO assistance as known at the time of the preparation of the programme and budget estimates, and

on other factors such as the trends in the requirements for the major programmes of the Organization; and

(ii) an appendix containing a summary by appropriation section identifying the operating programme by individual regions and headquarters, regional offices, administrative services, etc., for 1969, 1970 and 1971, with a projection of the estimates for 1972;

2.2 Provide in each annual financial report information relating to budget performance, and showing in summary tables similar to those for paragraph 2.1 above:

(i) budget estimates, both original and revised, and

(ii) actual obligations incurred;

3. RECOGNIZES the necessity of preserving flexibility to adjust programmes in the light of changes affecting the needs of the Organization and its Members;

4. REQUESTS the Director-General to continue to co-operate in inter-agency consultations on standardization of budget presentation and to keep the Executive Board informed of developments; and, further,

5. REQUESTS the Director-General to study the additional steps which might be taken towards a future more detailed projection of the Organization's programme and budget and to report thereon to the forty-seventh session of the Executive Board.

EXECUTIVE BOARD

EB45/40
19 January 1970

Forty-fifth Session

Provisional agenda item 2.7

LONG-TERM PLANNING IN THE FIELD OF HEALTH, BIENNIAL
PROGRAMMING, AND IMPROVEMENT OF THE EVALUATION PROCESS
(LONG-TERM FINANCIAL INDICATORS)

Report of the Director-General

1. Introduction

1.1 When he reported to the Board¹ at its forty-first session on the extent to which WHO had complied with the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies in its second report, the Director-General recognized the need to further improve and refine the planning process, including the introduction of some broad long-term financial indicators of future programmes. Subsequently the Board at its forty-third session considered a further report² of the Director-General which, inter alia, drew attention to some of the difficulties to be surmounted in developing financial indications of future programmes over a five or ten year period.

1.2 In its decision concerning long-term planning in the field of health, biennial programming and improvement of the evaluation process, the Twenty-second World Health Assembly requested "the Director-General to explore further the feasibility of providing appropriate long-term financial indicators and report thereon to the forty-fifth session of the Executive Board",³

¹Off. Rec. Wld Hlth Org., 165, 65.

²Off. Rec. Wld Hlth Org., 173, 60.

³Off. Rec. Wld Hlth Org., 176, 26-27, resolution WHA22.53.

1.3 The Director-General has studied further the feasibility of establishing financial indicators; the subject is extremely complex and therefore requires careful consideration and negotiations with recipient governments for which there has not been sufficient time since the resolution of the Twenty-second World Health Assembly was adopted.

2. Problem Areas

2.1 In this interim report the Director-General outlines some of the immediate difficulties encountered in his endeavours for the establishment of financial indicators of international assistance, most of which are beyond the control of the Organization.

2.2 The first problem is to establish a link between the achievements of objectives that have been set and the costs of planned activities to ensure such achievements. This requires both a programme and a financial projection extending over a period of years which is only possible in the light of a reasonably precise, even if flexible, long-term planning in individual countries. It is this element of long-term planning which is often missing and which makes the establishment of financial indicators of international assistance a difficult exercise, at the present stage of development of national health planning in many countries.

2.3 Another factor of some importance is the changing conditions that are inherent in the developing stage of many countries that have fairly recently acceded to independence. This brings about many unforeseen and unforeseeable elements which makes it necessary that any financial indicators of international assistance be as prudently flexible as possible, so as not to constrain unduly the potential for assistance from the Organization.

2.4 A third major source of difficulty is the relatively new approach to cost/benefit analysis of international health programmes. There are still many unknowns which need careful analysis and research and an untried methodology warrants the utmost caution before proceeding to conclusions.

3. Some Relevant Current Developments

3.1 It is reassuring, however, to note that some current trends and studies undertaken recently will no doubt mitigate, if not remove, the difficulties outlined above. These include the following:

3.2 The procedure adopted for developing the Fifth General Programme of Work for a Specific Period of the Organization, will be based on information from governments, who are being requested to indicate their programme priorities in the context of assistance expected from the Organization; this procedure should enable the Organization not only to plan the programme of assistance to governments more realistically but also to take account of the common elements that exist in national situations which might enable WHO to set up programme goals which could eventually be linked with the total costs involved to achieve them.

3.3 The strengthening of a co-ordinated country approach to the planning of international and bi-lateral assistance, will certainly remove a great obstacle to the establishment of financial indicators by introducing the desirable measure of programme planning stability and continuity.

3.4 Other developments which are expected to have the same beneficial effects on the problems under study include: (i) the detailed planning exercises that countries are expected to undertake for the second Development Decade which in turn would produce more reliable data on which to construct the desired financial indicators; and (ii) the World Plan of Action, at present being developed by the United Nations Advisory Committee on Science and Technology, which is another undertaking in the desired direction in that by concentrating on major priorities for development it might make possible the establishment of selected, if not total, financial indicators of international assistance.

4. Future Action

4.1 From the above it will be seen that while there are within and beyond the Organization developments that are expected to facilitate projections of programme goals that could be linked with the costs

involved in achieving them and thereby facilitate for international assistance the processes of decision making, programme assessment and financial management, there remain problems inherent in the econometric and financial technology of the subject which are far from resolved and which the Director-General is continuing to study. He is aware of the need to clarify the scope for, and the magnitude of the finances required for the future health activities of the Organization.

4.2 As a first step, the Director-General will examine the possibility of establishing long-term financial indications for activities for which he believes that long-term projections may be possible at the present time. The Director-General believes that at least another year of study is required before further progress can be achieved. He therefore intends to provide the Board with a further progress report on this subject at its forty-seventh session in 1971.

ANNEX 3

Forty-fifth Session

EB45.R13
21 January 1970

LONG-TERM FINANCIAL INDICATORS

The Executive Board,

Recalling that the Twenty-second World Health Assembly requested¹
"the Director-General to explore further the feasibility of providing
appropriate long-term financial indicators and report thereon to the
forty-fifth session of the Executive Board",

Having considered the report of the Director-General,²

Noting that this complex subject requires a more detailed study
including consultations with recipient governments which will be carried
out through the regional offices and the results considered by the
regional committees,

AWAITS with interest the further progress report which the Director-
General intends be provided to the Board at its forty-seventh session.

Third meeting, 21 January 1970
EB45/SR/3

¹Resolution WHA22.53, Off. Rec. Wld Hlth Org., 176, 26-27.

²Document EB45/50.

PART II - MINUTES OF THE MAIN COMMITTEE

(see Part II of document WPR/RC21/15)

PART III - PROGRAMME AND BUDGET SUB-COMMITTEE DOCUMENTS

(see Annex 3, pages 57-56/56 of document WPR/RC21/15)