



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



## **FOURTH SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE**

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### **PAHO RESULTS-BASED MANAGEMENT FRAMEWORK**

#### **Introduction**

1. The Pan American Health Organization (PAHO), including the Pan American Sanitary Bureau (PASB), have adopted Results-based Management (RBM). This document provides a progress report on the implementation of RBM in PAHO. The different elements of RBM that have been already adopted are briefly described. The documents and instruments that already have been approved or are in the process of approval by the PASB Executive Management are attached for the information of the Member States.

#### **Basic Elements of RBM**

2. PAHO defines RBM as a management process in which:
  - Programs are formulated around a set of predefined objectives and expected results.
  - Expected results justify the resource requirements which are derived from—and linked to—the outputs required to achieve such results.
  - Actual performance in achieving results is measured objectively by performance indicators.
  - PASB staff are accountable for achieving results and are given the tools and resources they need to achieve those results.
3. Effective RBM requires PAHO to establish results to be achieved, with indicator targets to measure them. Such efforts will contribute to improved health in the Americas. Once these results are approved by the Member States, the Organization's work will

focus on achieving their set targets. Because these results are corporate-level results, every part of the Organization (PASB entities)<sup>1</sup> operating at the regional, subregional, or country level must work to achieve them.

4. The adoption of RBM significantly changes the way PAHO operates. Rather than focusing on the management of inputs to achieve outputs (short-term results within the manageable interests of managers), as was done in the past, results under the RBM modality focus on the outcome level (medium-term results that benefit directly the population's health). In PAHO's RBM, both the Member States and PASB are responsible for achieving the outcomes or Regionwide Expected Results (RERs).

### **RBM Framework**

5. PAHO's RBM framework has four interlinked components: (a) planning; (b) implementation, and performance monitoring and assessment; (c) independent evaluation and learning; and (d) accountability. The planning component has advanced most: it has been incorporated into the Strategic Plan 2008-2012 and into the Program and Budget for 2008-2009 and 2010-2011, as approved by the PAHO Governing Bodies. Progress has also been made in implementing a performance monitoring and assessment process. To launch the evaluation component in PAHO the Internal Oversight and Evaluation Services Office has been established and resourced. The evaluation function continues to evolve. The accountability component will be consolidated during 2010-2011.

6. The draft PAHO Results-based Management Framework document, explaining RBM in the context of PAHO, is included as Annex A.

### ***Planning***

7. The following instruments are currently under implementation:

#### *PAHO Strategic Plan 2008-2012*

8. The Strategic Plan 2008-2012, in line with the Health Agenda for the Americas, is the main framework which defines the Organization's programs and strategies in response to the public health challenges in the Americas. The plan also reflects the Organization's efforts to become more effective and accountable through the application of RBM in the implementation, monitoring, and evaluation. To this end, the Strategic Plan 2008-2012 establishes the different levels of responsibility and accountability in

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<sup>1</sup> Entity is a generic term that designates a PASB managerial, programmatic and executing unit responsible for developing and implementing a Biennial Workplan and its associated budget.

PASB and in Member States. For instance, the PASB is accountable for achieving the indicator targets of the Regionwide Expected Results (RERs) and the Member States of PAHO are accountable for achieving the indicator targets of the Strategic Objectives (SOs).

9. The 49th Directing Council approved an amended version of the Strategic Plan 2008-2012 in September 2009 (Resolution CD49.R3). This version included the incorporation of changes to the Regionwide Expected Results (RERs) and RER indicators to facilitate their monitoring and assessment.

#### *PAHO Program and Budget*

10. The Strategic Plan is disaggregated into biennial Program and Budget periods. The 2008-2009 Program and Budget was the first of its kind to incorporate RBM. It has measurable indicators and targets defined for the biennium, and it is consistent with the Strategic Plan 2008-2012. The same methodology was used in developing the 2010-2011 Program and Budget.

#### ***Implementation, and Performance Monitoring and Assessment***

##### *Implementation*

11. PAHO's Program and Budget is implemented by the 69 PASB entities that work at the regional, subregional, and country levels. Each entity executes a biennial workplan which contributes to the achievement of the corporate results of the Program and Budget and Strategic Plan. The Biennial Workplan executed through semester workplans, where the interventions (tasks and subtasks) are detailed and programmed. All the entities utilized the RBM framework in the execution of their 2008-2009 biennial workplan.

12. In order to facilitate the implementation of the PAHO Program and Budget and its biennial workplans, the PASB has developed several RBM instruments and policies, detailed below.

##### *- Voluntary Contributions*

13. Voluntary contributions are resources the Organization receives in addition to the regular budget of PAHO (Member States assessed contributions and miscellaneous income) and WHO regular budget for the Region of the Americas. Voluntary contributions fall into two major categories: (a) un-earmarked, which are more flexible funds, and (b) earmarked, which are less flexible funds. Both can be executed at the regional, subregional or country levels of the Organization.

14. Mandatory approval and execution of voluntary contributions requires that they be used to implement the Strategic Plan of PAHO, including its program and budgets with their respective biennial workplans. It also requires that they contribute toward achieving the Strategic Objectives (SOs), the Regionwide Expected Results (RERs) and the Office-specific Expected Results (OSERs). PASB is establishing a policy to ensure that these resources are received and used for this purpose. This policy will also set forth a review and approval process for voluntary contributions that mainly intends to:

- ensure alignment of voluntary contributions with the PAHO Strategic Plan;
- improve the quality of the proposed projects for obtaining voluntary contributions;
- monitor and evaluate the use of voluntary contributions;
- improve the implementation of voluntary contributions;
- reduce the return of funds to cooperating partners;
- reduce the number of qualified audit reports;
- gather and systematize information on good practices and lessons learned;
- simplify administrative processes to ensure the effective and efficient execution of voluntary contributions;
- promote a participatory process within PAHO to facilitate the identification and solution of problems involving all the responsible parties;
- maintain and improve the Organization's good reputation with external partners.

15. A draft Voluntary Contributions Policy, reflecting the RBM approach, has been developed and is attached in Annex B.

- *Letters of Agreement*

16. A key element of RBM is strengthening national capacity to manage the health sector. To this end, PAHO has developed an instrument that facilitates the delivery of resources to national institutions for the implementation of technical cooperation initiatives in health. These initiatives should ensure the continuity of activities that the beneficiary institution—the one receiving the resources—has been carrying out. Moreover, these activities should be compatible with the Strategic Plan of PAHO and directly linked to the Biennial Workplan of the entity that delivers these resources.

17. Although letters of agreement are usually executed at the national level, they can also be used at the regional and subregional levels. Letters of agreement are a work modality that facilitates the delivery of PAHO technical cooperation under the Strategic Plan and the Country Cooperation Strategy. They not only facilitate the decentralization of resources, but also promote the development of national health institutions, which is one of the Organization's leading purposes.

18. PAHO has recently adopted a new policy and procedure for executing letters of agreement that addresses such aspects as the design of the work initiative that the beneficiary institution submits to PAHO, the eligibility requirements for a beneficiary institution, the review of the initiative, the disbursement plan, and the submission of technical and financial reports. Under the new policy and procedure, the beneficiary institution will act as a promoter and executor of PAHO/WHO technical cooperation. Monitoring, quality control, and audits are the responsibility of specialized PASB entities such as Planning, Budget, and Resource Coordination; Financial Resources Management; and Internal Oversight and Evaluation Services.

19. The Letters of Agreement Policy was approved and entered into effect in December 2009. The policy document is attached as Annex C.

- *Resource Coordination*

20. The Strategic Plan's full implementation requires the flexibility to move resources from one entity to another or from one Strategic Objective (SO) to another. In this way, resources from an entity or an SO that has already met its needs and is unlikely to use its resources can shift to entities or SOs that are more likely to need and use them. RBM breaks out of the traditional approach where resources were assigned to an entity and could only be used by that entity. According to RBM planning, all entities, through the execution of their tasks and the use of the required resources, contribute to the achievement of the corporate regional results established in the PAHO Strategic Plan. Thus, independently of their source, all resources contribute to the same RERs. This new way of working will require that mechanisms be set up for monitoring the utilization of resources, achieving goals, and advising on likely transfers, while ensuring that fiduciary agreements with partners are respected.

21. To this end, a resource coordination function has been established in PAHO, which is linked to the resource mobilization function. Resource coordination signals the entities or SOs where resource mobilization should concentrate; resource mobilization advances information on the interests of partners that are likely to generate resources for particular SOs or entities. Periodic reports will be prepared for Executive Management's consideration to highlight the need to improve use of—or reallocate—resources among entities or SOs. The implementation of resource coordination began in the 2008-2009 biennium, and it allowed almost full utilization of resources at the end of the biennium.

22. A draft Resource Coordination Policy document is provided in Annex. D.

### *Performance Monitoring and Assessment*

23. In the past, PAHO has always rigorously assessed its technical cooperation program, but such assessments had not been fully integrated and standardized at all levels of the Organization.

24. Results-based management requires that progress towards achieving set targets for a particular biennium and Strategic Plan be monitored on an ongoing basis. To this end, a performance monitoring and assessment process has been established throughout the Organization. It includes close monitoring and assessment of the programmatic and budgetary implementation of the biennial workplans at the entity level and also of the SO and RER at the corporate level throughout the biennium. The coordination and mobilization of resources is also monitored and assessed.

25. Performance monitoring and assessment exercises are conducted every semester (four are conducted in one biennium). The last performance monitoring and assessment in the biennium is the end-of-biennium assessment of the Program and Budget; it also serves as an interim progress report of the implementation of the Strategic Plan 2008-2012, which is presented to Governing Bodies. Details on the performance monitoring and assessment methodology and the first end-of-biennium report for 2008-2009 are included in document SPBA4/2.

### *Independent Evaluation and Learning*

26. PAHO defines evaluation as a systematic and impartial assessment of the following: activity, project, program, strategy, policy, theme, sector, operational entity, or institutional performance. The evaluation should focus on expected and achieved long-term accomplishments, examining the processes, contextual factors and causality, in order to understand achievements or lack thereof. The evaluation is designed to determine the relevance, effectiveness, efficiency, and sustainability of the Organization's interventions and contributions. It should provide evidence-based information that is credible, reliable, and useful and that enables findings, recommendations, and lessons learned to be incorporated in a timely fashion into PAHO's decision-making.

27. Created in 2008, PAHO's evaluation function was located in the new office of Internal Oversight and Evaluation Services, in order to ensure its full independence from line management functions.

28. The Internal Oversight and Evaluation Services Office conducts independent evaluations. It can also conduct thematic and country-based evaluations and reviews of internal management processes. In so doing, Internal Oversight and Evaluation Services

promotes a greater understanding of PAHO's work; provides information for decision-making on future interventions; enhances the Organization's learning culture; disseminates lessons learned; and formulates and promotes best practices for future programs or strategic development.

29. The Internal Oversight and Evaluation Services Office functions Organization-wide. Its periodic evaluations complement, but do not replace, the requirement for ongoing, day-to-day monitoring and assessment of activities by the programs themselves. The Director has requested Internal Oversight and Evaluation Services to include among its evaluations in its 2010 biennial workplan the coordination of a review of lessons learned from the RBM process to date.

30. The PAHO Internal Oversight and Evaluation Services Office is a member of the United Nations Evaluation Group (UNEG) and complies with norms and standards of the UN System.

### ***Accountability***

31. PAHO defines accountability as an obligation to demonstrate and take responsibility for performance in light of agreed-to expectations. It is a formal relationship that arises when a responsibility is conferred and accepted. Accountability carries with it the obligation to report on the discharge of one's responsibilities.

32. Accountability is a component of the PAHO RBM framework. PAHO empowers managers to take the necessary measures to achieve their expected results within the time and resources approved by the Governing Bodies. Delegation of authority is a prerequisite for the successful implementation of RBM. To be accountable for results, managers need to be empowered through the clear delegation of authority in all areas, included, and most importantly, in human resources management. It is the policy of PAHO to foster an efficient use of resources by empowering staff to participate in decisions affecting the Organization. Good governance is enabled by appropriate delegation of authorities, both financial and human, to ensure the achievement of the PAHO Expected Results in the approved Strategic Plan/Program and Budget as well as to enhance the overall performance of the Organization.

33. The Director has approved a Delegation of Authority Policy that delineates clear lines of authority. It is the basis upon which delegated authority is exercised and includes responsibility and accountability of personnel across the Organization. Annex E presents the approved Delegation of Authority Policy.

34. Essential procedures will be published soon. Specific delegations of authority will be subsequently issued under the new structure put in place by this policy.

**Action by the Subcommittee on Program, Budget, and Administration**

35. The Subcommittee is requested to provide comments and feedback to improve the implementation of Results-based Management in PAHO.

**Annexes**

Annex A: PAHO Results-based Management Framework (draft)

Annex B: Voluntary Contributions Policy (draft)

Annex C: Letters of Agreement Policy

Annex D: Resource Coordination Policy (draft)

Annex E: Delegations of Authority Policy



**Pan American Health Organization's  
Results-based Management Framework**

*Draft*

**February, 2010**

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## 1. INTRODUCTION

Since the 1990s, key demands for strengthening program management with demonstrated results have led to extensive public sector reforms both at the national and international levels. Member States and financial partners are demanding results that directly benefit the population's health. The transformation of the health sector requires higher efficacy and efficiency to achieve results at national and international levels.

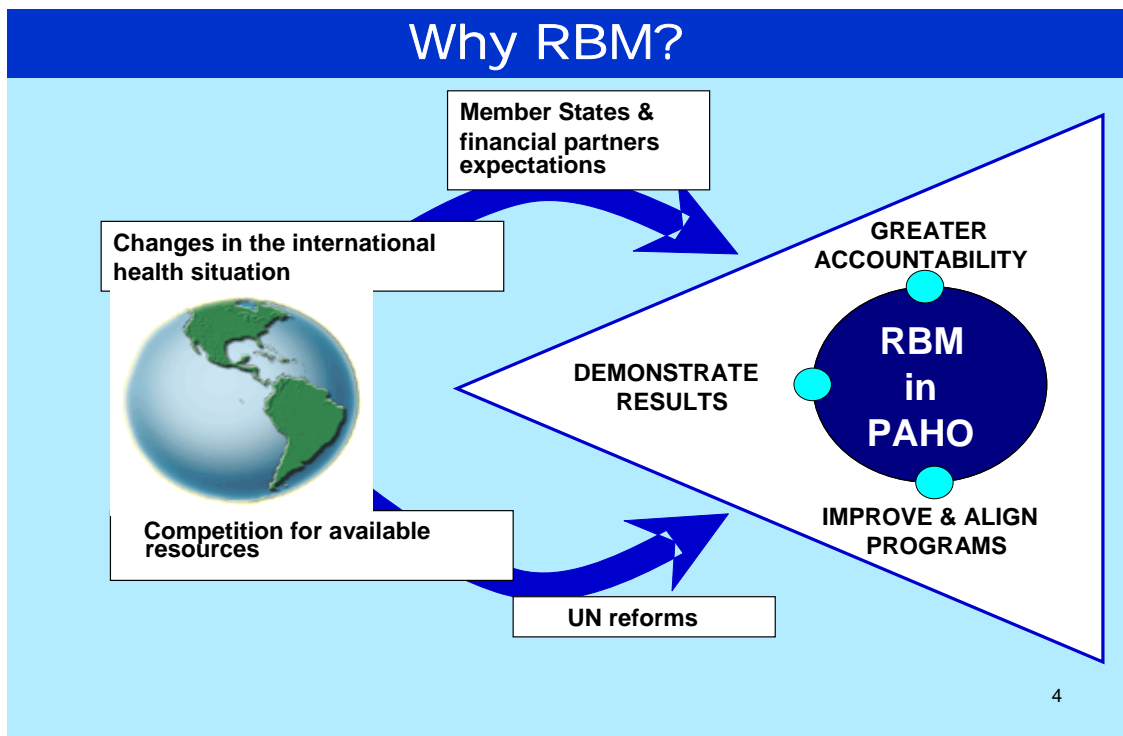
Better understanding of the scope of health has resulted in the appreciation of its multi-sectoral nature, leading to a greater number of stakeholders involved in health. Consequently, there is greater competition for available resources for health at national and international levels (see Figure 1).

The above trends and pressures have led to the use of Results-based Management (RBM) framework at national and international levels, including governments, the United Nations (UN) system, and nongovernmental organizations (NGOs). For example, the Millennium Development Goals (MDGs) were developed within the context of RBM.

For many years, the Pan American Health Organization (PAHO) relied on strategic plans and a corresponding logical framework approach for its planning, monitoring, and assessment. However, demands for showing results at levels that benefit the population's health directly, and that all parts of the Organization work towards collective results, required a change of the planning system. The application of the RBM framework, with corresponding adjustments to planning, budgeting, performance monitoring and assessment, and independent evaluation, was introduced in the Organization's Strategic Plan 2008-2012.

The implementation of RBM allows the Organization to better demonstrate results and focus resource allocation, while increasing transparency and accountability. The implementation of the RBM framework aims at significantly changing the way the Organization operates, putting results and performance as the central orientation of its work. The Corporate Management System (CMS) of the Pan American Sanitary Bureau will generate and use performance information for accountability, reporting to external stakeholders and providing information to internal management for monitoring, learning and decision-making.

**Figure 1. Key Pressures Exerted on PAHO for Adopting Results-based Management (RBM)**



This document presents key information on the scope of RBM in the Organization. It is intended to serve as a blueprint for PASB managers, working in collaboration with Member States, to help them define expected results, focus attention on achieving results, regularly monitor performance, and use monitoring information to adjust program management leading to improved efficiency and effectiveness of operations.

RBM allows PAHO to better ensure that its processes and activities contribute to the achievement of the areas of action of the Health Agenda for the Americas, and the Strategic Objectives (SOs) and Region-wide Expected Results (RERs) of PAHO's Strategic Plan. It provides a means to link PAHO's RERs to the work of the Pan American Sanitary Bureau (PASB) entities, including the links with the managerial, programmatic, and executive parts of the Bureau. These entities are expected to achieve Office-Specific Expected Results (OSERs) which should result in the achievement of the RERs and contribute toward the achievement of PAHO's SOs. Similarly, these RERs contribute toward the achievement of WHO's Organization-

wide Expected Results (OWERs) which also contribute to the achievement of the global Strategic Objectives.

PAHO's RBM Framework, developed in alignment with WHO's corresponding framework, includes the core components of: planning; implementation, performance monitoring and assessment; independent evaluation and learning; and accountability.

## 2. PAHO'S RESULTS-BASED MANAGEMENT FRAMEWORK

PAHO defines RBM as a management process in which:

- Program formulation revolves around a set of predefined objectives and expected results;
- Expected results justify resource requirements, which are derived from and linked to outputs required to achieve such results;
- Actual performance in achieving results is measured objectively by performance indicators; and
- PASB managers and personnel are accountable for achieving results; they are also empowered with the tools and resources they need to achieve them.

RBM is a broad management process aimed at achieving important changes in the way organizations operate. At its core, it is the improvement of performance and the achievement of better results. This management process identifies short-term (outputs), medium-term (outcomes), and long-term (impacts) results. A result is defined as tangible, measurable, or calculable change that comes about from a cause and effect relationship. Results are consequences of actions taken to meet certain goals.

Results can also reflect a given group's transformation in attitudes, practices and behaviors. This concept embraces two central themes:

- the notion of *change*, which involves a visible transformation in a group, an organization, a society, or a country, and
- the notion of *causality*, which is a cause-and-effect relationship between an action and the results achieved.

