

BIENNIAL PROGRAM BUDGET OF THE PAN AMERICAN HEALTH ORGANIZATION 2002-2003

Introduction

I am pleased to present the Proposed Biennial Program Budget (BPB) of the Pan American Health Organization (PAHO) for the biennium 2002-2003. This BPB is based on the Strategic and Programmatic Orientations (SPO) for the Pan American Sanitary Bureau (PASB), approved by the 25th Pan American Sanitary Conference. These SPO consider inequity the main challenge facing the health sector during the present quadrennium, which began in 1999.

As a general frame of reference, I am presenting below a summary of the political, economic, and social conditions of the Region of the Americas and their impact on the countries' progress towards their health development goals and on the work of the Secretariat; a brief description of the health conditions; the response of the Secretariat as expressed in the proposed Biennial Program Budget; and an explanation of the organizational and budgetary issues for the BPB 2002-2003.

The Context

Over the period 1980-2000, the number of people living in poverty in Latin America and the Caribbean increased by 85 million to almost 220 million people. Close to 16% lives on less than a dollar a day, an increase of almost 20% over the number in 1987.

There continues to be great disparities in income, and these disparities are on the increase. All the evidence is clear that those in the poorest sectors of the population are the most disadvantaged, not only from an economic standpoint but also because they have no voice in society. Poverty, unemployment, lack of schooling, and ethnic, gender, and age discrimination continue to have a negative impact on health and psycho-social pathologies such as violence against women, domestic and community violence, and substance abuse and tobacco dependency, which contribute to the morbidity, mortality, and disabilities in the Region.

There has been obvious progress in health, when measured by such indicators as life expectancy and infant mortality, and this has occurred primarily as a result of decreases in incidence of infectious diseases. Notwithstanding the occurrence of a poliomyelitis vaccine-derived outbreak in the Dominican Republic and Haiti this year, the Region continues to take pride in its eradication of wild polio and measles. With the Caribbean's lead, rubella might also be eliminated within the decade. Although the health status of the people in the Region has improved considerably in the last few decades, this situation favors more those with higher incomes and status in society.

Increasing urbanization, population growth, and migration contribute significantly to the deterioration of the environment and to the increased demand for public health services. Although water supply in Latin America and the Caribbean increased from 80% to 85% between 1990 and 2000, almost 64 million people still do not have access to this basic requirement for living, and where systems do exist, many have operational and maintenance problems. In urban areas, potable water coverage is approximately 90% while in rural areas it is 64%. Almost 32% of the population does not have appropriate systems for the elimination of solid and liquid waste. Presently, water, air,

and soil contamination are among the more serious problems affecting the population in the Americas.

It is estimated that only 63% of homes in Latin America and the Caribbean have suitable living conditions and there is a deficit of 20 million houses, excluding those that need improvements.

Although the frequency of many infectious diseases, such as sexually transmitted diseases and dengue have increased, others such as tuberculosis, leprosy, Chagas, and rabies have remained stable or have decreased. There has been significant improvement in the elimination of dog-transmitted rabies, and 19 out of 21 capital cities in Latin America have eliminated human rabies. Emerging zoonoses, such as Lyme disease and West Nile virus, threaten several areas throughout the Region.

With regard to HIV, the most recent information shows that one in 200 people between 15 and 49 years of age is HIV-infected in the Region, and there is clear evidence that HIV infection rates are higher in the poorest and most marginalized sectors of the population.

Between 1995 and 1999, 124,717 cases of food-transmitted diseases were reported, with 212 deaths. With the trend to make the hospitality sector responsible for the health and safety of tourists, this has seriously affected tourism at times. However, the forecast is for the wider Caribbean to increase its market share of world tourism.

Noncommunicable diseases represent 60% of mortality or disabilities in the Region, while injuries represent an additional 10%. Among the most important causes of mortality are cardiovascular diseases, with distribution that reflects the inequities seen in many diseases. Mortality due to cardiovascular diseases is 2.1 times greater in men without any formal education and 3.4 times greater in women in similar circumstances. Cervical, breast and prostate cancers are increasing in most countries, while stomach cancer is decreasing.

Almost 300,000 deaths annually are due to external causes, among which traffic accidents represent 41%, homicides 40%, and suicides 19%. Several studies have shown that between 20% and 60% of women in stable relationships with men are victims of violence.

In addition, natural disasters have had a serious negative impact on the economies of countries and continue to be a serious threat to the health status and quality of life of the population in the Region. Between 1975 and 1999, more than 100,000 people died and 15 million were directly affected by natural disasters.

The health sector has not always been able to overcome the difficulties posed by the inequities in coverage and distribution of resources and by deficient financial systems. The health reform processes have been slow and have focused mainly on changes in financial systems, in the structure and function of health systems, and readjustments to the organization and administration of health care. Less attention has been given to reducing inequities in health and in the access to health care, increasing effectiveness in health interventions, quality of health care, human resources development, the governance function of health authorities, or in the improvement of the practice of public health.

Fortunately, health is gaining increasing importance in the development agenda in the Region. In the Summits of the Americas held in Chile in 1994 and in Miami in 1998, health was among the key issues discussed and included in the Action Plan. The Third Summit held in Canada in 2001 gave even more time and prominence to health.

International financial institutions have been dedicating increasing portions of their portfolio to the social sectors and the common interest in health was made clear when the Shared Agenda for Health

in the Americas was agreed on by PAHO, the World Bank, and the Inter-American Development Bank in 2000.

The priority now being given to HIV/AIDS in all sectors and at all levels is perhaps unprecedented in international health. The response of the pharmaceutical sector to make AIDS-related drugs more accessible to the poor through lower costs augers well for the Region's efforts to control this diseases.

