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STATUS OF PAHO'S ENGAGEMENT WITH THE WHO GLOBAL MANAGEMENT SYSTEM (GSM)

Introduction

1. WHO is implementing a Global Management System (GSM) which promises to simplify and harmonize WHO's global work by integrating a wide range of management and administrative systems and processes. This integration is designed to enable a global view of the management of health programs, facilitate decentralization, and improve timeliness and accuracy of information. In addition, WHO considers GSM to be an enabling platform for Results Based Management (RBM) and Knowledge Management (KM).
2. WHO currently expects to shift its administrative operations to GSM in June 2008 at WHO Headquarters in Geneva and in one Regional Office (WPRO). Rollout to the other Regional Offices will occur in sequence (except for PAHO) through the end of 2009. As stated in PAHO's Strategic Plan 2008-2012, PAHO intends to implement a separate but closely related process that will serve to improve its own organizational management, effectiveness and efficiency, and respond to GSM requirements. Moving forward, PAHO intends to leverage the work already undertaken by WHO.

Background

3. The scope of GSM is to integrate the operations of program management, planning, budget, financial management, human resources management, payroll, procurement, asset management, contract management, and other processes. WHO expects this integration to facilitate a global view of the management of programs and improve WHO's global programmatic reporting and controls. GSM is also expected to improve transparency and accountability, facilitate decentralization, clarify and standardize roles for authorizing and certifying actions, improve timeliness and accuracy

of information, and support the reorganization of WHO operations to decrease its overhead costs.

4. As part of its GSM efforts, WHO has established a Global Service Center in Kuala Lumpur, Malaysia to centralize many routine administrative tasks and improve the cost effectiveness of GSM. While the Global Service Center is an important element of WHO's GSM implementation, it should be noted that PAHO's current operations differ substantially from WHO and it is premature to identify the need to shift operations to a global or regional service center.

5. PAHO has a Corporate Management System (CMS) with the following components: program management (includes planning and budget), financial management, human resources management, operational support management, and oversight, accountability and learning management. These components have a varying degree of development and integration.

6. The PAHO's CMS uses many information systems (AMPES, OMIS, FMS, FAMIS, etc.) that jointly contain most of the relevant information needed to effectively manage health technical programs. Whilst, these information systems are independently functional and supportive of RBM, they are not all fully integrated. The challenge posed by the new PAHO's planning process is to achieve a higher level of integration and coherence among all of the information systems, whilst gradually upgrading its aging portfolio of applications. Simultaneously, administrative processes must be simplified with better performance controls and indicators. This should contribute to improve efficiency, transparency, accountability, decentralization, and delegation of authority.

7. For the past several years, PAHO has gradually invested in improving its information systems. Most recently, a substantial improvement has been made in the program management component of CMS, especially in planning and budgeting: AMPES-OMIS and FMS information systems.

8. Since the inception of GSM in 2002, PAHO had limited its development and maintenance of all corporate information systems to that which is strictly necessary to respond to changes in business rules, while ensuring that these systems do not diverge from GSM principles. This limited maintenance of legacy systems has contributed to the need to update these systems to better support PAHO. The introduction of major changes to PAHO's information systems during the term of the current Strategic Plan 2008-2012 may create disruptions, but ultimately would result in advanced, aligned, and integrated corporate systems

Progress Report

9. PAHO is in the process of developing the required interfaces between its current information systems and GSM so that WHO can have integrated data from all regions and comply with global reporting requirements. PAHO is analyzing the GSM guiding principles to initiate its adoption and implementation in the coming months. Additionally, PAHO's business processes owners continue to dialogue with their WHO counterparts to ensure that all future functional development and maintenance of PAHO's Corporate Management System is aligned with GSM principles.

10. In PAHO's CMS component of program management (includes planning and budgeting), the guiding principles and business processes of WHO's GSM have been adopted and PAHO is well underway in response to GSM requirements. PAHO Strategic Plan 2008-2012 is fully aligned with the WHO Medium-Term Strategic Plan 2008-2013, and the General Program of Work 2006-2015. In addition, it is also aligned with the Health Agenda for the Americas. This means that the PAHO Strategic Objectives and Region-wide Expected Results (RERs) aggregate to the Strategic Objectives and Organization-wide Expected Results of WHO. In order to do so, the program management/budget information systems (AMPES-OMIS/FMS) have undergone major re-design to include significant new functionality.

11. In the process of aligning to GSM, PAHO is committed to preserving key aspects of its business model, including its unique legal status and governance structure, while ensuring that functionality is maintained to guarantee that the levels of service and efficiencies now enjoyed by PAHO country offices and Member States are not diminished. There are several options that may satisfy alignment to GSM and improve the ability of PAHO systems to support its strategic direction and goals, including several forms of direct participation with GSM. As part of its due diligence, PAHO will be carefully evaluating the different available options in the coming months.

12. In 2007, PAHO engaged a consulting firm to compare GSM capability to PAHO's existing functionality. The consulting firm identified good convergence in the areas of transparency, integration and efficiency, organizational flexibility, decentralization and accountability, knowledge management, results based management, and human resources management. The firm is continuing its work and is evaluating any functional gaps that may exist between GSM and PAHO's needs, as well as GSM's flexibility to accommodate PAHO's unique requirements as a separate legal entity.

13. PAHO has already invested approximately one million US dollars in the hiring of individual consultants and firms to better assess the GSM principles and development in relation to existing PAHO information systems, along with the legal and institutional implications of its design. PAHO will need now to concentrate on documenting and

improving its own business processes and rules as well as on the requirements for upgrading systems in order to better define the upcoming steps for smooth, timely and efficient alignment with GSM.

14. PAHO will pursue a phased approach to alignment and data integration for each of the CMS components. The key interfaces of program/budget and finance information have already begun. However, since PAHO will leverage the work done by WHO, PAHO's schedule for moving forward with its GSM related activities is contingent on progress made by WHO.

15. The cost of PAHO's engagement with GSM will be significant, because it needs to address maintaining all appropriate functionality unique to PAHO, enhancing and/or converting existing applications and data into a revised or new system, and managing the necessary organizational changes. In 2006, PAHO commissioned a study which estimated that PAHO's aggregate costs for fully adopting GSM could range from \$16.5 to \$38 million. Preliminary results from the current consultant who is estimating costs in the context of a phased implementation plan, are consistent with the high end of the earlier estimate. Additional analyses are underway to estimate costs of other alternatives as a point of comparison and take into account that the goal to respond to GSM requirements while considering the cost benefit and structural limitations of adopting the entire Oracle Business Suites software which drives GSM.

16. As PAHO continues its dialogue with WHO on the implementation of GSM, it expects to leverage the work already done by WHO and achieve many of the same benefits that are expected by WHO, including improvements in its capacity for results based management and knowledge management.

Action by the Executive Committee

17. In view of the foregoing, the Executive Committee is invited to comment on this progress report and provide general guidance to the Secretariat as it moves forward with the GSM.

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