PAHO's RBM is focused on results at the outcome level which benefit the population's health directly, rather than tracking and control of outputs or activities. Examples of results at the outcome level include the following:

- a reduction in the incidence of STI/HIV/AIDS in a target region;
- a national health plan implemented;
- a reduction in the mortality rate in children under 5 in country X; and,
- a new health regulatory mechanism established.

### PAHO's RBM Framework Components

PAHO's RBM Framework has four components:

- planning;
- implementation, and performance monitoring and assessment;

- independent evaluation and learning; and
- accountability.

The main elements of each component are outlined below (see Figure 2).

- **Planning**
  - identifying clear and measurable results, aided by the logical framework approach;<sup>1</sup>
  - selecting indicators that will be used to measure progress towards each result;
  - setting explicit targets for each indicator, used to assess performance.
- **Implementation, and Performance Monitoring and Assessment**
  - implementing tasks and subtasks to achieve products and services (output) under the manageable interest of the entity;
  - using a performance measurement system to regularly collect data on progress towards results, and reprogramming when needed;
  - reviewing, analyzing, and reporting the achieved results vis-à-vis the indicator targets.
- **Independent Evaluation and Learning**
  - integrating independent evaluations to provide complementary performance information beyond what is available from the performance monitoring and assessment system;
  - using performance information for internal management accountability, learning and decision-making processes, and also for external performance reporting to stakeholders and partners.
- **Accountability**

A key guiding principle of RBM is accountability. The decentralized nature of RBM requires that clear accountability lines be established and monitored at all levels.

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<sup>1</sup> The Logical Framework is a management tool used to improve the design, management and evaluation of interventions. It identifies key elements in the results chain (inputs, outputs, outcomes, impacts) and their causal relationships, indicators, and the assumptions or risks that may influence success or failure.

Significant reforms associated with RBM processes in the PASB include:

- ***Empowering managers.*** Authority is delegated to the management level that is held accountable for results, thus empowering it to shift resources and make other adjustments to ensure that results are achieved.
- ***Holding managers accountable.*** RBM institutes new mechanisms to hold managers responsible for achieving results within their *manageable interest*.<sup>2</sup>
- ***Focusing on beneficiaries.*** RBM consults with and responds to beneficiaries regarding their preferences and satisfaction with outcomes (OWER, RER and OSER) and outputs (products and services) provided.
- ***Participation and partnership.*** RBM is inclusive toward partners that share an interest in achieving results through planning, implementation, and performance measurement.
- ***Reforming policy and procedure.*** RBM institutes official changes in how the Organization conducts its business operations by issuing new policies and procedural guidelines that clarify the new operational procedures, roles, and responsibilities.
- ***Developing supportive mechanisms.*** RBM assists managers to effectively implement performance measurement and management processes by providing training and technical assistance, establishing new performance information databases, developing guidelines, and disseminating best practices.
- ***Changing organizational culture.*** RBM facilitates cultural changes in PASB required to effectively implement this new management approach. These changes include shifts in the values, attitudes, and behaviors of PASB personnel. These include instilling a commitment to honest and open performance reporting, a shift away from inputs and processes towards the achievement of outcomes, and encouraging a learning culture grounded in assessment and evaluation.

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<sup>2</sup> “The concept of manageable interest recognizes that achievement of results requires joint action on the part of many other actors such as host country governments, institutions, other donors, civil society, and the private sector. When an objective is within our manageable interest, it means that we have reason to believe that our ability to influence, organize, and support others around commonly shared goals can lead to the achievement of desired results, and that the probability of success is high enough to warrant expending program and staff resources. A result is within an entity’s manageable interest when there is sufficient reason to believe that its achievement can be significantly and critically influenced by interventions of that entity.” – USAID Glossary, <http://www.usaid.gov/pubs/sourcebook/usgov/glos.html>.



Figure 2. PAHO's Results-based Management Framework



Each component is described in detail in the following sections.

### 3. PLANNING

PAHO is a complex organization, comprised of its Member States and a secretariat called the Pan American Sanitary Bureau (PASB or “the Bureau”). The Bureau is comprised of entities<sup>3</sup> which work at country, subregional and regional levels. The adoption of results-based management implies that all entities should work in a coordinated manner and contribute to the achievement of the collective results defined in PAHO’s Strategic Plan, approved by the Organization’s Governing Bodies. The planning framework needs to facilitate the conciliation of regional priorities established in the Strategic Plan with the national ones. PAHO’s Strategic Plan is also aligned with WHO’s Strategic Plan, being PASB the Regional Office for the Americas of WHO.

The planning framework has two aspects: strategic and operational planning. Strategic planning in PAHO responds to the Health Agenda for the Americas 2008-2017, the highest political health document in the Region prepared by the countries themselves. The Strategic Plan also responds to the Global Health Agenda, which is part of WHO’s General Programme of Work.

The Strategic Objectives (SO) and Region-wide Expected Results (RER) of the Strategic Plan are the starting point for operational planning. Thus, it is imperative that these results be agreed by all stakeholders, which include Member States and PASB’s personnel at all levels. In order to ensure the achievement of the goals, it is imperative that ownership be assumed by all stakeholders.

In order to respond to this complex organizational arrangement, and to ensure that the other RBM components can be fully executed, the planning process in PAHO needs to be more rigorous and detailed than in the past.

#### ***3.1. PAHO’s Results Chain compared with RBM Results Chain***

In RBM, the results chain is defined in terms of inputs, activities, outputs, outcomes, and impact results. PAHO’s terminology aligns with the RBM terminology.

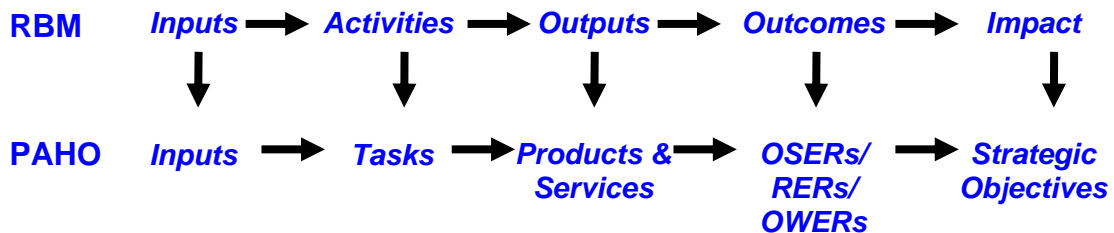
PASB entities (AMPES entities) implement *tasks* using inputs (human, financial, and in-kind resources) to obtain *products/services*. If an entity’s work is well planned, a group of products and services achieve a greater medium-term result or outcome, an *Office-specific Expected Result (OSER)*. Through their OSERs, an

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<sup>3</sup> Entity is a generic term that designates a managerial, programmatic and executing unit responsible for developing and implementing a Biennial Workplan through the management of its associated resources (human, financial, in-kind). As such, the PASB AMPES information system recognizes this entity as the nucleus for program and budget management, hence its name.

entity or several acting together, contribute to achieve an aggregated medium-term result (*Region-wide Expected Result - RER*). In this way, inputs and tasks create products and services (outputs), which should achieve OSERs. Linked OSERs contribute toward achieving a specific RER, and these RERs, in turn, contribute to achieving the Strategic Objectives of the Strategic Plan. Furthermore, these strategic objectives contribute to the areas of action of the Health Agenda of the Americas. Figure 3 shows the RBM and the PAHO terminology.

Figure 3. Comparison of PAHO terminology and RBM terminology

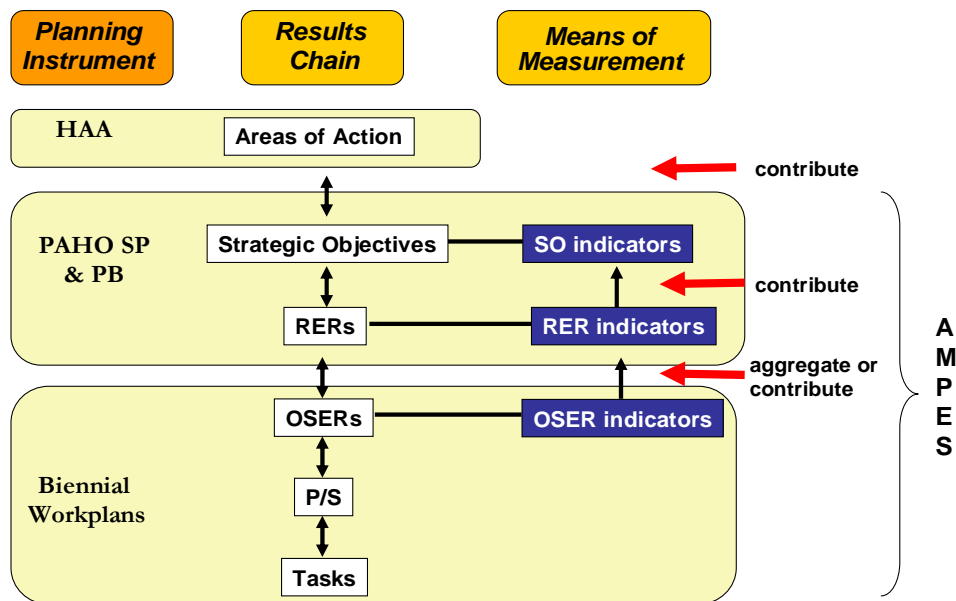


- **Inputs** refer to the financial, human, and material resources used for the development intervention.
- **Activities** refer to a set of interrelated actions taken or work performed through which inputs, such as funds, technical cooperation and other resources are transformed to produce specific products and services (outputs). The implementation of activities and the use of the necessary resources is left up to the discretion of entity managers. In PAHO/WHO's terminology, activities are referred to as **tasks** or **subtasks**.
- **Outputs** refer to short-term results that are observable after the completion of tasks and subtasks; they are completely within the managers' manageable interest. In PAHO/WHO's terminology, outputs are referred to as **products and services**.
- **Outcomes** refer to the achieved medium-term results of a group of products and services. They describe intended changes in conditions resulting from cooperation programs. Attaining an outcome usually requires the collective efforts of several partners, each one of which produces outputs. In PAHO/WHO's terminology outcomes may be the **OSERs** (at the entity level – regional, sub regional and country), **RERs** (at the Regional level), or **OWERs** (at the global level).

- Impacts** refer to the long-term results produced by a development intervention. They may be positive or negative and represent intended or unintended changes. Sometimes impacts may apply to a long-term national, subregional, regional, or global development situation. In PAHO/WHO's terminology impacts are referred to as **strategic objectives (SOs)**.

Figure 4 highlights PAHO's planning framework, including its instruments, the results chain and indicators to monitor progress.

**Figure 4. PAHO's Results Chain and Indicators**



HAA: Health Agenda for the Americas  
 PAHO – SP: Strategic Plan; PB: Program and Budget  
 SO: Strategic Objective; RER: Region-wide Expected Result; OSER: Office-Specific Expected Result; P/S: Products and Services

Strategic Objectives (SOs) are the long-term results (impact) in PAHO's Strategic Plan. They are expressed in terms of health status, determinants of health, or health systems. A decrease in disease incidence is an example of an impact linked to a SO. PAHO's SOs are established solely for the Region of the Americas and contribute to WHO's Strategic Objectives. PAHO Member States are committed to achieve the SOs. The PASB assists Member States in achieving them through the implementation of the RERs. PASB is also committed to monitor and assess the Strategic Objectives. The achievement of the SOs is a shared responsibility of the PAHO (Member States and the PASB), yet Member States are accountable for achieving the SO indicator targets.

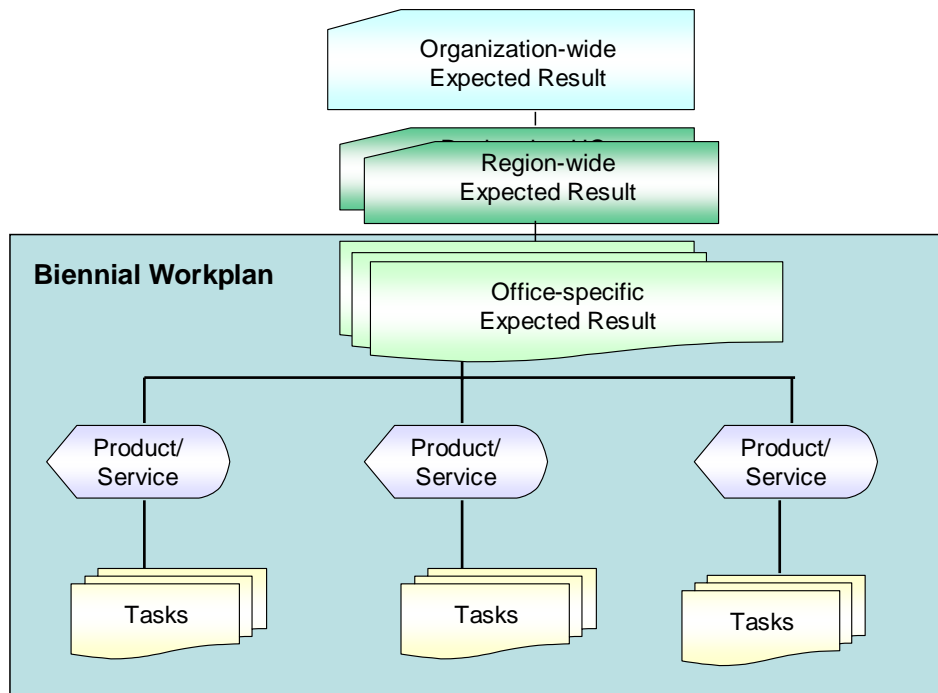
RERs are the corporate medium-term results needed to achieve PAHO's SOs. RERs are the outcomes for which PASB as a whole is to be held accountable for the duration of PAHO's Strategic Plan. Despite this level of accountability, it is important to keep in mind that achieving an RER occurs through the collaboration and joint action of the PASB and PAHO Member States.

RERs are selected and adapted into OSERs, one OSER per RER. OSERs are the expected results of the entities' work during a two-year planning period and are the basis for the Biennial Workplan (BWP). OSERs and their indicators are elaborated within the Americas Planning, Programming, Monitoring and Evaluation System (AMPES) during the planning process. Mobilized inputs (human, financial, and/or in-kind resources), tasks undertaken, and outputs produced result in change. It is the entity manager's decision to determine what outputs (products/services) are necessary to achieve an OSER.

An OSER is an entity-level replication of a RER. In elaborating an OSER, an entity has only two options—it either adopts the full contents of the RER, or it adopts it partially, depending on its needs. In both cases, the entity is allowed to modify the RER's statement in order to adapt it to the context of the work of the entity. Assuming that risks and assumptions are adequately addressed, an entity should achieve its corresponding OSER through one or more products and services. Products and services are achieved by accomplishing tasks.

Figure 5 highlights the contents and logical structure of a biennial workplan (BWP) in the chain of results. In the BWP, the planner elaborates products and services to achieve each OSER. The planner programs several tasks for each product/service.

**Figure 5. Contents and Logical Structure of a Biennial Workplan in the Chain of Results**



### 3.2. PAHO/WHO's Results Chain

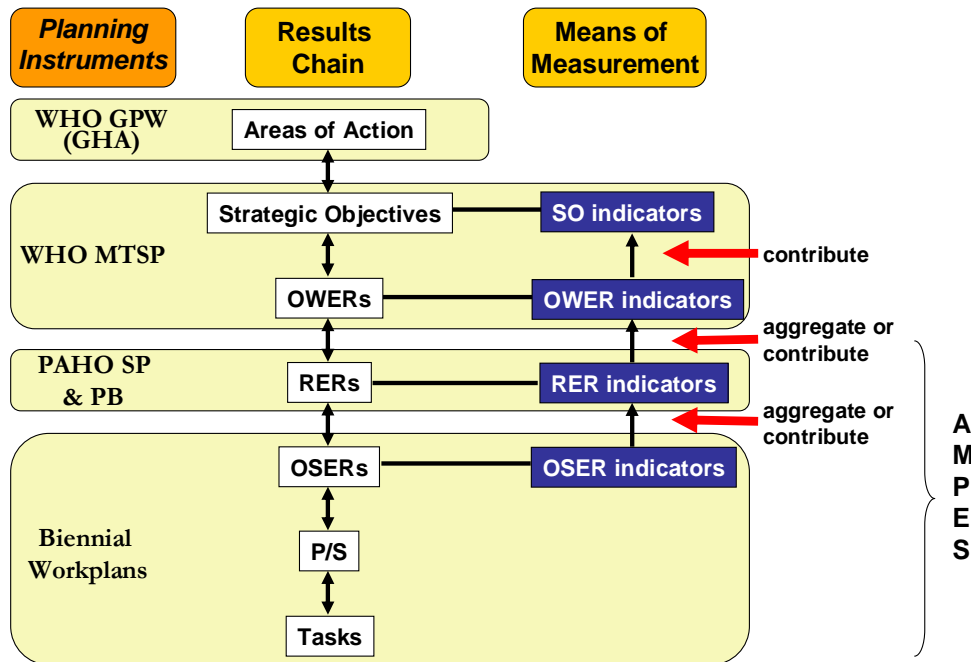
The aggregation of RERs contributes to the achievement of OWERs. OWERs are the medium-term outcomes for which the entire World Health Organization (WHO) Secretariat is to be held accountable during the period of a WHO Medium-Term Strategic Plan. The RERs of the different WHO regions jointly contribute to the achievement of WHO OWERs at the global level. Similarly, OWERs contribute to the achievement of the WHO Strategic Objectives.

The WHO Strategic Objectives (SOs) are established at the global level. PAHO's Strategic Objectives, on the other hand, are established at the regional level and apply exclusively to the Americas.<sup>4</sup> WHO's SOs contribute toward the achievement of the areas of action of the Global Health Agenda (GHA), which is part of WHO's General Programme of Work. Thus, PASB contributes to the achievement of the

<sup>4</sup> There is alignment between PAHO's and WHO's SOs, however, because PAHO adopted and maintained the original WHO Strategic Objectives and WHO subsequently merged some of them, PAHO has 16 SOs and WHO has 13 SOs.

WHO OWERs and SOs, fulfilling its role as the Regional Office of the WHO for the Americas. Figure 6 illustrates this chain of results and related indicators.