The above describes the context within which the Secretariat's response for the biennium 2002-03 has been developed.

The Secretariat's Response

As stated above, the Strategic and Programmatic Orientations for 1999-2002 continue to serve as the framework of reference for the Program Budget for 2002-03. We will continue to work in the five areas of priority:

- Health in Human Development
- Health Promotion and Protection
- Environmental Protection and Development
- Health Systems and Services Development
- Disease Prevention and Control

Regional projects while seeking to develop policies, norms, standards and information to help countries address documented inequities, took into consideration the strategic directions of the WHO Policy Framework and, more specifically, the WHO objectives and global expected results within the WHO Program Budget for 2002-2003. At the national level, the Secretariat focuses its attention on those SPO that coincide with the national priorities for health.

I had identified eight "flagship" projects that maximize the momentum provided by international and regional summits, availability of cost-effective technologies, and the need to call attention to emerging problems. These are:

- saving an additional 100,000 children's lives during the quadrennium
- maintaining the Region polio-free
- achieving and maintaining measles elimination throughout the Region
- controlling and reducing tobacco use
- reducing maternal mortality
- providing safe blood through regional health services
- improving mental health through the improvement in mental health services
- controlling and reducing the spread of HIV/AIDS.

The Secretariat will continue to expand its horizon in identifying partners in health, and in this regard it will coordinate efforts to advance work in the areas of the Shared Agenda, allowing flexibility for inclusion of more partners and expansion of areas at the national and regional levels. Technical cooperation among countries will remain the cornerstone of the Secretariat's strategy to support Pan Americanism. In order that the Secretariat continues to play a leading role in international health, we will continue to focus on the development of our human resources in technical and managerial areas, in order to increase our capacity to work more effectively and efficiently.

It is important to note that this proposed Program Budget may need to be revised once the new Strategic Plan for the period 2003-2007 is approved by the Pan American Sanitary Conference in 2002.

The Program Budget for 2002-03

Organization

In its effort to make the Biennial Program Budget (BPB) an increasingly useful instrument of strategic management, the Secretariat has made several changes to the process for its development and to its structure. Through improved guidelines, the situational analyses focused on identifying inequities in the health situation and system, thus facilitating the development of projects, and activities within projects, to address those amenable to technical cooperation.

The structure of the BPB has been modified to establish eight appropriation sections instead of the seven used in the BPB 2000-2001, in order to improve the congruence between the SPO and the related sections, and to reflect more accurately the functional organization of the Secretariat. To achieve this:

- A new appropriation section has been added to highlight the wide range of services which contribute to the General Direction of the Secretariat, including the work of some staff offices and the support to emergencies and emerging priorities through the Regional Director's Development Fund;
- With eight appropriation sections instead of seven, the changes within the appropriation sections seek to provide information on the program of work and the budget that more accurately reflects the organizational structure and the way the Secretariat works.
- The appropriation section "Governing Bodies" has been redefined to include coordination of collaboration with international partners, as well as the management and supervision of country offices at the national and regional levels, and facilitation of Technical Cooperation Among Countries (TCC). In the past, all of these activities were included under the section "Health in Human Development."

The other appropriation sections which correspond to the five SPO (Health Promotion and Protection; Environmental Protection and Development; Health Systems and Services Development; and Disease Prevention and Control) and the Administration Section were not revised.

The details of the areas of work within each of the eight appropriation sections are described in the front of Section II of this document. Each appropriation section is presented using the following outline:

- A summary of the related situational analysis in the Americas, particularly highlighting the challenges and issues that the Secretariat faces in its technical cooperation over the next biennium.
- A list of projects that the regional units will implement, and for each of these: the *Project Purpose*, which describes the change, or impact, that is expected to be achieved from implementation of the project; and the *Expected Results* or deliverables of the Secretariat, which will contribute to producing the change. The corresponding indicators, by which the Secretariat's performance is to be assessed, are developed for each level.

The section for the country programs is more summarized than usual. For each country, the national priorities in health, which provide the basis for the technical cooperation program of work for the biennium, are summarized and the purpose and expected results for each project are described.

Budgetary Issues

In accordance with guidelines provided by the Director-General of WHO, the WHO regular budget proposal for 2002-2003 for the Region of the Americas was developed at a level of \$74,682,000. The proposal was reviewed by the Executive Committee and the Directing Council during the year 2000. The proposal, which forms part of the overall WHO Program Budget proposal discussed at the Executive Board in January 2001, was approved by the World Health Assembly in May 2001. The WHO proposed budget of \$74,682,000 represents a reduction of \$3,043,000, or 3.9%, from the core regular budget level of \$77,725,000 approved by WHO for 2000-2001, and a total reduction of \$4,427,000, or 5.6%, from the total WHO budget level of \$79,109,000 programmed for 2000-2001. This latter figure includes a one-time authorization of \$1,384,000 of casual income approved for 2000-2001 by the World Health Assembly in 1999.

The overall PAHO/WHO regular budget proposal for 2002-2003 is \$261,482,000, which represents a total increase of 2.0% over the 2000-2001 approved budget. As mentioned previously, the WHO regular portion is \$74,682,000. The PAHO regular portion is \$186,800,000, which reflects an increase of 5.5%, or \$9,664,000.

The 2000-2001 PAHO regular budget of \$177,136,000 is funded by \$163,036,000 in quota contributions from Member States and \$14,100,000 in miscellaneous income. In 2002-2003, it is projected that the PAHO regular budget of \$186,800,000 will be funded by \$170,300,000 from quota contributions, which represents an increase of 4.5% over 2000-2001, and by miscellaneous income of \$16,500,000.

Attached are preliminary tables that provide more detail of the program budget proposal.

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