**Figure 6. PAHO/WHO's Chain of Results and Indicators**



WHO - GPW: General Programme of Work; GHA: Global Health Agenda; MTSP: Medium-Term Strategic Plan  
 PAHO - SP: Strategic Plan; PB: Program and Budget  
 SO: Strategic Objective; OWER: Organization-wide Expected Result; RER: Regional-wide Expected Result; OSER: Office-Specific Expected Result

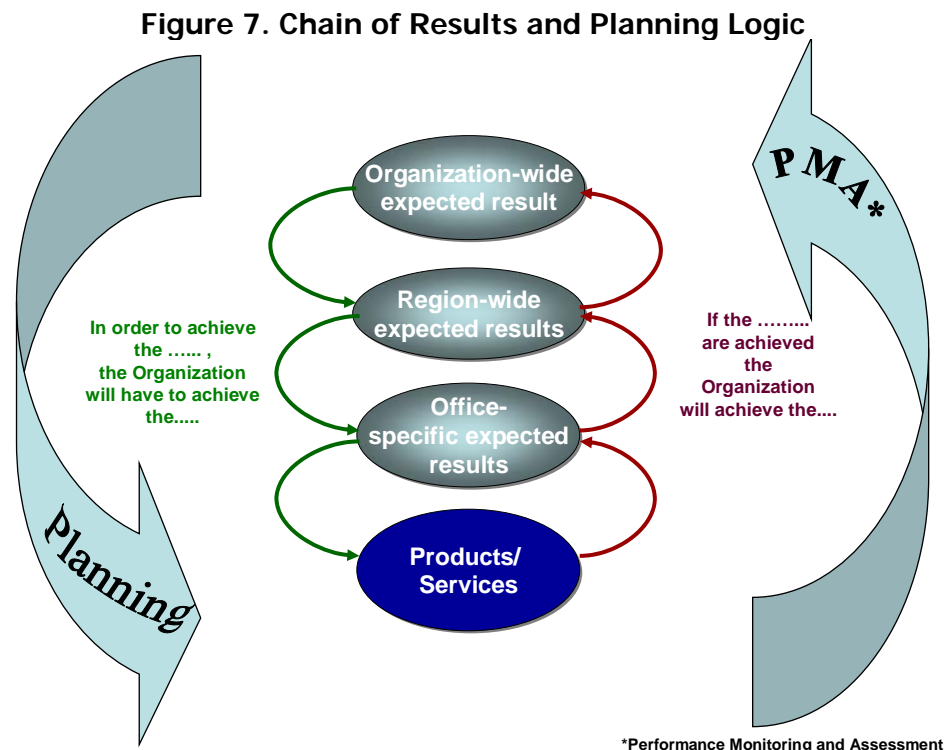
### 3.3. Applying a Logical Approach

According to the RBM framework, the logical relationship between the proposed products and services (outputs) and the OSERs (outcomes) must be checked in the following two ways:

- the planning logic is checked by demonstrating that the entity must deliver the identified products or services to achieve the expected result, and

- the results logic is checked by demonstrating that the expected result will be achieved once all the related products and services are delivered, eventually through the entity's multiple AMPES projects.

A similar approach, usually by aggregation, is applied between outcomes at different level in the results chain: OWRs, RERs and OSERs. See figure No. 7.



### 3.4. Assumptions and Risks

One risk would be that interventions are not delivered in a fully controlled environment. The achievement of a result is often influenced by external, uncontrollable events or conditions which may be beyond an entity manager's manageable interest. Given this, it is important to explicit state the assumptions that are necessary for success and the risks that could hinder achievement of the results. Well planned products and services may still not be able to achieve an OSER<sup>5</sup>. It is important, therefore, to clearly express the risks and assumptions to

<sup>5</sup> An OSER may not be achieved because (a) products and services were undertaken poorly, which is a management issue; (b) the products and services selected for implementation were the wrong ones for accomplishing the OSER, which is a design issue; or (c) the risks occurred or the assumptions did not hold, which is an assessment issue.

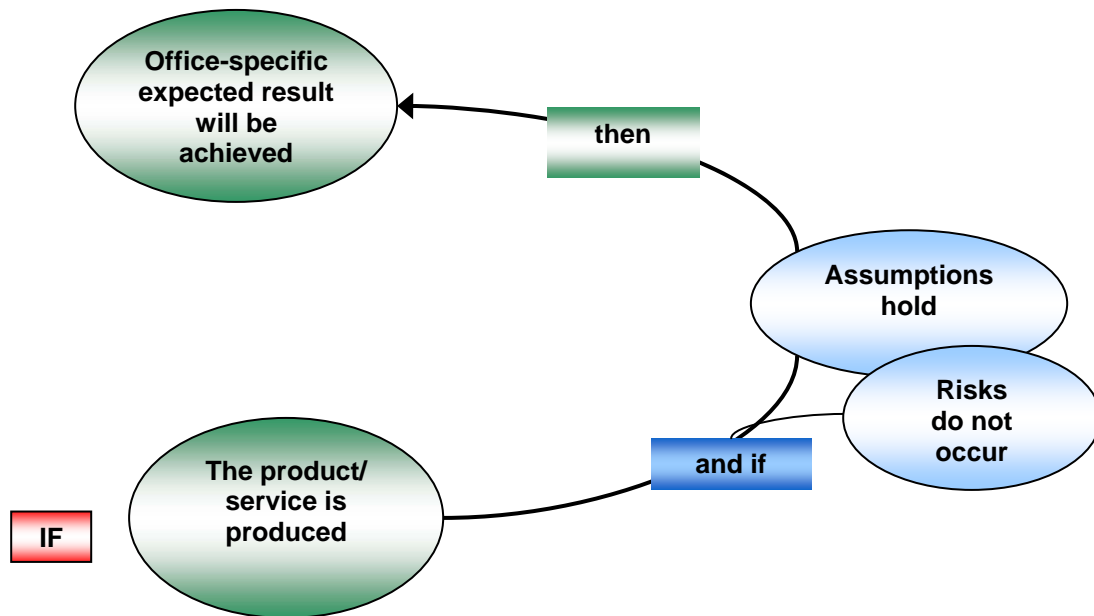


provide a clear rationale, in advance, for possible impediments in achieving the OSERs. Figure 8 illustrates the logical flow of assumptions and risks.

Assumptions are future events which may have a positive or neutral effect on an intervention. While assumptions are considered to be external to and outside the immediate control of an entity, they can be either internal or external to the Organization. Examples of assumptions could be that: "priorities of the Ministry of Health will remain unchanged over the planning period," "the government public policy will be adopted as expected," or "15 PASB country entities will implement corresponding products/services in support of an anticipated outcome." Actions can be undertaken by the entity to maximize the likelihood that an assumption will occur.

Risks are potential events beyond the control of the AMPES entity. Risks are threats against achievement of results, and are not just the negative of an assumption. Since risks are external to the entity, they are beyond the direct control of the entity manager. As with assumptions, they may be either internal or external to the Organization. Actions can often be undertaken to mitigate the negative effects of the risks or prevent it from happening.

**Figure 8. Logical Flow of Assumptions and Risk to Achieve OSERs**



### **3.5. Indicators**

Indicators are required to determine whether a medium-term result (OWER, RER and OSER) has been achieved. Indicators measure progress towards objectives by directly or indirectly gauging real situation changes with respect to what has been planned in terms of quantity, quality, and timeliness. An indicator is a quantitative or qualitative observable variable that provides the basis for assessing achievement, change, or performance. An indicator is the “marker” that helps measure progress towards achieving expected results. (See Table 1 for a description of various indicators.)

Quantitative indicators are objective measures such as a count (existence of one or more), time (frequency, delays), cost (planned, actual, variance), proportion (percentage, ratio). Qualitative indicators are subjective measures such as judgments, perceptions, or comparisons with established standards.

Indicators are selected during the planning stage, and include baselines and targets; readings of these indicators are taken at key intervals. A baseline measurement is taken first, which assesses or describes the situation prior to a development intervention; this is the measurement against which progress will be assessed or comparisons made. The target refers to progress that is expected to be observable at the end of the intervention. The comparison of the baseline with current and target values will determine how much progress has been achieved, so that corrective actions may be taken if needed.

In order to ensure that indicators perform the task for which they are intended, a useful indicator needs to be **SMART**; in other words, it must be:

- S** Specific (about the nature of the change, target groups, or target regions),
- M** Measurable (using selected indicators),
- A** Achievable (realistic),
- R** Relevant (addressing identified need[s]), and
- T** Time bound (achievable within the intervention’s time frame)

**Table 1. Types of indicators.**

<b>Type</b>	<b>Expected result (Outcome)</b> Proper use of skills in the work environment
<b>Quantitative indicator</b>	<b>Number of products developed with new skill</b> Baseline: 0 Target: 5
<b>Qualitative indicator</b>	<b>Quality of product developed with new skill</b> Baseline: passable Target: excellent
<b>Type</b>	<b>Expected result (Outcome)</b> New health policy guides management / operations
<b>Quantitative indicator</b>	Number or percentage of people who recognizes the new health policy as guiding their work Baseline: Not applicable (N/A) Target: 20 people/50%
<b>Qualitative indicator</b>	Degree to which policy has been mainstreamed into management guides / operations Baseline: N/A Target: Policy visibly mainstreamed and seen as guiding management/operations (examples provided of this)

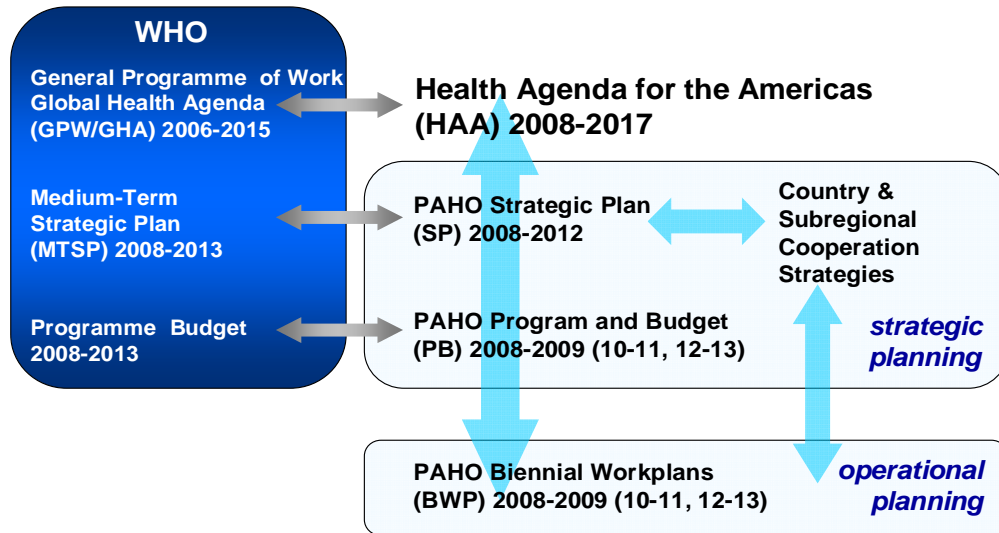
### **3.6. PAHO/WHO Planning Instruments and Alignment**

Because the PASB is WHO's regional office for the Americas, the PAHO's Strategic Plan is aligned with WHO's General Programme of Work (GPW) and Medium-term Strategic Plan (MTSP). This alignment has occurred gradually over several planning cycles, and the programmatic integration has been completed with the 2008–2012 Strategic Plan.

PAHO also is the Inter-American System agency specializing in health. In this capacity, PAHO responds to specific health needs in the countries of the Americas as set forth in the Health Agenda for the Americas 2008–2017.

Through its Strategic Plan, PAHO responds and commits itself to work in the areas of action established by the Member States in WHO's GPW and in the Health Agenda for the Americas. The PAHO/WHO planning instruments are shown in Figure 9 and described below.

Figure 9. PAHO/WHO Planning Instruments.



### *3.6.1. WHO's Strategic Planning Instruments*

#### *General Programme of Work*

The General Programme of Work (GPW) is WHO's highest-level planning instrument. It reflects a long-term vision and an overall policy framework, and it covers a 10-year period (currently 2006–2015). The GPW defines the broad health agenda worldwide, examining health issues, the challenges they imply, and the ways in which the international community must respond to them over the decade. The document describes WHO's responsibilities as the world's health agency and sets broad directions for its work.

The Global Health Agenda (GHA), which is part of the GPW, has seven priority areas:

1. investing in health to reduce poverty;
2. building individual and global health security;
3. promoting universal coverage, gender equality, and health-related human rights;
4. tackling the determinants of health;
5. strengthening health systems and equitable access;
6. harnessing knowledge, science, and technology; and
7. strengthening governance, leadership and accountability

In the Eleventh General Programme of Work of WHO, the core functions of the organization are described, according to WHO's Constitution. The core functions identify what WHO will focus on in carrying out its actions. PAHO has adopted the same core functions with some modifications and this provides a focus for planning its work.

#### *WHO's Medium-Term Strategic Plan*

The Medium-term Strategic Plan (MTSP) is a six-year plan that sets out WHO's organizational direction based on the priority areas stated in the GHA of the GPW, and reflecting WHO Governing Bodies' resolutions and Country Cooperation Strategies. It defines the Strategic Objectives (SOs) for WHO as a whole—the Member States and the Secretariat—with related indicators and targets. The plan also establishes the OWERs to be achieved in order to meet the SOs. PAHO's RERs (and OSERs) align with these OWERs. The MTSP is therefore critical for shaping the planning and determining PAHO's expected results.

### *3.6.2. PAHO's Strategic Planning Instruments*

#### *Health Agenda for the Americas*

The Health Agenda for the Americas (HAA) is a high-level political instrument for health that will guide the preparation of future national health plans and the strategic plans for all organizations interested in cooperating for health in the countries of the Americas for the period 2008-2017. The Agenda sets priorities and as such is intended to guide the collective action of national and international stakeholders who seek to improve the health of the peoples of this Region.

The countries and territories of the region, with PASB's technical support, developed the HAA. All the Member States approved and signed the HAA. This attests to the political commitment to its content and implementation.

The HAA defines eight areas of action that represent the priority areas established by PAHO's Member States:

- A. strengthening the national health authority;
- B. tackling health determinants;
- C. increasing social protection and access to quality health services;
- D. diminishing health inequalities among and within countries;
- E. reducing the risk and burden of disease;
- F. strengthening the management and development of health workers;
- G. harnessing knowledge, science, and technology; and
- H. strengthening health security.

The Agenda also brings aspects of the GPW's to the regional level, establishing specific areas of action according to regional needs and priorities. Thus, the Agenda complements and expands on the GPW, as determined by Member States. PAHO seeks to maintain a balance between programmatic alignment with WHO and the regional specificity of the countries and territories, as stated in the Health Agenda for the Americas.

#### *PAHO's Strategic Plan*

The Strategic Plan (SP) is PAHO's highest-level planning instrument. It responds to both the Health Agenda for the Americas and WHO's GPW through the MTSP. The Strategic Plan covers a five year period (currently 2008-2012<sup>6</sup>) and defines PAHO's RERs and their indicators and targets. The SP

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<sup>6</sup> PAHO works on a biennial budgeting basis, but the Pan American Sanitary Conference (PAHO's highest Governing Body) meets every five years. The Strategic Plan also covers five years, but there is an inherent timing conflict in the planning and budgeting instruments. To solve this discrepancy, the 2008-

has 16 Strategic Objectives (SOs). Achievement is measured through indicator targets. PASB is responsible for monitoring and reporting on the progress toward achieving SOs. Member States, working with PASB, are responsible for achieving the SOs. PASB also is accountable for achieving the RERs. If PASB receives the resources requested in its respective Program and Budget for the three biennia covered under the Strategic Plan through sources such as membership quotas and voluntary contributions, and risks and assumptions are adequately addressed, then Member States should expect the RERs to be achieved. Furthermore, any proposed changes to the RERs and their indicators and targets during the implementation of the Strategic Plan will be presented to Governing Bodies for their consideration.

In developing this Plan, the Organization also considers an array of issues of other stakeholders, and their corresponding strategies and programs.

In the Strategic Plan, the six core functions of PAHO/WHO for 2008-2012 are as follows:

1. providing leadership on matters critical to health and engaging in partnerships where joint action is needed;
2. shaping the research agenda and stimulating the generation, dissemination, and application of valuable knowledge;
3. setting norms and standards, and promoting and monitoring their implementation;
4. articulating ethical and evidence-based policy options;
5. establishing technical cooperation, catalyzing change, and building sustainable institutional capacity; and
6. monitoring the health situation and assessing health trends.

PAHO classifies its products/services by core function. The core functions are monitored to know their use at the different levels of the Organization and by entity, including the corresponding expenditure. The PASB will report the findings to its Governing Bodies on a regular basis.

#### *PAHO's Program and Budget*

The PAHO Program and Budget (PB) includes the Organization's program as defined by a set of RERs, their indicators, and targets, and the associated budget for a two-year period. The Strategic Plan is implemented by a series of PBs, and they use the same RERs defined in the Plan. The PB guides the operational planning, which is detailed in the Biennial Workplans (BWPs). End

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2012 strategic plan will cover three biennia (a six year period) from a programmatic standpoint, and the following plan will cover two biennia. This cycle will be repeated henceforward. This solution will also allow PAHO to properly inform WHO, which has a six year planning period.

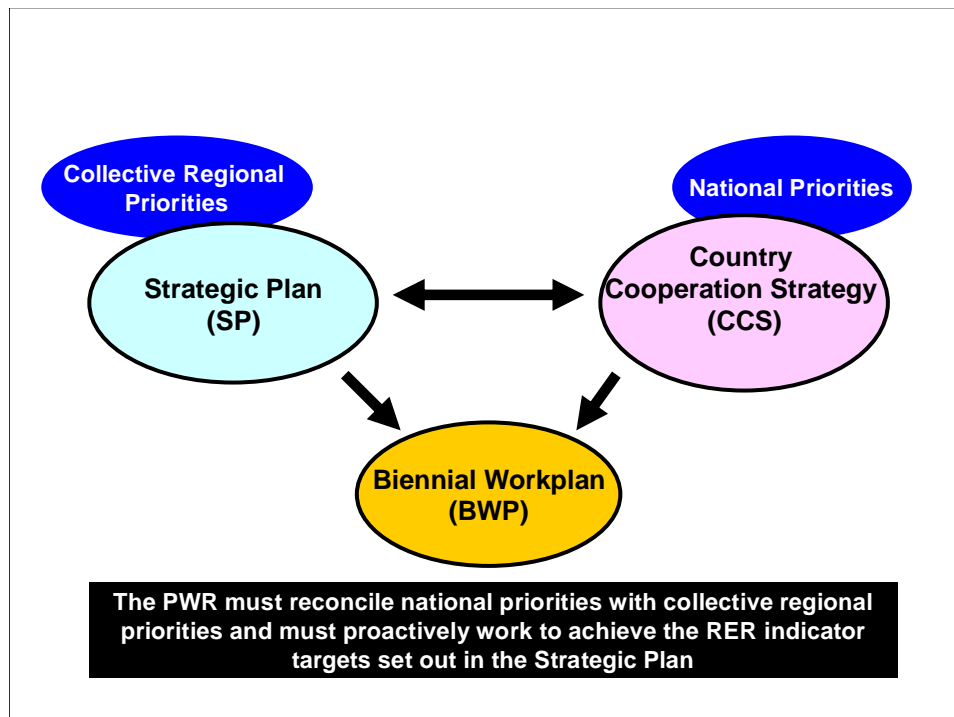
of biennium assessments of each PB serve as progress reports on the implementation of the SP to the PAHO Governing Bodies.

### *Country Cooperation Strategies*

The PAHO/WHO Country Cooperation Strategy (CCS) is a medium-term vision (usually four to six years) for PAHO/WHO's technical cooperation with a given country. The development and implementation of a CCS is an integral part of the country level strategic planning process. CCSs are jointly elaborated by the Member States and the PASB, and are aligned with PAHO's Strategic Plan. CCSs also are considered in, and contribute towards, the elaboration of future strategic plans (see Figure 9).

The CCS orients the preparation of the Biennial Workplan (BWP) at the country level. The BWP represents a balance between regional and global strategic orientations and priorities, as defined in the PAHO's Strategic Plan, and WHO's MTSP, and country priorities, in line with national health development objectives as defined in the CCS (see Figure 10).

**Figure 10. Relationships among the Country Cooperation Strategy (CCS), Strategic Plan, and Biennial Workplan**





### *Subregional Cooperation Strategy*

A PAHO/WHO Subregional Cooperation Strategy (SCS) is the medium-term vision for PAHO/WHO's technical cooperation with a given subregion of the Americas. It defines a strategic agenda for working within that subregion. Such an agenda states jointly agreed priorities for PAHO/WHO cooperation in and with the subregion and clarifies PAHO/WHO's role in designated issues. An SCS is flexible. It is generally developed with a four to six year projection, but may be shorter. The SCS is the key PAHO/WHO instrument for aligning with subregional integration processes in the Americas, including plans and strategies, and for harmonizing work with partners at the subregional level. The SCS is used as a basis for dialogue, advocacy, resource mobilization and planning.

#### *3.6.3. PAHO's Operational Planning Instruments*

Operational planning is the process of outlining how commitments made by the PASB in the Strategic Plan and related Program and Budget documents will be achieved. It implies developing a biennial workplan (BWP) in each of the Bureau's entities in order for it to achieve its OSERs.

#### *Biennial Workplans*

The Strategic Plan and the corresponding Program and Budget are executed through detailed biennial workplans (BWPs). These BWPs are PAHO's detailed operational plans and have three major components: an analytical section; an OSER section; and an AMPES projects section that includes the products, services, tasks, and subtasks. All the work by the entities is covered by these BWPs. A BWP's success is measured through OSER indicator targets, and progress toward achieving them is monitored by the related milestones.<sup>7</sup> BWPs reflect the responsibilities of each Entity and the commitment and accountability of its personnel and teams for achieving OSERs. BWPs reflect the entities' contribution towards achieving the Strategic Plan's RERs. BWPs are developed for a two-year period. The BWPs are approved by the PASB Executive Management, including the budget allocation. They are regularly monitored and re-programmed as needed.

In the process of planning the work of a biennium, a manager determines the necessary resources for carrying out that work. Some of these resources are available at the beginning of the planning period and others require mobilization. The funding gap between existing resources and the total

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<sup>7</sup> A milestone is an observable event that allows for progress toward achievement of an OSER indicator to be monitored over time.

necessary to achieve all the OSERs is critical information for the Organization, so that effective resource mobilization may be undertaken in a proactive manner. This funding gap is an important criterion in the assignment of additional resources to the entity.

### ***3.7. Integrated System for Resource Planning and Coordination***

#### ***3.7.1. Resource Planning***

Strategic and operational resource planning and allocation are an integral part of PAHO's results-based management framework. A strategic resource analysis provides an estimate of what resources are required for achieving the SOs over the period covered by the Strategic Plan.

The Organization conducts prioritization exercises during the Strategic Plan's elaboration, in order to rank the SOs for resource allocation purposes. This ranking is used to inform budgetary priorities for the biennium and also will be used for subsequent biennia, with possible changes based on shifts in internal or external circumstances.

PAHO's resource planning is also guided by the Regional Program Budget Policy.<sup>8</sup> This policy is designed to respond to evolving regional needs and to facilitate the equitable distribution of resources among entities at the regional, subregional, and Member-State levels.

#### ***3.7.2. Resource Coordination***

Resource coordination aims to ensure that all available resources (regular budget and other sources, including voluntary contributions) will be adequately allocated and in sufficient amounts to achieve the expected results at the Organization's various levels that were established during the planning process. This coordination involves monitoring the gaps in funding the Organization's work, channeling resources to meeting priority needs as agreed in the Program and Budget and approved BWPs and reallocating resources among entities, within fiduciary responsibilities, as appropriate. Resource coordination helps orient the mobilization necessary to fill the gaps between required and available resources, ensures compliance with partner agreements, and minimizes having to return financial resources.

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<sup>8</sup> Regional Program Budget Policy, September, 2004 (CD45/7).

## 4. IMPLEMENTATION, AND PERFORMANCE MONITORING AND ASSESSMENT

Implementation and performance monitoring, and assessment, is the second component of PAHO's RBM framework.

### *4.1. Implementation*

Implementation is the execution of the PAHO's program and operations, according to plan. PAHO's Program and Budget is implemented by the 69 PASB entities that work at regional, subregional, and country levels. Each entity executes a Biennial Workplan (BWP), which contributes to the achievement of the corporate results of the Program and Budget and the Strategic Plan. The BWP is executed through Semester Workplans, in which interventions (tasks and subtasks) are detailed and programmed. The BWP is the principal instrument to implement the program and budget of the Organization.

In the implementation component, managers supervise the transformation of inputs into products and services. To facilitate this process, different instruments are required, including the different modalities of expenditures, such as contracts, courses and seminars, letters of agreement, and procurement.

### *4.2. Performance Monitoring and Assessment (PMA)*

**Performance monitoring** is a continuous follow-up of activities (tasks) and program delivery to ensure that they proceed according to plan and that expected results are likely to be achieved. Performance monitoring shows the state of the individual BWPs at the entity level (subtasks and tasks, products and services, and OSERs) and of PAHO's Strategic Plan at the corporate level (RERs and SOs). Monitoring compares the actual performance or situation with what was planned or expected according to pre-determined standards. To this end, monitoring collects data on the implementation processes, resource utilization, and progress towards the achievement of results. Monitoring begins by capturing information from the entities' BWPs. This information is aggregated for follow-up at the corporate level, as stated in the PAHO's Strategic Plan. The monitoring function ensures that everything is being undertaken as planned and that the plan remains on course for its duration.

**Performance assessment** is the systematic review and analysis of a program or intervention in order to judge its achievements and performance. Performance assessment compares the planned with the achieved at regular intervals, determining why there is a difference and then taking the necessary corrective actions to stay on course. PAHO's assessments are conducted every six months at

the entity level (assessment of the BWP) and at the corporate level (assessment of the Strategic Plan). Managers at the entity level, however, may conduct more frequent assessments.

**Performance Monitoring and Assessment (PMA)** is PAHO's process to monitor and assess the Strategic Plan, including its Program and Budgets and respective Biennial Workplans. This process provides managers and stakeholders with regular feedback and indications of progress in achieving intended expected results and final results at the end of the planning period, both at the entity and corporate level.

Progress toward achieving the **indicator target** is monitored and assessed periodically at the entity and corporate level. Indicators are selected markers, and the achievement of the set target only serves to indicate progress towards the desired expected results. During planning, two values are defined for each indicator: one to mark the starting point (baseline) and another value to mark the desired target. When progress toward achieving an indicator target cannot be demonstrated, a "red flag" is raised to alert management.

To determine whether an entity is on track in its path toward achieving its targets each OSER indicator must include **milestones**. Milestones are necessary, observable and time-sensitive events. Progress toward achieving the indicator target is monitored by the achievement of milestones, which are normally assessed every six months.

Managers will use data collected on OSER indicators to monitor and assess operational plans (BWPs) and on RER indicators to monitor and assess the implementation of the Strategic Plan.

The Organization's Corporate Management System (CMS), captures the RERs of the Strategic Plan and their association with OSERs for each BWP. It also captures the budget for producing each OSER, including the planned cost associated with each product/service. Products/services are the most disaggregated level of corporate monitoring data and the building block of the Strategic Plan.

Corporate performance monitoring and assessment is carried out from the bottom of the results chain up. Products or services to the OSERs, from the OSERs to the RERs, and from RERs to the SOs (see Figure 7).

#### *4.2.1. Biennial Workplan Performance Monitoring and Assessment*

At the entity level, the PMA of the BWP regularly reviews the execution of tasks, the delivery of products and services, and the achievement of OSERs; it takes

corrective actions as necessary. AMPES entity managers and project coordinators are responsible for the PMA of the BWP.

The PMA relies on information from semester progress reports. These reports provide information on various elements of the BWP and on how to make adjustments, such as revising the BWP, re-allocating resources, and simplifying or breaking down products and services. Performance assessment enables analytical learning from the challenges faced during the delivery of products and services and documents lessons learned for the next monitoring period.

Each entity records the achievement of milestones, reflecting that entity's progress toward meeting the OSER indicators' target. Milestones are assessed every six months by PASB's EXM. The officer responsible for an OSER indicator tracks and provides information on that OSER indicator.

The delivery of products and services is ordinarily expected to lead to the achievement of an OSER. However, this may not always be the case. Aside from the possible impact of risks and assumptions, OSERs may not be achieved because insufficient products and services were programmed, the products and services were poorly implemented, or the wrong products and services were planned. Should this situation occur, an independent evaluation should be conducted.

#### *4.2.2. Strategic Plan and Program and Budget Performance Monitoring and Assessment*

SO and RER indicator facilitators monitor the Program and Budget (PB) on an ongoing basis. The PB is assessed at least every six months, along with the entities' BWPs. At the end of the biennium, the assessment includes a report that is presented to the Governing Bodies: the "Program and Budget End-of-biennium Assessment Report." Since the SOs and RERs in the PB are exactly the same as those in the Strategic Plan, the PB end-of-biennium reports serve as interim progress reports for the Strategic Plan. A final report on the Strategic Plan will be presented to Governing Bodies at the end of the planning period.

Information derived from the end-of-biennium Program and Budget assessments is used to determine the progress achieved in relation to the Strategic Plan's SOs and expected results. The achievement of expected results can sometimes be aggregated directly (and in most cases automatically in the CMS) from the entity level to the regional and global levels on a biennial basis.

The Strategic Plan's performance will be assessed based on the following key performance criteria:

- **Effectiveness**—the extent to which indicator targets, OSERs, and RERs are being achieved as planned (targeted). Relevant and related planning and operational data should be entered into operational and administrative systems and reported at the OSER level.
- **Efficiency**—the relationship between costs and OSERs, RERs and OWERs. Relevant and related planning and operational data should be entered into operational and administrative systems and reported at the OSER level.
- **Stakeholder satisfaction**—how well OSERs and RERs correspond to stakeholder preferences.
- **Attribution**—the extent to which RERs and OWERs can be attributed to work done by PAHO.
- **Relevance**—the extent to which RERs and OWERs respond to the needs of the Member States and the Region.

Reports should provide values of those measures so that planners can proceed with their assessment. It is through an analysis of the effectiveness and stakeholder satisfaction that one can derive lessons to be injected into subsequent planning exercises.

#### ***4.3. Management Performance Assessment***

Management performance assessments are also conducted to determine how well entities manage their work. The management performance assessment reviews:

- the effectiveness and efficiency of entities' efforts to implement technical cooperation;
- macro processes and organizational and functional structures (i.e. RBM processes, the implementation of the accountability framework, and management structures);
- human resource management and technical and management performance;
- business processes for the implementation of corporate management systems, work environment, management information systems, and other management tools;
- portfolio of interventions and resource allocation and utilization assessment regarding Country Cooperation Strategies, Biennial Workplans, AMPES, core and enabling functions, and projects;
- key internal and external stakeholder satisfaction surveys;
- outcome assessment of the relevance and sustainability of technical cooperation interventions (PAHO's CCS positioning relative to country health agendas); and,
- partnership strategy assessment and "market share" analysis.

#### ***4.4. Reporting and Institutional Learning***

Through their managers, PASB entities report to their next managerial level. In addition, by consolidating different RER reports, SO facilitators report on achievements to PASB's executive management. The Director, in turn, reports to the Governing Bodies. Performance monitoring and assessment reports are based on periodic reviews of BWPs, which include programmatic and financial implementation. Table 2 includes the reporting framework at the different levels in PASB.

**Table 2. PAHO's Corporate Reporting Framework**

<b>Elements to report</b>	<b>Frequency of reporting and destination of report</b>	<b>Accountable management level</b>
Products and services	At least monthly to the AMPES entity manager	Project coordinator
OSERs	Every six months to Executive Management	Entity manager
RERs	Every six months to Executive Management and every two years to Governing Bodies. To Governing Bodies at the end of the Strategic Plan.	RER coordinator
OWERs	Every year to WHO	SO coordinator
SOs	Every six months to Executive Management and every two years to Governing Bodies. To Governing Bodies and WHO at the end of the Strategic Plan.	SO coordinator

All management levels are expected to use the PMA reports to inform their decisions. When performance weaknesses are detected, the reasons for such performance should be identified and corrective measures taken as needed.

## 5. INDEPENDENT EVALUATION AND LEARNING

Independent evaluation and learning is the third component of the PAHO RBM framework.

PAHO defines evaluation as a systematic and impartial assessment of an activity, project, program, strategy, policy, theme, sector, operational entity, or institutional performance. The Organization focuses on expected and achieved long-term accomplishments, examining the chain of results, processes, contextual factors, and causality, in order to understand achievements or their lack. It aims at determining the relevance, effectiveness, efficiency, and sustainability of its interventions and contributions.

The following are essential questions that an evaluation poses:

- Was the activity, project, or program relevant to the institution's priorities?
- Were the indicators, milestones, or other criteria and predetermined baselines and targets well prepared?
- Was the activity effective in meeting its objectives (through a series of products and services, expected results, and impacts); did it remain within budget and not cause significant unwanted results?
- Was the activity the most appropriate, efficient, and cost-effective way to meet the desired objectives?
- Was the intervention well implemented?

Ensuring the integrity of the evaluation process will largely depend on the independence of the evaluation function. PAHO follows the lines of international good practice which include: (a) separation of evaluation responsibility from line management functions for program and projects; (b) limiting management influence over the terms of reference, scope of the evaluation, and selection of evaluators; (c) transparency and clarity regarding the evaluation process.

### ***5.1. Performance Monitoring and Assessment versus Independent Evaluation***

Performance monitoring and assessment (PMA) and evaluation are two separate functions. Table 3 shows the differences between Performance Monitoring and Assessment and independent evaluation.

The two functions are complementary. PMA will often identify problem areas that should be investigated in greater depth by independent evaluation. Additionally, PMA may provide much of the information which evaluators and utilize to draw conclusions. Both functions have a vital role to play in supporting today's results-based management systems in public organizations.



**Table 3. Differences between Performance Monitoring and Assessment and Independent Evaluations.**

<i>Monitoring and Assessment</i>	<i>Independent Evaluation</i>
Self-assessments performed internally	External independent analyses
Full coverage	In-depth analysis in priority areas
Continuous	Periodic
Usually quantitative in approach	Qualitative as well as quantitative
Reports on medium-term results (outcomes)	Reports on long-term results (impacts), and why and how they have been achieved. Focus is on attribution
Alerts managers to problems – typically in implementation	Recommends solutions/actions to managers, usually after the intervention

### **5.2. Evaluation Principles**

PAHO has established the following principles to conduct independent evaluations:

- independence and objectivity,
- timeliness and credibility; adherence to generally accepted standards,
- a respect for the concepts of country and theme-based priorities,
- a respect for the concepts of transparency and consultation,
- a focus on effectiveness and results,
- a respect for working in partnership with other stakeholders; adhering to the concept of participation as much as feasible,
- assisting in the development of evaluation capacity in Member States.

The observance of these principles will ensure that evaluation will serve the purpose of providing the best possible information on results in order to continuously improve programming and contribute to accountability. The information must be made available to all levels of management and to stakeholders.

### **5.3. Scope of Evaluations**

- PAHO-wide evaluations examine major lines of work. These are programmatic or thematic evaluations conducted in four to five different countries chosen with defined criteria to allow a comparison. These evaluations have a thematic base, pay particular attention to stakeholders in the country, and highlight past achievements and future potential.
- Country evaluations focus on achievements and the problems and strengths of cooperation in a particular sector(s) of an individual country.
- Management evaluations focus on process and provide an analysis of management tools.

- Evaluations identified through the RBM cycle as consequence of continuous deviation from indicators/achievements concentrate on the reasons why indicators are not being met and the remedial action(s) that may be required.

#### ***5.4. Impact Evaluations***

In special cases PAHO may undertake impact studies with a defined scope that focus on the sustainability of a program initiative. These studies are intended to show how the program succeeded in becoming an integral part of the country's national effort. Impact evaluations are usually conducted five or more years after the end of a program cycle because the main intent is to determine the long-term effect of the intervention on the people's quality of life and/or the recipient country's increased capacity.

#### ***5.5. Participatory Evaluation***

Participatory evaluations are undertaken by PAHO to contribute to stakeholder ownership and accountability within their country, as well as to assist with PAHO's understanding of the perception of beneficiaries and stakeholders. In this approach, beneficiaries or stakeholders are central to the process of designing and conducting the evaluation.

#### ***5.6. Learning from Evaluation Studies***

A basic prerequisite for promoting RBM learning from evaluations is to disseminate evaluations in a variety of formats to the widest possible audience. A heightened profile will also be given to the means for transferring evaluation results into other management processes, such as planning and budgeting. With the commitment of PASB's Executive Management to incorporate evaluation in the corporate management culture, managers will be actively encouraged to rely on evaluation results for improving future programming and performance within the RBM framework.

## 6. ACCOUNTABILITY

### *6.1. Principles of accountability*

Accountability is a key concept underlying RBM. PAHO defines accountability as an obligation to demonstrate and take responsibility for performance in light of agreed upon expectations. It is a formal relationship that emerges when responsibility is conferred and accepted. Accountability carries with it the obligation to report on the discharge of one's responsibilities.<sup>9</sup>

Accountability requires that PAHO assigns a specific set of responsibilities to each position with minimum overlaps with other positions. This sets the stage for eventually holding those responsible for the use of resources accountable for results, with associated consequences.

In addition to assigning a set of responsibilities that are unique to a specific position, sufficient authority must be delegated to each position so that the incumbent can acquire necessary resources in a timely manner and adequately use them to carry out the responsibilities. In RBM, desired results are defined, responsibility for their achievement is assigned to one or more organizational entities. To be accountable for results, managers have to be duly empowered through clear delegation of authority in all areas, including human resources management.

"The primary objective of delegation of authority is to foster a more efficient use of resources and facilitate the emergence of more agile and responsive organizations, thus enhancing overall performance. What is advocated is no longer the delegation of authority to managers for the sake of expediency that has always existed for a number of administrative procedures, but rather a complete change in management systems."<sup>10</sup>

Accountability requires that a person be clear about his or her responsibilities and expectations. It requires that that person act and make decisions intended to result in good performance. Being accountable does not mean that performance will always be consistent with expectations, but it does require due diligence in actions and decisions. Thus, whether performance is as expected or not, if the basis for one's actions and decisions is sound, performance may be deemed reasonable by those to whom one is accountable. Being accountable also means being prepared for the unexpected, accepting the possible consequences if performance is not as intended, addressing unintended negative impacts, and taking steps to remedy poor performance.

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<sup>9</sup> Modernizing accountability practices in the public sector, TBS and OAG, January 1998.

<sup>10</sup> Delegation of authority and accountability, Part II, Series on managing for results in the United Nations System, JIU/REP/2004/7.

Modern governance and public administration literature views accountability as a positive incentive and as an opportunity to demonstrate achievements and stewardship. As such, accountability is an integral and indispensable part of establishing effective relationships for getting things done and taking responsibility, including the assignment of authority and resources. It aims to create a management culture that is fact-based, results-oriented, and transparent.

## 6.2. Accountability for PAHO's Results

This section serves to summarize some other key concepts discussed elsewhere in this document and frames those concepts in PAHO's quest for results.

PAHO's fundamental purpose, as stated in its Constitution, is to "promote and coordinate efforts of the countries of the Western Hemisphere to combat disease, lengthen life, and promote the physical and mental health of the people". As set out in the Constitution, the Organization is led by PAHO Governing Bodies, and the Pan American Sanitary Conference (PASC) is its supreme governing authority. The Organization is conformed by Member States and one secretariat: the Pan American Sanitary Bureau (PASB). The PASB is, first and foremost, accountable to its Governing Bodies. This relationship is formalized through the appointment of a Director of the PASB to implement the priorities and programs of the Organization.

Figure 11 shows the context of PAHO's accountability framework. The PASB is directly accountable to its Governing Bodies which are the Organization's "owners" and are integrated by the Member States acting collectively.

Figure 11. PAHO's accountability framework

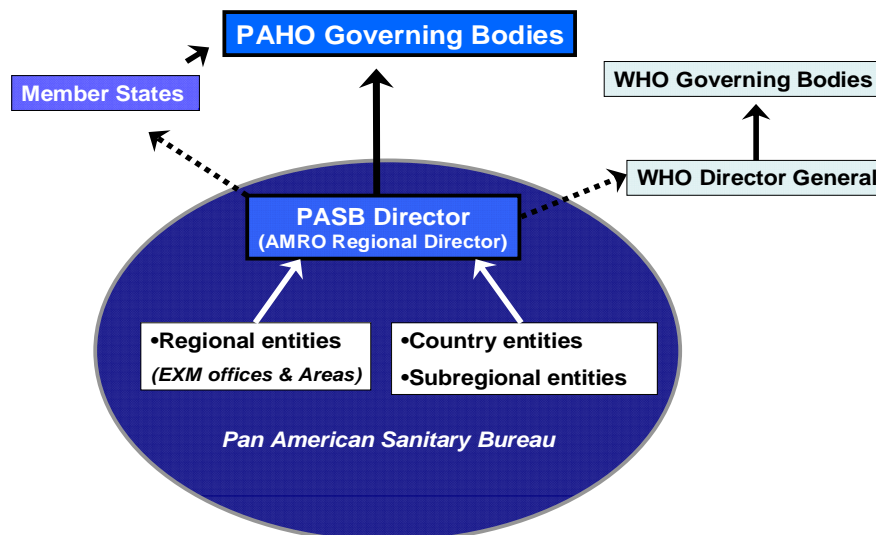


Table 4 shows the levels of accountability and authority for Members States, PASB, and entity managers. Entity managers can delegate authority to the AMPES Project Coordinators and they, in turn, may further delegate to colleagues, if so authorized by the entity manager.

**Table 4. Hierarchical accountability and authority for PAHO's Strategic Plan**

	<i>Accountable for the achievement of..</i>	<i>Has authority to allocate and spend..</i>
<b>PAHO Member States</b>	<b>Strategic Objectives</b>	<b>National health budget</b>
<b>PASB, through the Director</b>	Region-wide Expected Results (and monitoring of the SOs)	Entire PAHO budget (delegated by Member States)
<b>AMPES entity manager</b>	OSERs in his/her entity's Biennial Workplan (BWP)	BWP budget
<b>AMPES project coordinator</b>	Products/Services in his/her AMPES project	Project budget
<b>Product and services responsible officer</b>	Products/Services under his/her responsibility	Product/Service budget as assigned
<b>Task responsible officer</b>	Tasks under his/her responsibility	Task budget as assigned

As stated previously, persons or entities at different levels of the Organization are accountable for different results:

- The achievement of the SOs is a shared responsibility of the Member States, the WHO Secretariat, and the PASB. Whereas Member States are not accountable to the Organization for the achievement of the SOs, they are accountable to their populations;
- The WHO Secretariat is to be held accountable for achieving the OWEs during the period of a Medium-Term Strategic Plan;
- The PASB, and more specifically the Director as the representative of all PASB staff, is accountable for the achievement of the RERs;
- AMPES Entity Managers, and OSER and OSER Indicator Responsible Officers are accountable for the relevant OSERs under their responsibility, including their indicator targets and milestones; and

- Project Coordinators and other entity personnel have accountability at the level of products/services, tasks, and subtasks.

In terms of corporate programmatic accountability (see Table 5), the PASB has SO facilitators, RER facilitators, and RER indicator facilitators. They are responsible for developing their respective results and indicators, ensuring that there is sufficient OSER-RER linkage to facilitate the achievement of results, and undertaking ongoing monitoring and reporting on implementation, including flagging key potential problems. SO facilitators are ultimately responsible for ensuring that enough entities have OSERs conducive to the achievement of the SO and its components.

At the entity level, the PASB has OSER facilitators and OSER indicator facilitators. They report their corresponding entity's advances in achieving their OSERs and progress toward their RERs, thus completing the monitoring and assessment of the achievements related to the Strategic Plan.

**Table 5. Corporate accountability for PAHO's Strategic Plan**

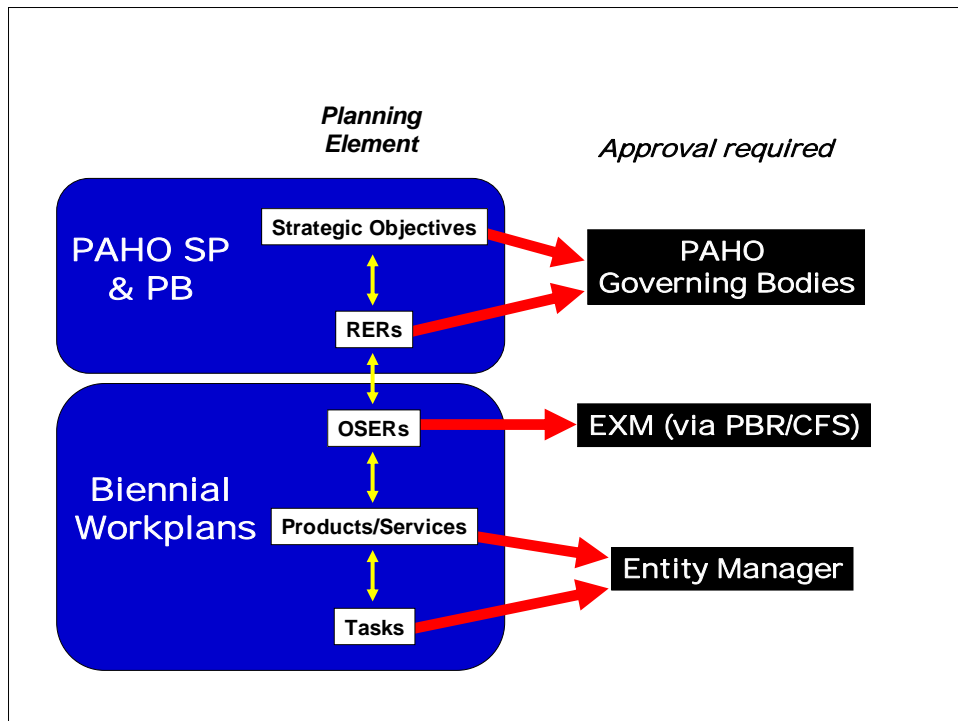
<i>Facilitators</i>	<i>Accountable for development, monitoring and reporting on ...</i>
<b>PBR</b>	<b>Entire Strategic Plan</b>
<b>SO facilitators</b>	<b>SOs under their responsibility</b>
<b>RER facilitators</b>	<b>RERs under their responsibility</b>
<b>RER indicator facilitators</b>	<b>RER indicators under their responsibility</b>
<b>OSER Facilitators</b>	<b>OSERs under their responsibility</b>
<b>OSER indicator facilitators</b>	<b>OSER indicators under their responsibility, including their milestones</b>

The Planning, Budget and Resource Coordination (PBR) Area is responsible for monitoring the entire Strategic Plan. AMPES project teams implement the project's products and services that contribute to achieving the entity's OSERs. Cross-organizational teams contribute to implement specific RERs and achieve RER indicator targets.

If changes need to be made to PAHO's results chain during implementation, these must be authorized by the Organization's level that approved them (see Figure 12), specifically, revisions to the following:

- For SOs or RERs, the PAHO Governing Bodies must approve the changes;
- For OSERs, the PASB Executive Management must approve the changes; and,
- For products and services or tasks, the Entity Manager must approve the changes.

**Figure 12. Authorization Levels to Approve Changes in Results**



## Annex A

### Acronyms and Abbreviations

<b>AMPES/OMIS</b>	Americas Planning, Programming, Monitoring and Evaluation System/Office Management Information System
<b>BWP</b>	Biennial Workplan
<b>CCS</b>	Country Cooperation Strategy
<b>EXM</b>	Executive Management of the Pan American Sanitary Bureau
<b>GHA</b>	Global Health Agenda
<b>GPW</b>	WHO General Programme of Work
<b>JIU</b>	Joint Inspection Unit
<b>HHA</b>	Health Agenda for the Americas
<b>MTSP</b>	WHO Medium-Term Strategic Plan
<b>NGO</b>	Non Governmental Organization
<b>OSER</b>	Office-Specific Expected Result
<b>OWER</b>	Organization-Wide Expected Result
<b>PAHO</b>	Pan American Health Organization
<b>PASB</b>	Pan American Sanitary Bureau
<b>PASC</b>	Pan American Sanitary Conference
<b>PB</b>	Program and Budget
<b>PMA</b>	Performance Monitoring and Assessment
<b>P/S</b>	Product and Service
<b>PWR</b>	PAHO/WHO Representative
<b>RB</b>	Regular Budget
<b>RBM</b>	Results-based management
<b>RER</b>	Region-wide Expected Result
<b>SCS</b>	Subregional Cooperation Strategy
<b>SO</b>	Strategic Objective
<b>SP</b>	Strategic Plan
<b>SPBA</b>	PAHO Subcommittee on Program, Budget, and Administration
<b>WHO</b>	World Health Organization



## Annex B

### Glossary

<b>Accountability</b>	An obligation to demonstrate and take responsibility for performance in light of agreed-to expectations. It is a formal relationship that comes into being when a responsibility is conferred and accepted. Accountability carries with it the obligation to report on the discharge of one's responsibilities. Accountability speaks to a system that includes the ability to demonstrate that work has been conducted in compliance with agreed rules and standards or to report accurately on performance results vis-à-vis plans as well as clear rules of the consequences of achieving, or not achieving, these results.
<b>Activity</b>	A generic RBM term for an action taken or work performed through which inputs, such as funds, technical assistance and other types of resources are transformed to produce specific products and services (outputs). Typically, it is the decision level of the program manager in terms of the use of the available resources. In the AMPES and in the BWP, the corresponding term is "task". The completion of these tasks leads to achievement of the products/ services.
<b>Americas Planning, Programming, Monitoring and Evaluation System (AMPES)</b>	The comprehensive system that incorporates the Pan American Sanitary Bureau's planning, programming, monitoring and evaluation. It is supported by software that addresses these processes.
<b>AMPES Entity or Entity</b>	A generic term for the managerial and executive parts of the Pan American Sanitary Bureau (PASB). Each of these entities is responsible for developing and implementing a Biennial Workplan (BWP) and its corresponding budget. It refers to all organizational "divisions" that have a BWP and a budget.
<b>AMPES Project</b>	The AMPES project is a grouping of the products and services that the AMPES entity decides to address to achieve an OSER. Their creation is a managerial decision to better organize the work of the entity.
<b>Assessment</b>	Assessment is the systematic review and analysis of a program or intervention in order to judge its achievements and performance. At regular intervals, performance assessment compares the planned with the achieved, determining the reasons for the difference and then taking corrective actions, as required, to stay on course. In PAHO, assessments are conducted every six month at the entity level (assessment of the BWP) and at the corporate level (assessment of the Strategic Plan). However, at the entity level, managers may conduct assessments at more frequent periods. Assessment utilizes the information gathered through monitoring.

<b>Baseline</b>	A measurement or description of the situation prior to or at the beginning of the development of an intervention or planning period, against which progress can be assessed or comparisons made. Typically, this should be the basis for the design of the intervention.
<b>Benchmarking</b>	Is a process used in strategic management in which organizations (operating units, projects, etc.) evaluate various aspects of their processes and results in relation to best practice companies' processes, usually within a peer group defined for the purposes of comparison. This then allows organizations to develop plans on how to make improvements or adapt specific best practices, usually with the aim of increasing some aspect of performance. The best experiences of other operating units, donor agencies, or partners who have achieved a high level of performance with similar types of projects are called benchmarks. Targets may be set to reflect this "best in the business" experience, provided of course that consideration is given to the comparability of country conditions, resource availability, and other factors likely to influence the performance levels that can be achieved.
<b>Biennial Workplan (BWP)</b>	The Biennial Workplan (BWP) is the operational planning instrument of each entity (Country, sub-Regional, and Regional); the BWP establishes the Office-Specific Expected Results, including related target indicators and milestones. A BWP is implemented through AMPES projects and deliver products and services.
<b>Beneficiary</b>	The individual, group, or organization, whether targeted or not, that benefits, directly or indirectly, from the development intervention.
<b>Country Cooperation Strategy</b>	The medium-term vision for PAHO/WHO's technical cooperation with a given country. It defines a strategic agenda for working with that country. The strategic agenda states the jointly agreed priorities for PAHO/WHO cooperation in and with the country and clarifies the role PAHO/WHO will play in designated issues.
<b>Earmarked Voluntary Contributions</b>	Earmarked Voluntary Contributions refer to those resources provided to the Organization that are directed to specific interventions within the Strategic Plan.
<b>Evaluation</b>	An examination as systematic and objective as possible of an ongoing or completed project or program, its design, implementation and results, with the aim of determining its efficiency, effectiveness, impact, sustainability and the relevance of its objectives <sup>11</sup>
<b>Impact</b>	Long-term effects produced, directly or indirectly, by a development intervention. They may be positive or negative, primary or secondary, and may represent the intended or unintended changes in the intended beneficiaries (e.g. reduced mortality). Sometimes these may apply to national or longer term, development situation.
<b>Indicator</b>	A variable that allows the verification of changes in the development intervention or shows results relative to what was

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<sup>11</sup> OECD, Methods and Procedures in Aid Evaluation, OECD, Paris, 1986.

	planned. Means of measuring progress towards objectives. Indicators measure, directly or indirectly, real situation changes with respect to what has been planned in terms of quantity, quality and timeliness. An indicator is a quantitative or qualitative but always observable variable that provides a basis for assessing achievement, change or performance.
<b>Input</b>	The financial, human, and material resources necessary for the development intervention.
<b>Lessons learned</b>	Lessons learned represent understanding or knowledge gained by experiences (negative or positive). A lesson must be relevant, valid and applicable to issues or problems important to the organization. <sup>12</sup>
<b>Logical framework</b>	Management tool used to improve the design of interventions. It involves identifying strategic elements (inputs, tasks, products and services, expected results, impacts) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention.
<b>Manageable interest</b>	"The concept of manageable interest recognizes that achievement of results requires joint action on the part of many other actors such as host country governments, institutions, other donors, civil society, and the private sector. When an objective is within our manageable interest, it means that we have reason to believe that our ability to influence, organize, and support others around commonly shared goals can lead to the achievement of desired results, and that the probability of success is high enough to warrant expending program and staff resources. A result is within an entity's manageable interest when there is sufficient reason to believe that its achievement can be significantly and critically influenced by interventions of that entity." <sup>13</sup>
<b>Milestone</b>	A milestone is an observable event that allows the monitoring of progress, over time, towards the achievement of an OSER indicator.
<b>Monitoring</b>	Monitoring is the continuous follow-up of activities (tasks) and program delivery to ensure that they are proceeding according to plan, and that the expected results are likely to be achieved. It implies to be aware of the state of the individual BWP at entity level (subtasks/tasks -in the semester workplans-, products/services and OSERs) and of the PAHO Strategic Plan at corporate level (RERs and SOs). Monitoring tracks the actual performance or situation against what was planned or expected according to pre-determined standards on a permanent basis. Monitoring generally involves collecting data on implementation processes, resource utilization and progress towards the achievement of results. At the corporate level, monitoring starts with the capture of the planning information

<sup>12</sup> Based on Secchi, P. (Ed.) (1999). Proceedings of Alerts and Lessons Learned: An effective way to prevent failures and problems (Technical Report WPP-167). Noordwijk, the Netherlands: ESTEC.

<sup>13</sup> USAID, [www.usaid.gov/pubs/sourcebook/usgov/glos.html](http://www.usaid.gov/pubs/sourcebook/usgov/glos.html).

	<p>from the diverse BWPs to do the follow-up of the corporate expected results, as stated in the PAHO's Strategic Plan. The purpose of monitoring a plan is to ensure that everything is being undertaken as planned and stays on course over the duration of the plan.</p>
<b>Office-Specific Expected Results (OSERs)</b>	<p>OSERs are the medium term results expected from the products and services (outputs) delivered by an AMPES entity. OSERs, and their measurements for success (indicators), are defined by AMPES entities during planning process of the BWP. An OSER is an outcome, and therefore beyond the manageable interest of an AMPES entity. Nonetheless, AMPES entities are accountable for the achievement of OSERs.</p>
<b>Organization-Wide Expected Results (OWERs)</b>	<p>Expected results that all the WHO Secretariat is to be held accountable for achieving during the period of a Medium-Term Strategic Plan. OWERs have indicators, baselines, targets, and estimated costs for their achievement.</p>
<b>Outcome</b>	<p>Outcomes describe the intended or achieved changes in development conditions resulting from cooperation programs. They express the likely medium-term effect of an intervention's products and services, or the post-intervention state on the target group or the social conditions that an intervention is expected to have changed. The attainment of an outcome usually requires the collective efforts of several partners (e.g. improved access to health services) and thus is beyond PASB's manageable interest. The PAHO/WHO planning framework maintains 3 types of outcomes at different levels of aggregation: OSERs, RERs and OWERs.</p>
<b>Output</b>	<p>Specific products and services that emerge from processing inputs through various tasks. Outputs refer to the short-term results that are observable after the completion (rather than the conduct) of tasks and are the type of results over which managers have a high degree of influence. In PAHO's planning framework the outputs are called products/services. Outputs are within the manageable interests of AMPES entities.</p>
<b>Performance</b>	<p>The degree to which the PASB, a Strategic Objective, or an AMPES entity (and its respective projects) achieve results in accordance with stated commitments and agreed plans.</p>
<b>Performance Indicator</b>	<p>Indicator that supports judgment on performance. Generally characteristic of a result that is measurable or objectively justifiable.</p>
<b>Product</b>	<p>A product is the final output of a task or combination of tasks. It is a tangible and observable short term result to which expected quality and quantity performance criteria can be associated.</p>
<b>Program and Budget</b>	<p>Program and Budget is a strategic planning instrument of PAHO where the program for the biennium, including expected results and targets, is established. A budget and other resources are assigned to implement the program established. The PAHO Strategic Plan may comprise several Program and Budgets.</p>
<b>Region/wide Expected Results (RERs)</b>	<p>RERs are the collective outcomes agreed upon by the Organization's Governing Bodies. They are the main corporate</p>

	<p>planning objectives for the PASB. All the AMPES entities will contribute to achieve the RERs. The PASB, as a whole, is responsible for the achievement of the RERs. The RERs are defined in the PASB Strategic Plan, and are designed to contribute directly to WHO's global OWERs. The RERs will constitute the "menu" of programmatic results from which AMPES entities can choose for inclusion in their BWPs.</p>
<b>Regular Budget (RB)</b>	Resources from Member State quotas and miscellaneous income which are planned for implementation of the Strategic Plan.
<b>Results</b>	The measurable intended or unintended, positive and/or negative changes brought about by a program or a development intervention. The output, outcome, or impact of the intervention.
<b>Results-based management</b>	PAHO defines RBM as a management process in which program formulation revolves around a set of predefined objectives and expected results; expected results justify resource requirements, which are derived from and linked to outputs required to achieve such results; actual performance in achieving results is measured objectively by performance indicators; and PASB managers and personnel are accountable for achieving results; they are also empowered with the tools and resources they need to achieve them.
<b>Results chain</b>	The causal sequence needed to achieve desired objectives beginning with inputs, moving through tasks, products/services, and culminating in expected results and impacts. In the PAHO planning framework the results chain is as follows: inputs, tasks, products/services, expected results (OSERs, RERs, OWERs), and Strategic Objectives.
<b>Service</b>	A service is an on-going and identifiable output of a task or combination of tasks. It typically, includes such things as capacity building, advocacy, and technical cooperation for the development and implementation of policies, norms and guidelines. This term has been introduced to reflect the intangible nature of many of the outputs of PAHO/WHO and to enable these to be captured in the biennial workplans.
<b>Stakeholders</b>	Agencies, organizations, groups or individuals who have a direct or indirect interest in the goals and activities of an organization and that also have the ability to influence it.
<b>Strategic Objectives (SOs)</b>	Strategic Objectives (SOs) are the impact-level results planned for the PAHO Strategic Plan (e.g. 2008-2012), elaborated in terms of health status, determinants of health or health systems. PAHO's RERs directly contribute to the achievement of PAHO's SOs. In addition, PAHO's RERs contribute to the achievement of WHO OWERs, and onward to the achievement of the corresponding WHO SOs. The achievement of the PAHO SOs is a commitment of the Organization's Member States, consistent with the PAHO Governing Bodies mandates.
<b>Un-earmarked voluntary contribution</b>	Un-earmarked voluntary contributions refer to those resources provided to the Organization which are not directed to specific activities. In this respect, these resources may be used at the

**Voluntary Contribution**

discretion of the Organization to reduce the resource gap to implement the Strategic Plan.

Resources provided to the Organization that are in addition to the PAHO Regular Budget and WHO Regular Budget for AMRO.

**VOLUNTARY CONTRIBUTIONS POLICY (DRAFT)**

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**Chapter X: PROGRAMME IMPLEMENTATION PAHO/WHO E-Manual**  
**2. Contractual Arrangements—Voluntary Contributions**

**Effective Date:** \_\_\_\_\_

**10 Objective**—To establish a policy to receive and approve Voluntary Contributions (VC) for PAHO/WHO, ensuring that the resources are for activities compatible with the Strategic Plan of the Pan American Health Organization and are needed to implement the Biennial Work Plans (BWP) of entities of the Pan American Sanitary Bureau.

The objectives of the review and approval process of Voluntary Contributions are to:

- (a) Ensure alignment of Voluntary Contributions with PAHO's Strategic Plan;
- (b) Improve the quality of the projects proposed for obtaining Voluntary Contributions;
- (c) Monitor and evaluate the use of Voluntary Contributions;
- (d) Improve the implementation of Voluntary Contributions;
- (e) Reduce the return of funds to cooperating partners;
- (f) Reduce the number of qualified audit reports;
- (g) Gather and systematize information on good practices and lessons learned;
- (h) Simplify administrative processes to ensure the effective and efficient execution of Voluntary Contributions;
- (i) Promote a participatory process within PAHO to facilitate the identification and solution of problems involving all the responsible parties; and
- (j) Maintain and improve the Organization's good reputation with external partners.

**20 Scope**—This policy applies to all the resources received as Voluntary Contributions (VC). The policy is divided into two major categories: Un-earmarked Voluntary Contributions (UVC) and Earmarked Voluntary Contributions (EVC) (see [Annex I \(hyperlink\)](#) to be executed at any of the three levels of the Organization: country, subregional, or regional. The funds of Voluntary Contributions can be originated through (a) Direct donations from public or private institutions; (b) Funds negotiated with a bilateral or multilateral financial partner; or (c) Contributions of a nonfinancial nature (e.g., for infrastructure, human resources).

**30 Policy and Essential Procedures**

**30.1 Voluntary Contributions**—A prerequisite for VC approval and execution is that the VCs be used to implement PAHO's Strategic Plan, including Program and Budgets and their respective BWPs and thereby contribute to the achievement of the Strategic Objectives (SO), Regionwide Expected Results (RER), and Office-specific Expected Results (OSER).

**Chapter X: PROGRAMME IMPLEMENTATION PAHO/WHO E-Manual**  
**2. Contractual Arrangements—Voluntary Contributions**

**Effective Date:** \_\_\_\_\_

**30.2 Review and Approval Process of Voluntary Contributions**

This process has two different procedures:

- 1) One with Delegation of Authority for VC review, see [Figure 1 \(hyperlink\)](#). Through this policy, Delegation of Authority is granted to sign agreements in the specific cases detailed in PAHO/WHO E-Manual – Chapter I, Section 4 - Delegation of Authority (see [Annex III \(hyperlink\)](#)).
- 2) Another without Delegation of Authority for VC review, see [Figure 2 \(hyperlink\)](#).

**30.3 Types of Agreements and Amendments**—PAHO applies a variety of legal instruments for receiving Voluntary Contributions. These instruments spell out the obligations and responsibilities of PAHO and the external partner in achieving a common objective of the Strategic Plan. Both PAHO and the external partner sign the legal document. These legal instruments are known generically as agreements. Agreements may be amended to modify the technical content, duration (extensions), and amount of resources. PAHO also applies the logical framework methodology in the preparation of project proposals or agreements with technical content (see [Annex II \(hyperlink\)](#)). All Voluntary Contributions must be reviewed with the purpose of complying with the objectives defined in item 30.2 above. The Director has sole authority to sign all agreements, and this authority is delegated depending on each case as described in PAHO/WHO E-Manual Chapter I, Section 4 - Delegation of Authority (see [Annex III \(hyperlink\)](#)).

**30.4 Amendments to Voluntary Contribution Agreements**—Any amendment to a Voluntary Contribution agreement must be negotiated and endorsed in writing by the external partner.

**30.4.1 Requirements to Amend a Voluntary Contribution**—A Voluntary Contribution must be amended when any of the following situations occurs:

- (a) A reassignment of funds within the original purpose of the Voluntary Contribution agreement and without a budgetary increase, as long as the programmatic expected results are not affected;
- (b) A change in the execution timetable. Extensions are only authorized once; only in exceptional, well-justified cases will an agreement will be extended more than one time. Other type of changes might be in the reporting schedule as long as sufficient time is allotted to submit reports to the external partner;
- (c) An amendment of other terms not related to an activity (e.g., name or address of any of the parties or information account data); or
- (d) Amendments in the programmatic aspects of the Voluntary Contribution, such as an increase in funds, a redefinition of the activities as well as the expected results of the agreement or the project's purpose or objectives. In

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these cases, the Entity Manager must inform the Area of Planning, Budget, and Resource Coordination (PBR) and await its approval before proceeding.

**30.5 Exceptions**—All Voluntary Contribution agreements or conventions that deal with emergencies or disasters will be exempted from this process. However, these Voluntary Contributions must be registered in the PBR/RC database.

**30.6 Financial Regulations**—The financial resources implemented through a Voluntary Contribution are subject to PAHO's existing financial rules and regulations and requirements for compliance with the applicable accounting standards in effect. The Program Support Cost (PSC) will be decided in accordance with PAHO/WHO E-Manual IV.6.5 PSC ([hyperlink](#)). Any exceptions must be authorized by the Director.

**30.7 Reports**

- (a) Technical Execution Report: this report documents the progress made in the implementation of any Voluntary Contribution and must be approved by the respective Entity Manager. PBR/RC will review and approve the report, and ERP will channel it to the external partner.
- (b) Financial Report: FRM will produce the financial execution report. (See PAHO/WHO E-Manual IV.3.5 Donor Agreements and Financial Reporting ([hyperlink](#))).

**40 Responsibilities**

**40.1 Responsibilities of the Voluntary Contribution Business Owner**—PBR has been designated as the VC business owner in PAHO/WHO. In its capacity as business owner, PBR is responsible for:

- (a) Ensuring that the policies and procedures related to Voluntary Contributions are kept up to date and implemented effectively;
- (b) Managing the VC review and approval process;
- (c) Maintaining the VC database;
- (d) Facilitating the review and approval process, including coordinating with the originators and the Review Committee;
- (e) Providing technical cooperation to the originators on the design of proposals prior to the formal review, as required. This includes support to develop the project annual budget and identifying expenses where an increase in the Delegation of Authority will need to be requested; and
- (f) Providing guidelines to improve the Voluntary Contributions review process.

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**40.2 Responsibilities of PAHO/WHO's Entity Personnel**

**40.2.1. Responsibilities of the Entity Manager**—The Entity Manager is the Voluntary Contribution allottee. The Entity Manager's responsibilities include, but are not limited to, ensuring that:

- (a) The Voluntary Contribution proposal is designed and aligned with the entity's Biennial Work Plan;
- (b) All the necessary information to negotiate a Voluntary Contribution proposal with an external partner is provided and the proposal complies with the conditions defined by PAHO/WHO. This includes, but is not limited, to following:
  - i. A proposal design in accordance with PAHO/WHO standards Preparation of an annual VC budget, whenever applicable; and
  - ii. Identification of the execution modalities (e.g., personnel and services contracting and letter of agreement);
- (c) The review process in those cases under his/her Delegation of Authority are led according to PAHO/WHO established rules;
- (d) VC agreements are signed in accordance with the procedures defined under the Delegation of Authority and follow the applicable procedures whenever they do not fall under his/her Delegation of Authority;
- (e) The implementation plan for the Voluntary Contribution is reviewed and approved. Once it is approved, the VC should be introduced into the PAHO Information System. The implementation plan should include, at a minimum, the following:
  - i. A final timetable of execution, including the dates for presentation of reports;
  - ii. An annual disbursement plan to be used as the basis for awarding resources. PBR will program the resources as soon as these are received by the Organization, in accordance with the annual budget presented and will follow up on the implementation rate; and
  - iii. Requests of specific increase in the Delegation of Authority, whenever necessary, in order to implement the initiative according to the timetable agreed upon with the external partner. For example, if the Voluntary Contribution has a significant amount of money for the purchase of equipment, in many cases an increase in the Delegation of Authority will be needed.
- (f) The VC is implemented in accordance with the objectives agreed upon with the external partner. When activities are funded with resources from an EVC, they must be implemented in accordance with the terms and conditions of the EVC agreement;

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- (g) If activities are funded with resources from a Un-earmarked Voluntary Contributions (UVC), the funds will be used for the implementation of activities aligned with the entity's BWP;
- (h) All VC physical files and documentation in the database are complete and will be preserved for a period of seven years; and
- (i) Unused funds must be returned to the external partner in a timely manner.

**40.2.2 Responsibilities of the PAHO/WHO Voluntary Contribution Officer—**

The PAHO/WHO VC Officer is the individual responsible for the VC's execution and day-to-day operations. The officer should be a technical specialist whose responsibilities will include, but are not necessarily limited to, the following:

- (a) Preparing proposals in compliance with the terms of PAHO/WHO VC guidelines;
- (b) Gathering all the necessary information to support VC proposals during the negotiation phase;
- (c) Upon approval of the VC, drawing up an implementation plan which incorporates:
  - i. A final timetable of execution, including the dates for presentation of reports;
  - ii. An annual disbursement plan to be used as the basis for awarding resources, previously approved by the respective Entity Manager;
  - iii. The identification of elements in the VC that might need an increase in the entity's Delegation of Authority. For example, if the VC specifies a significant amount of funds for the purchase of equipment, a request for Delegation of Authority is recommended.
- (d) Following up with the external partner and appropriate PAHO internal units (e.g., PBR, ERP, LEG, FRM) on the timely submission of progress and final reports, as well as any refunds due to PAHO;
- (e) Preparing and reviewing progress and final reports from a technical and financial standpoint and ensuring that the reports comply with the VC agreement executed with the external partner;
- (f) Recording VC and status reports in the PBR/RC database;
- (g) Compiling and updating all supporting documentation for the drafting of technical and financial reports;
- (h) Supplying additional documentation as required in support of the activities implemented within the framework of the VC agreement;
- (i) Maintaining all documentation related to the VC agreement executed between PAHO/WHO and the external partner for a period of seven years in the entity's official filing system.

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**40.3 Monitoring**—PBR/RC is responsible for monitoring the VC policy and process and its related compliance. PBR/RC will also participate in the performance assessment and evaluation of this process, and of any VC when it is so requested. The implementation of any particular Voluntary Contribution will be under the responsibility of the PAHO/WHO VC Officer. ([hyperlink](#)) to PAHO/WHO E-Manual II.6 Monitoring

**50**     **Definitions**

1.     **Americas Planning, Programming, Monitoring, and Evaluation System (AMPES):** The term AMPES is used to describe two different things. On a conceptual level, it refers to the comprehensive system that incorporates the Pan American Sanitary Bureau’s planning, programming, monitoring, and evaluation. It is name of the software that supports many of these processes.
2.     **Entity or AMPES Entity:** Entity is a generic term that designates a PASB managerial, programmatic, and executing unit responsible for the development and implementation of a Biennial Work Plan and its budget. As such, the AMPES system recognizes this entity as the nucleus for program and budget management; hence, its identification as an AMPES entity.
3.     **Entity Manager or AMPES Entity Manager:** Each AMPES entity is headed by a manager. The Entity Managers are as follows: Executive Management (EXM) members, including some chiefs of EXM offices, and Area Managers at the Regional level (headquarters); Subregional-level Managers; and Country-level Managers (PAHO/WHO Representatives, or PWRs).
4.     **Monitoring:** An ongoing task during intervention/implementation that provides managers and stakeholders with regular feedback and indicators of the progress in the achievement of the intended expected results. Monitoring tracks the actual performance or situation against what was planned or expected according to predetermined standards. It also generally involves collecting and analyzing data on implementation processes, resources utilization, and achievement of results.
5.     **Project:** A targeted activity organized to achieve predetermined, specific objectives to solve a problem or satisfy a need. A project is goal-driven and time-limited, and produces specific results through the use of defined organizational resources.
6.     **Voluntary Contributions** are resources received by the Organization in addition to the PAHO Regular Budget (Member States-assessed contributions and miscellaneous income) and the WHO Regular Budget for the Region of the Americas (AMRO). Voluntary Contributions may derive from different sources, such as direct donations from public or private institutions, funds negotiated with a bilateral or multilateral financial partner, or contributions of a nonfinancial nature (e.g., for infrastructure and human resources).

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**Annex I**

**CATEGORIES OF VOLUNTARY CONTRIBUTIONS**

Resources received as Voluntary Contributions are divided into two major categories:

- (1) **Un-earmarked Voluntary Contributions (UVC)**, and
- (2) **Earmarked Voluntary Contributions (EVC)**.

1. **Un-earmarked Voluntary Contributions (UVC)** are resources given to PAHO that are not designated for a particular activity and may be freely used to bridge a resource gap and thus facilitate execution of the Strategic Plan of the Pan American Health Organization. UVC are ordinarily mobilized through institutional efforts.

UVC may be:

- 1.1. **Fully flexible UVC**, when the agreement with the external partner allows the UVC's discretionary use for any goal in the PAHO Strategic Plan.
- 1.2. **Highly flexible UVC**, when the agreement with the external partner allows the UVC's discretionary use for any goal under one or more Strategic Objectives.

2. **Earmarked Voluntary Contributions (EVC)** are resources given to PAHO that are designated for specific PAHO activities or entities. EVC are ordinarily mobilized through the individual efforts of regional-, subregional-, and country-level PASB entities.

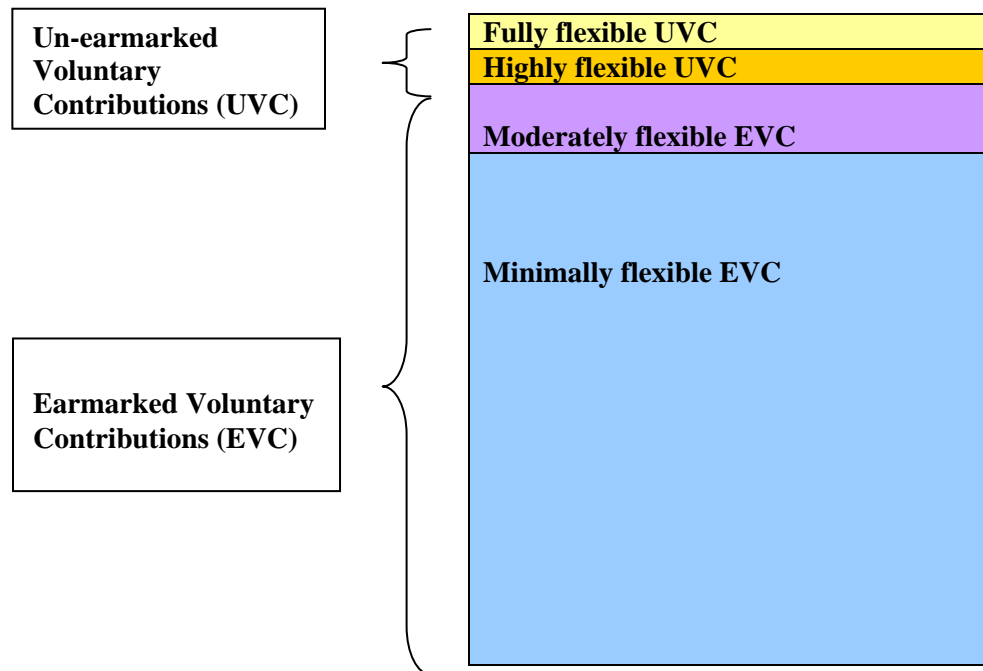
EVC may be:

- 2.1 **Moderately flexible EVC**, when the agreement with the external partner restricts the EVC's use to particular Regionwide Expected Results (RER), public health areas, or PASB entities.
- 2.2 **Minimally flexible EVC**, when the agreement with the external partner is based on a project document that clearly stipulates the categories for which the resources may be used.

The stratification of Voluntary Contributions is shown in Figure 1.

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**Figure 1**  
**Stratification of Voluntary Contributions<sup>1</sup>**



<sup>1</sup> To date, Un-earmarked Voluntary Contributions (UVC) in PAHO account for 5% and Earmarked Voluntary Contributions (EVC) account for the remaining 95% of all VC.



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**Annex II**  
**TYPES OF VOLUNTARY CONTRIBUTIONS**

Following is a description of the different types of VC that usually is presented in the format of agreements and projects

<b>Types of VC</b>	<b>Originator</b>	<b>Description</b>	<b>Legal instrument to use</b>
Agreement <b>with</b> program content	Regional, subregional, or country entities	A document establishing the achievement of specific program goals through the use of resources provided by the external partner. For example, support to specific Strategic Objectives, conditions in terms of indicators, area (regional, subregional, or country), duration and budget.	<i>(Model to be developed during 2010 by the Office of Legal Counsel (LEG))</i>
Agreement <b>without</b> program content	Regional, subregional, or country entities	A document that, without identifying specific technical cooperation activities under the Strategic Plan or the Biennial Work Plan of a particular entity, formalizes a link and mutual interest between PAHO and the external partner.	<i>(Model to be developed during 2010 by LEG)</i>
Framework or Umbrella Agreements	Regional, subregional, or country entities	The main feature of this type of agreement is that in a single document signed with the Organization, the external partner identifies a group of strategic objectives in the PAHO Strategic Plan which it will support. These agreements may involve either Earmarked or Un-earmarked Voluntary Contributions.	<i>(Model to be developed during 2010 by LEG)</i>

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<b>Types of VC</b>	<b>Originator</b>	<b>Description</b>	<b>Legal instrument to use</b>
Amendment to an agreement <b>with</b> change(s) in program content	Regional, subregional, or country entities	The agreement may be amended at the request of either PAHO or the cooperation partner if there are changes to the work program as described in the originally executed agreement.	<i>(Model to be developed during 2010 by LEG)</i>
Amendment to an agreement <b>without</b> changes in program content	Regional, subregional, or country entities	The Organization or the external partner may wish to amend a condition stipulated in the original agreement that does not affect the program content or the standard clauses protecting the Organization. Examples include the agreement's termination date or changes in the external partner's information (address and name of the entity).	<i>(Model to be developed during 2010 by LEG)</i>
Maintenance agreements	Regional, subregional, or country entities	These are agreements between PAHO and certain Member States or national institutions that establish commitments to cover infrastructure costs in support of a program, a PAHO/WHO Representative Office, or a Pan American Center.	<i>(Model to be developed during 2010 by LEG)</i>
Procurement agreements	Regional, subregional, or country entities	Under the PAHO procurement program, a Member State may enter into specific procurement agreements, such as reimbursable purchases, revolving funds, or strategic funds.	<i>(Model to be developed during 2010 by LEG)</i>

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Types of VC	Originator	Description	Legal instrument to use
Project or program <sup>1</sup> proposal	Regional, subregional, or country entities <sup>2</sup>	Whenever the potential partner is unknown, a project proposal is prepared using the logical framework. This proposal should meet certain specifications in terms of format, technical content, and implementation conditions in order to explore opportunities for mobilizing resources. A project proposal may also be prepared in response to an offer of resources received by the Organization from an external partner.	(Annex V <a href="#">(hyperlink)</a> )
Interagency Agreements	Country entities	Within the framework of United Nations reform efforts and in order to improve coordination of cooperation within the U.N. System, United Nations country teams (UNCT) make commitments to joint programs through agreements. There are established protocols for this type of joint activity, including the presence of a United Nations Development Assistance Framework Common Country Assessment (UNDAF/CCA) in the beneficiary country.	<i>(Model to be developed during 2010 by LEG)</i>
UNAIDS Program Acceleration Funds (PAF)	Country entities	This is a UNAIDS modality to support and expand the fight against HIV worldwide through the strengthening of national programs and interagency coordination. PAFs are approved and coordinated by the U.N. Theme Group on HIV/AIDS in the respective country.	Model available upon request.

<sup>1</sup> Once approved, the proposals shall be part of an agreement between PAHO and the external partner.

<sup>2</sup> Includes requests from the Pan American Centers.

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**Annex III**

**GRANTING OF DELEGATION OF AUTHORITY TO REVIEW, APPROVE, AND SIGN VOLUNTARY CONTRIBUTION AGREEMENTS IN SPECIFIC CASES**

Country Entities (PWRs) are granted Delegation of Authority within the framework of the approved Biennial Work Plan to:

- (1) Perform the review and approval process of Voluntary Contributions;
- (2) Negotiate and agree upon institutional commitments;
- (3) Sign agreements, subsidies, donations, and other documents on behalf of the Director;
- (4) Administer extra-budgetary funds received by PAHO/WHO;
- (5) Undertake the activities stipulated in agreements or other types of documents executed between the Organization and external partners; and
- (6) Submit the technical report agreed upon with the external partner within the framework of the signed agreement.

Specific requests to increase the level of Delegation of Authority may be submitted at the time of review by the requesting officer (For more information see Table 1).

**Table 1. Delegation of Authority by Types of Agreements and Amendments**

Types of Agreements and Amendments	With Delegation of Authority <sup>1</sup>	Without Delegation of Authority
Un-earmarked Voluntary Contributions to finance activities programmed in the Biennial Work Plan	Up to US\$ 25,000 <sup>2</sup>	Over US\$ 25,000
Earmarked Voluntary Contributions	Up to US\$ 50,000 <sup>3</sup>	Over US\$ 50,000
Extensions	First extension of an agreement for up to six months, as long as it does not contain changes to the programming and financing	Amendments and/or extensions of agreements/conventions of over six months or that contain programming changes or affect the conditions of the agreement

<sup>1</sup> The following cases have been identified as pilot projects for the decentralization and delegation of the review, approval, and signing of VCs. Over time, other cases may be identified and added to this list.

<sup>2</sup> The figures are cumulative within a single VC. That is, if the delegated financial ceiling is exceeded due to an amendment, the VC must be subject to standard procedures.

<sup>3</sup> Includes VCs accepted by PED whenever these are earmarked for emergency and/or disaster responses.

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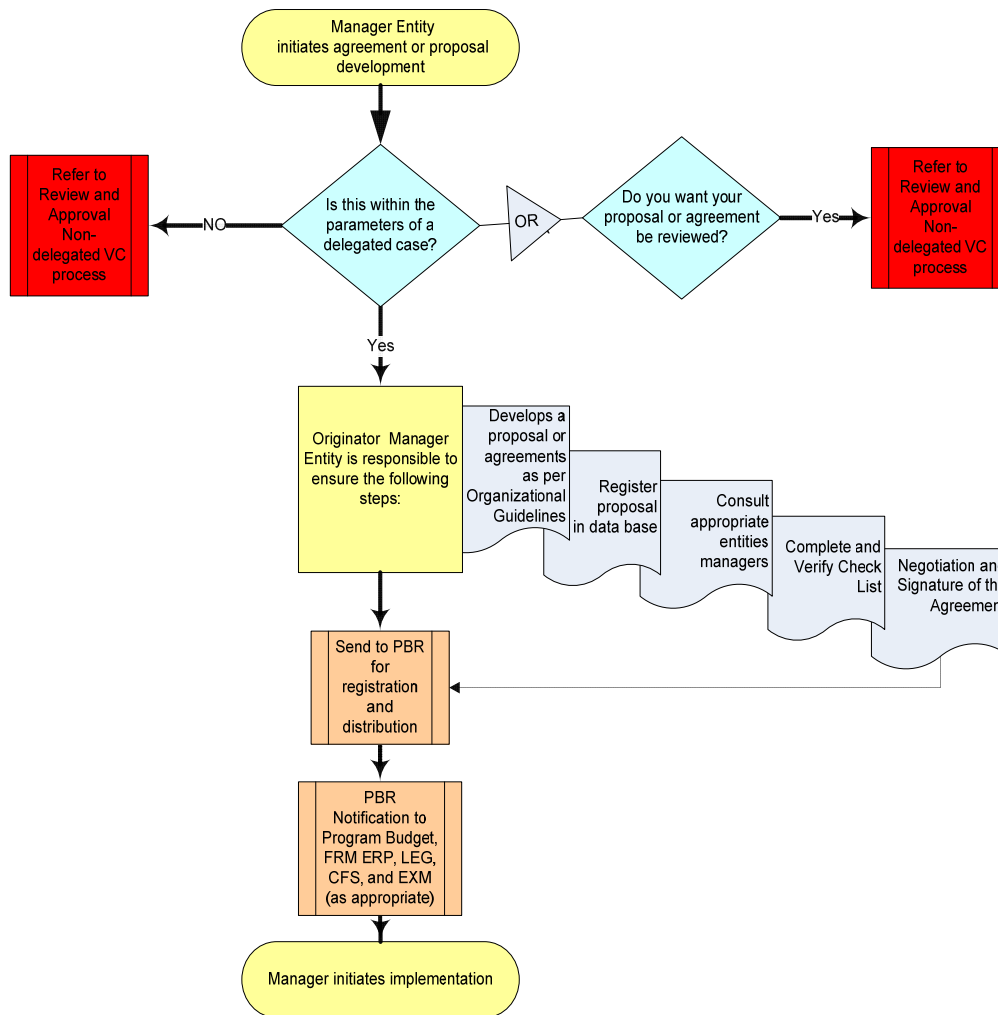
Types of Agreements and Amendments	With Delegation of Authority <sup>1</sup>	Without Delegation of Authority
	conditions of the original agreement	
UNAIDS Program Acceleration Funds (PAF)	Fully delegated	None of the above
Infrastructure maintenance agreement for offices at the country or subregional levels, including Pan American Centers	Delegated under specific conditions	Applicable under specific conditions
Agreements containing work plans associated with a VC that were originally subject to institutional <sup>4</sup> review	Provided that they are aligned with the contents of the Biennial Work Plan of the originating entity	If there are changes in programming, administration, or alignment with the Biennial Work Plan of the originating entity
Voluntary Contributions to complement funds for vaccination campaigns	Fully delegated	
Interagency agreements	If they meet the specifications described in the previous items	

<sup>4</sup> If the workplan alters any of the project's conditions, purposes, or goals, it must be submitted for institutional review.

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**Figure 1.**

**Review and Approval  
Delegated Voluntary Contribution Process**



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**Voluntary Contribution Review and Approval with Delegation of Authority**

An Entity Manager shall have the option and flexibility to negotiate, sign, and amend Voluntary Contributions agreements and/or proposals only in the cases identified in this policy (See table 1 in page 14). This measure is expected to facilitate a rapid response during negotiations with external partners, especially those at the country level.

Entity Managers are responsible for guaranteeing that the policies, procedures, guidelines, and formats of the Organization have been duly taken into account and complied with during the preparation, review, negotiation, and signature of a Voluntary Contribution. ([see Annex IV – \(hyperlink\)](#)). In the event of noncompliance with this policy, the Entity Manager shall be subject to the pertinent administrative sanctions.

In order to review, approve, and sign VC agreements on behalf of the Organization<sup>5</sup>, the Delegation of Authority<sup>6</sup> is granted and the procedure below (also see Figure 2) must be followed:

**Step 1:** The Entity Manager with Delegation of Authority initiates an action to prepare a proposal or agreement for a Voluntary Contribution, assigning a subordinate to prepare all the documentation.

**Step 2:** The Manager decides whether the proposal for the Voluntary Contribution meets the criteria for Delegation of Authority cases. If for some reason the Manager deems that it does not, the proposal will proceed to the institutional review process described in Figure 2.

**Step 3:** Depending on the cases that fall under Delegation of Authority, the Manager prepares, negotiates, and signs the Voluntary Contribution agreements on behalf of the Organization.

**Step 4:** The Manager enters the proposal and/or signed agreement in the Voluntary Contributions database, certifying in writing that the review process has been carried out as described in Step 2 and indicating the type of Voluntary Contribution delegated.

**Step 5:** PBR/RC confirms the information entered in the database and distributes it to the pertinent entities: External Relations, Resource Mobilization and Partnership (ERP), Financial

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<sup>5</sup> The Office of Legal Counsel usually processes the authorization to sign on behalf of PAHO/WHO for PAHO/WHO Representatives in their respective Country Offices and FEP and OCPC Managers. Managers at PAHO Headquarters do not have the authority to sign for PAHO/WHO; in this regard, please refer to GIB HQ/FO-07-38 dated 2 May 2007.

<sup>6</sup> Pan American Centers should channel their proposals through the respective Area Manager.

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Resources Management (FRM), Office of Legal Counsel (LEG), Planning, Budget and Resource Coordination (PBR), and Country Focus Support (CFS). Copies will be sent to other offices and the respective Regional programs, as appropriate. This step occurs prior to the establishment of any budgetary allotment or administrative action related to the VC agreement signed.

**Additional Considerations:**

- ❖ The Director reserves the right to request, at any time, a review of any approval issued under a Delegation of Authority.
- ❖ The Director is the only authority who may modify the Organization's PSC costs. PSC will continue to be governed by Directive HQ/FO-96-17. Managers are responsible for ensuring that the requirements of the procedure considered under the Delegation of Authority are met; if they are not, the respective Manager shall be subject to an investigation resulting in the application of administrative sanctions. The sanctions may include anything from withdrawal of the Delegation of Authority for a given period to removal from one's post.
- ❖ The guidelines and standardized formats for VC projects are included in Annex IV. The Office of Legal Counsel will provide the formats for agreements/conventions documents during 2010.
- ❖ The Manager is responsible for entering into the AMPES system the pertinent information on the annual disbursement plan, which will be the basis for awards of resources as they arrive and for subsequent evaluation of performance.
- ❖ Requests for additional Delegation of Authority when the VC so merits must be submitted through PBR.



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**Voluntary Contribution Review and Approval without Delegation of Authority**

If a Voluntary Contribution agreement/convention or proposal is not on the list of cases for which a Delegation of Authority has been granted, if the Entity Manager does not have a Delegation of Authority, or if for any reason the Manager chooses to submit the proposal for a institutional review, he/she should follow the procedure described in Figure 2.

**Step 1: Preparation of the Proposal and Consultation**

In order to guarantee a Voluntary Contribution's technical, administrative, and programmatic soundness, the Entity Manager must ensure that the pertinent Regional entities are involved from the outset in the preparation of the corresponding VC proposal.

The purpose of this step is to ensure that all factors usually considered in a formal institutional review are included in the design phase. If a proposal originating at the Regional level includes operations that will be carried out in specific countries, the respective Regional and country entities must be consulted. Moreover, those country entities which originate Voluntary Contribution proposals must likewise consult all corresponding Regional technical and administrative areas regarding relevant programmatic, strategic, or administrative issues. When appropriate, PBR may be included for a pre-review. PBR should then record this pre-review as such in the VC database.

The submission must include an annual disbursement plan to allow the awarding of resources as they arrive, as well as a performance review.

When the VC execution plans so merits, the submission may also include requests for specific increases in Delegation of Authority to facilitate implementation. These requests will be processed together with the VC proposal.

**Step 2:** Once the Manager sends the documentation to PBR with a copy to his/her supervisor (the respective Executive Management member, or CFS for subregional and country entities under the supervision of the Director), PBR shall proceed to enter the proposal in the database and assign it to an adviser of the entity for review.

PBR may, at its discretion, proceed in one of the following ways:

- (1) **Review without convening the Voluntary Contributions Review Committee.** When the Voluntary Contribution proposal contains all the required technical, programmatic, and administrative elements and criteria, PBR shall proceed with a recommendation for approval, so that negotiations with the external partner may continue and/or the

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agreement/convention may be signed, as appropriate. In the event that minor adjustments are needed, these issues should be resolved directly between the PBR adviser and the proposal's originator.

(2) **Review with consultation of the Voluntary Contributions Review Committee.** When proposals require more in-depth analysis and internal consultation, they must be sent to the Voluntary Contributions Review Committee. The Review Committee will then recommend one of the following actions:

- Approval. The originator is authorized to negotiate the mobilization of resources and/or sign the agreement/convention with an external partner. This includes a recommendation to LEG to authorize its signing, as well as the execution instruments, such as a Letter of Agreement.
- Approval with comments. Comments are included in order to strengthen and improve the proposal; the originator is responsible for introducing the indicated changes into the final version before continuing negotiations with an external partner and/or signing the agreement/convention.
- Non-approval. The originator must amend the proposal to reflect the Review Committee's comments, whether of a policy, programmatic, managerial, and/or administrative nature, and will be required to submit the proposal's amended version to PBR. The Review Committee will then be reconvened to review and take action on the new proposal.

**Composition of the Voluntary Contribution Review Committee**

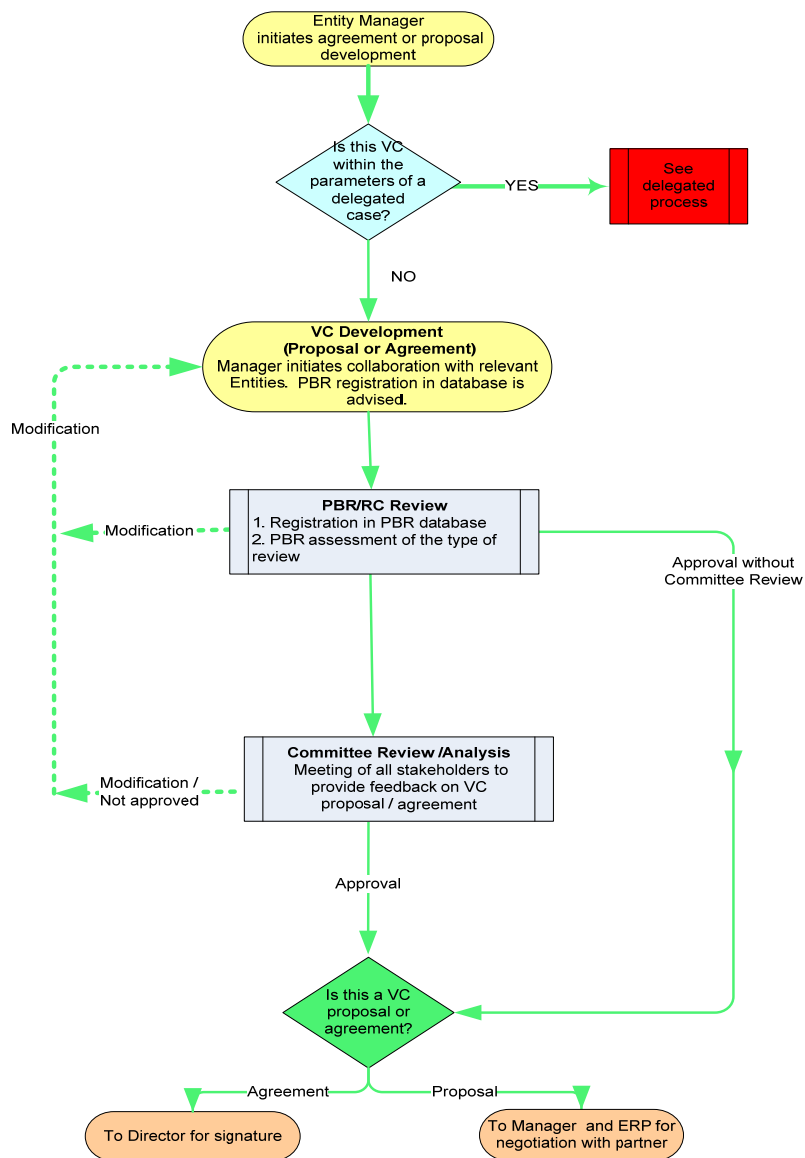
This Committee shall be comprised of staff designated by the following entities on a continuing basis: External Relations, Resource Mobilization, and Partnership (ERP), Planning, Budget, Resource Coordination, and Institutional Development (PBR), Financial Resources Management (FRM), and Office of the Legal Counsel (LEG). Whenever proposals or agreements/conventions originate in the country entities, Country Focus Support (CFS) shall be included. The pertinent entities at the regional, subregional, and country level, including the Pan American Centers, shall also be included when the proposal's subject so warrants this inclusion. PBR/RC shall act as the Committee's Secretariat.

**Step 3: Conclusion of the Review**

- PBR shall inform the Entity Manager of the results of the review and recommend a specific course of action to ensure that the dialogue/negotiation with the external partner continues, in coordination with ERP.
- If an agreement/convention is signed, LEG will proceed with the respective authorization.

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**Figure 2**  
**Review and Approval**  
**Non-Delegated Voluntary**  
**Contribution Process**



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**Annex IV**

**CHECKLIST CRITERIA FOR VOLUNTARY CONTRIBUTION REVIEW AND APPROVAL WITH DELEGATION OF AUTHORITY**

<b>Voluntary Contribution Checklist</b>																	
<p><b>This checklist must be completed and signed by the corresponding Entity Manager when a VC has been reviewed and approved within his/her Delegation of Authority. This checklist covers the following phases: Preparation, Internal Revision, Negotiation with External Partner(s), and Signature.</b></p> <p><b>Note to users:</b> Fields in the following format that will be automatically filled in are identified with an (A).</p>																	
<b>Preparation Phase</b>																	
<p>1. The identification of the VC (Project or Agreement) was made by: (A) (Select as many boxes as appropriate using an “X”.)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">a. PAHO</td> <td style="width: 5%; text-align: center;"><input type="checkbox"/></td> <td style="width: 25%;"></td> </tr> <tr> <td>b. Ministry of Health (MoH) request</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> <tr> <td>c. PAHO and MoH</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> <tr> <td>d. Offer by external partner (potential donor)</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> <tr> <td>e. In cooperation with other actors</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> </table>			a. PAHO	<input type="checkbox"/>		b. Ministry of Health (MoH) request	<input type="checkbox"/>		c. PAHO and MoH	<input type="checkbox"/>		d. Offer by external partner (potential donor)	<input type="checkbox"/>		e. In cooperation with other actors	<input type="checkbox"/>	
a. PAHO	<input type="checkbox"/>																
b. Ministry of Health (MoH) request	<input type="checkbox"/>																
c. PAHO and MoH	<input type="checkbox"/>																
d. Offer by external partner (potential donor)	<input type="checkbox"/>																
e. In cooperation with other actors	<input type="checkbox"/>																
2. Proposal preparation																	
<p>Primary person responsible (A)</p> <p>Name of the PAHO/WHO VC Responsible Officer</p>	<p>In cooperation with (A) (Select as many boxes as appropriate.)</p>	<p>In consultation with (A)</p>															



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Voluntary Contribution Checklist	
<b>International Institutions</b>	<b>Other</b>
U.N. system <input type="checkbox"/>	Religious <input type="checkbox"/>
International – Inter-American System <input type="checkbox"/>	WHO Collaborative Center <input type="checkbox"/>
International – NGO <input type="checkbox"/>	Associations, partnerships, or alliances <input type="checkbox"/>
International - associations <input type="checkbox"/>	<b>Subregional Institutions</b> <input type="checkbox"/>
3. Identification of roles for the VC’s execution or implementation <span style="float: right;">(A)</span>	
PAHO .....	
Counterpart .....	
Primary beneficiary .....	
Donor .....	
Others.....	
4. Total cost of proposal	
Donor contribution (include PSC).....	
PAHO contribution (if applicable).....	
Counterpart contribution.....	
Other contributions.....	
5. How is the project aligned with the PAHO Strategic Plan and Managerial Strategy? Please explain.	

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**Voluntary Contribution Checklist**

6. How is the project aligned with national health plans and priorities of PAHO/WHO Member States. Please explain.

7. Means for implementation identified in the VC proposal (A)  
(Select as many boxes as appropriate.)

- PAHO HR contracts (type)
- LOA
- Contracts
- Training courses and seminars
- Others  Explain .....

**Internal Revision Phase**

1. Was this proposal developed with the counterpart? (A)

- Yes
- No  .....Explain.....

2. How Is this proposal related to your BWP? (A)

- OSER
- OSER Indicator

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**Voluntary Contribution Checklist**

3. Which PAHO/WHO mainstreaming issues have been incorporated in the proposal?  
(Select as many boxes as appropriate.) (A)

- |                      |                          |
|----------------------|--------------------------|
| Gender and ethnicity | <input type="checkbox"/> |
| Human rights         | <input type="checkbox"/> |
| Indigenous Health    | <input type="checkbox"/> |
| Social protection    | <input type="checkbox"/> |
| Primary health care  | <input type="checkbox"/> |
| Health promotion     | <input type="checkbox"/> |
| Not applicable       | <input type="checkbox"/> |

4. With whom did you consult when developing the proposal's programmatic section?  
(Select as many boxes as appropriate.) (A)

- |                            |                          |
|----------------------------|--------------------------|
| PBR/RC                     | <input type="checkbox"/> |
| Your technical staff       | <input type="checkbox"/> |
| Other PAHO technical areas | <input type="checkbox"/> |
| PAHO/Country Office        | <input type="checkbox"/> |
| PAHO subregional entities  | <input type="checkbox"/> |
| WHO technical areas        | <input type="checkbox"/> |
| Others                     | <input type="checkbox"/> |

5. Which of the new modalities of work and technical cooperation does the project incorporate?  
(Select as many boxes as appropriate.) (A)

- |                                  |                          |
|----------------------------------|--------------------------|
| Inter-programatic collaboration  | <input type="checkbox"/> |
| Horizontal technical cooperation | <input type="checkbox"/> |
| Institutional capacity-building  | <input type="checkbox"/> |
| National execution               | <input type="checkbox"/> |
| U.N. interagency collaboration   | <input type="checkbox"/> |
| WHO interregional collaboration  | <input type="checkbox"/> |
| Trilateral cooperation           | <input type="checkbox"/> |
| Other (Please explain)           | <input type="checkbox"/> |

.....



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<b>Voluntary Contribution Checklist</b>	
6. With whom did you consult when developing the proposal's budget? <span style="float: right;"><b>(A)</b></span> (Select as many boxes as appropriate.)	
PBR/PB	<input type="checkbox"/>
PBR/RC	<input type="checkbox"/>
LEG	<input type="checkbox"/>
Entity's Administration	<input type="checkbox"/>
FRM	<input type="checkbox"/>
Other (Please explain)	<input type="checkbox"/>
.....	
7. Does the budget include PSC?	
Yes	<input type="checkbox"/>
No (Please explain why)	<input type="checkbox"/>
.....	
8. Does the budget include the execution timetable by semester?	
Yes	<input type="checkbox"/>
No (Please explain why)	<input type="checkbox"/>
.....	
9. Once the agreement/project is approved and PAHO receives the resources, the budget must be presented by activity type and category of expenditure. The use of financial resources through PAHO is subject to PAHO/WHO financial regulations and requirements and must comply with the International Public Sector Accounting Standards (IPSAS). Does this proposal comply with all of the above conditions? <span style="float: right;"><b>(A)</b></span>	
Yes	<input type="checkbox"/>
No (Please explain why)	<input type="checkbox"/>
.....	
10. Will this proposal be attached to or signed through an agreement with an external partner? <span style="float: right;"><b>(A)</b></span>	
Yes	<input type="checkbox"/>
No (Please explain why)	<input type="checkbox"/>

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<b>Voluntary Contribution Checklist</b>	
11. The proposal agreement was developed using:	<b>(A)</b>
A LEG model agreement	<input type="checkbox"/>
A previous agreement made with the same donor	<input type="checkbox"/>
I received a donor agreement proposal	<input type="checkbox"/>
Other	<input type="checkbox"/>
12. With whom did you consult when developing the proposal agreement? (Select as many boxes as appropriate.)	<b>(A)</b>
LEG	<input type="checkbox"/>
PBR/RC	<input type="checkbox"/>
Entity's Administration	<input type="checkbox"/>
FRM	<input type="checkbox"/>
CFS	<input type="checkbox"/>
Other (Please provide details)	<input type="checkbox"/>
.....	
<b>Negotiation with External Partner(s) Phase</b>	
1. Who were the parties involved in the negotiation process? (List all pertinent parties, including PAHO, counterpart institutions, if applicable, and external partners).	
2. When was the first discussion held with the potential donor? (Include background information: date of meeting, minutes, and first agreements made).	
3. Were substantial changes introduced in the last version of the proposal/agreement?	
Yes (Please list the changes)	<input type="checkbox"/>
No	<input type="checkbox"/>

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**Voluntary Contribution Checklist**

4. How did all the parties involved in developing the proposal/agreement arrive at a final decision to approve it? (For example, did this occur during a meeting or through a series of e-mail exchanges?)

**Signature Phase**

1. Was an agreement signed?

Yes  (please provide date)  
No

2. Does the agreement have a project document?

Yes   
No

3. Who signed the agreement?

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**Annex V**

**FORMAT FOR THE PRESENTATION OF PROPOSALS OR PROJECTS TO  
BE FUNDED THROUGH VOLUNTARY CONTRIBUTIONS (VC)**

**Registration number:** \_\_\_\_\_ (To be completed by PBR/RC)

**PBR/RC staff in charge:** \_\_\_\_\_ (To be completed by PBR/RC)

**Note to users:** Fields identified with an (A) will be automatically filled in.

1. Proposal or project title	
2. AMPES Entity Originator	(A)
3. PAHO/WHO AMPES Entity Manager	(A)
4. PAHO biennium	(A)
5. Project duration (in months) a. Beginning date: (A) b. Termination date: (A)	
6. External partner or donor	(A)
7. Counterpart institution	(A)
Was this proposal developed with the counterpart?	(A)
Yes <input type="checkbox"/>	
No <input type="checkbox"/> Why? _____	

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<p>8. Cost estimates (For extensions, indicate both additional and total costs in US\$)</p> <p>Expected contribution of financial partner (donor): .....</p> <p>Expected contribution of PAHO: .....</p> <p>Expected contribution of country counterpart: .....</p> <p>Total VC cost: US\$.....</p>												
<p>9. Type of VC (Select as many boxes as appropriate.)</p> <p>New</p> <table><tr><td>Project</td><td><input type="checkbox"/></td></tr><tr><td>Agreement</td><td><input type="checkbox"/></td></tr><tr><td>Umbrella Agreement</td><td><input type="checkbox"/></td></tr></table> <p>Modification</p> <table><tr><td>Project</td><td><input type="checkbox"/></td></tr><tr><td>Agreement</td><td><input type="checkbox"/></td></tr><tr><td>Umbrella Agreement</td><td><input type="checkbox"/></td></tr></table>	Project	<input type="checkbox"/>	Agreement	<input type="checkbox"/>	Umbrella Agreement	<input type="checkbox"/>	Project	<input type="checkbox"/>	Agreement	<input type="checkbox"/>	Umbrella Agreement	<input type="checkbox"/>
Project	<input type="checkbox"/>											
Agreement	<input type="checkbox"/>											
Umbrella Agreement	<input type="checkbox"/>											
Project	<input type="checkbox"/>											
Agreement	<input type="checkbox"/>											
Umbrella Agreement	<input type="checkbox"/>											
<b>PROJECT DESCRIPTION</b> <b>Technical Information</b>												
<p>10. Background</p>												
<p>11. Country or countries where project will be executed (beneficiaries) (A)</p>												
<p>12. Main health issue(s), challenge(s), need(s), and/or problem(s) to be addressed by the project. (Refer to the project's goal.)</p>												

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13. Brief description of main project outcome (Refer to the project's purpose.)	
14. Expected results (deliverables/outcomes), when applicable	
15. How is the project aligned with the PAHO Strategic Plan and Managerial Strategy? Please explain.	
16. How is the project aligned with national health plans and priorities of PAHO/WHO Member States? Please explain.	
17. How is this proposal related with your BWP?	(A)
OSER <input type="checkbox"/>	
OSER Indicator <input type="checkbox"/>	
18. PAHO/WHO's mainstreaming issues covered by the proposal. (Select as many boxes as appropriate.)	(A)
Gender and ethnicity <input type="checkbox"/>	
Human rights <input type="checkbox"/>	
Indigenous Health <input type="checkbox"/>	
Social protection <input type="checkbox"/>	
Primary health care <input type="checkbox"/>	
Health promotion <input type="checkbox"/>	
Not applicable <input type="checkbox"/>	

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19. Which Millennium Development Goal(s) (MDG) will be addressed by this project?	
20. Are PAHO Priority Countries included in this project? (A)	
Yes <input type="checkbox"/>	Which ones? _____ (A)
No <input type="checkbox"/>	
21. Project incorporates new modalities of work and of technical cooperation (A) (Select as many boxes as appropriate.)	
Inter-programmatic collaboration	<input type="checkbox"/>
Horizontal technical cooperation	<input type="checkbox"/>
Institutional capacity-building	<input type="checkbox"/>
National execution	<input type="checkbox"/>
U.N. Interagency collaboration	<input type="checkbox"/>
WHO interregional collaboration	<input type="checkbox"/>
Trilateral cooperation	<input type="checkbox"/>
Other	<input type="checkbox"/> Explain _____
22. With whom did you consult when developing the proposal's programmatic section? (Select as many boxes as appropriate.) (A)	
PBR/RC	<input type="checkbox"/>
PAHO technical areas	<input type="checkbox"/> Specify which area(s) _____
Your technical staff	<input type="checkbox"/>
WHO technical areas	<input type="checkbox"/> Specify which area(s) _____
Others	<input type="checkbox"/> Specify _____
<b>BUDGETARY ASPECTS OF THE PROJECT</b>	
23. With whom did you consult when developing the budget ? (Select as many boxes as appropriate.) (A)	

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<p>PBR/PB <input type="checkbox"/></p> <p>PBR/RC <input type="checkbox"/></p> <p>LEG <input type="checkbox"/></p> <p>Entity's Administration <input type="checkbox"/></p> <p>FRM <input type="checkbox"/></p> <p>Other <input type="checkbox"/> Specify which area(s) _____</p>
<p>24. Total cost of the VC</p> <p>Donor contribution (include PSC) .....</p> <p>PAHO contribution (if applicable).....</p> <p>Counterpart contribution .....</p> <p>Other contributions.....</p>
<p>25. Does the budget include an execution timetable? <span style="float: right;">(A)</span></p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/> Why not? _____</p>
<p>26. The budget for the donor contribution must be presented by activity type and category of expenditure, and must include at the very minimum a semester execution timetable. It is possible that at the negotiation stage, the budget is only partially developed. However, once the project is approved, Managers will be required to program resources in the AMPES system for the project's entire projected life.</p> <p>The use of financial resources of any VC is subject to PAHO/WHO financial regulations and requirements and must comply with the International Public Sector Accounting Standards (IPSAS).</p>





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<b>26.b BUDGET BY CATEGORY OF EXPENDITURE - (Expressed in US\$)</b>				
<b>Category</b>	<b>Total Budget</b>	<b>Calendar Year 1 (show from/to months)</b>	<b>Calendar Year 2 (show from/to months)</b>	<b>Calendar Year 3 (show from/to months)</b>
Personnel/labor	-			
Equipment	-			
Supplies and materials	-			
Rent	-			
Utilities	-			
Travel	-			
Other (specify)	-			
<b>Total</b>	-	-	-	-

27. List the partner institutions, if any, and their contributions to the project.

28. Means for implementation identified in the proposal (A)  
(Select as many boxes as appropriate.)

PAHO HR contracts (type)	<input type="checkbox"/>
LOA	<input type="checkbox"/>
Contracts	<input type="checkbox"/>
Training courses and seminars	<input type="checkbox"/>
Others	<input type="checkbox"/>

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**REPORTS**

29. Submission of reports (insert date for each)

**PROGRESS REPORT.** - if there are more than two reports, please indicate the sequence.

- First Progress Report:
- Second Progress Report (If it is applicable):
- Final Progress Report:

**FINANCIAL REPORT.** - if there are more than two reports, please indicate the sequence.

- First Financial Report:
- Second Financial Report (If it is applicable):
- Final Financial Report:

30. Please provide a brief description of the project's monitoring and evaluation plan.

31. Briefly explain any potential situation that could affect the normal execution of the project (i.e., a delayed start date, overestimation of project's pace in execution, and change in national authorities).

## **LETTERS OF AGREEMENT POLICY**

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**10** **Objective**—To establish the policy for PAHO to enter into relationship with another institution for the delivery of technical cooperation (TC) that ensures ongoing activities are compatible with the PAHO’s Strategic Plan and activities needed to implement a PAHO AMPES Entity’s Biennial Work Plan.

**20** **Scope**—This policy applies to all Letters of Agreement (LOAs) executed at any of the three levels of the Organization: country, subregional and regional. All LOAs must be initiated and executed through the LOA Module of AMPES-OMIS.

#### **30** **Policy and Essential Procedures**

**30.1** **Letter of Agreement**—A Letter of Agreement shall be used rather than a Contractual Service Agreement (CSA) whenever PAHO/WHO transfers funds to any institution to support a set of jointly agreed upon activities.

(1) The initiative must be jointly agreed upon by PAHO/WHO and the Beneficiary. It can be part of a project already undertaken by the Beneficiary, sometimes with more donors, or it may have the objective of scaling up an ongoing project that the Beneficiary would otherwise have undertaken on a smaller scale. The Beneficiary of a LOA is not expected to render services or provide goods to or on behalf of PAHO/WHO.

(2) The initiative must be submitted by the AMPES Entity Manager using the standard format attached in [Annex I \(hyperlink\)](#), which is part of the LOA AMPES-OMIS module. However, at its discretion, the AMPES Entity Manager may keep additional information on the initiative for monitoring and control purposes.

(3) PAHO AMPES Entities are allowed to originate LOAs to be executed only within their scope of responsibility. Headquarters Areas and Offices may originate LOAs to be executed at the regional level; subregional entities may originate LOAs that support subregional integration in health; and, the PAHO/WHO Country Offices may originate LOAs to be executed at the country level.

(4) In order to be eligible as a Beneficiary, an institution must comply with the requirements outlined in 30.3 Eligibility of the Beneficiary. LOAs may be executed only when institutions whose governance mechanism ensures that reasonable, proper, technical, and financial controls are such that the PAHO/WHO can be assured that the responsibilities defined in the LOA can be properly discharged by the Beneficiary.

**30.2** **Exclusions from the use of LOAs**—A LOA shall not be used for regulating the transfer of financial resources to fund the following:

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(1) Whenever PAHO/WHO expects to receive a specific good or service in return of a payment;

(2) Fellowships;

(3) Workshops, courses, and meetings (notwithstanding that the Beneficiary may allocate part of the budget to fund workshops, courses, and meetings as a line item within the budget of the initiative); another exception is if the Beneficiary is already conducting widespread training that implies carrying out many workshops or courses and PAHO/WHO wishes to strengthen such activity;

(4) Purchase of equipment (notwithstanding, the Beneficiary may allocate part of the budget to fund equipment and refurbishment as a line item within the budget of the initiative, as long as this expenditure is not higher than 20% of the total; none of this equipment may later become PAHO/WHO property);

(5) Funding for building, refurbishment or repair of physical infrastructure (unless it is programmed in the earmarked voluntary contribution document and represents less than 20% of the total budget amount of the LOA initiative);

(6) Transfer of resources to individuals;

(7) 30.2 (1) through (6) above are regulated through other instruments;

(8) The Beneficiary shall not use funds from a LOA to pay for services rendered by a person who is employed by a ministry of health or any public sector institution.

**30.3 Eligibility of the Beneficiary**—The Beneficiary must be an institution with substantiated technical competence and financial solvency. The LOA AMPES-OMIS Module will be linked to a roster of eligible Beneficiary institutions, which will include national and international institutions, United Nations Agencies, Institutions of the Inter-American System, subregional institutions, and WHO collaborating centers, among others. The Ministries of Health automatically are included in the roster of eligible beneficiaries.

**30.4 Eligibility Documentation**—Any AMPES entity is competent to incorporate other institutions in the roster of eligible Beneficiaries in the appropriate AMPES Module, by confirming that the institution has presented the required documentation for eligibility and meets the minimum eligibility requirements below. After receiving and reviewing this documentation, the AMPES Entity Manager may add the institution to the roster of Eligible Beneficiary institutions. Once eligibility has been established, a Beneficiary's Eligibility Documentation is valid for a period of two years. The documentation from the Beneficiary shall be kept in the filing system of the AMPES entity for a period of seven years.

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The AMPES Entity Manager shall ensure that the potential Beneficiary institution provides the following documentation:

(1) The Beneficiary’s most recently audited financial statement shall be no more than two years old. The auditor’s opinion shall reflect an “unqualified audit”. If the opinion is other than unqualified, a formal review of the audit opinion shall be undertaken to determine whether the institution has the necessary financial controls and capacity to be included in the roster of Eligible Beneficiaries;

(2) The Beneficiary’s legal constitution;

(3) The Beneficiary’s manual of norms and administrative procedures shall be presented when the LOA is over the delegation of authority;

(4) Statement from the Beneficiary confirming compliance with national laws;  
and

(5) Statement from the AMPES Entity Manager providing justification that the Beneficiary has the technical competence to conduct the proposed set of activities (initiatives).

**30.5 Ineligible Beneficiaries**—Any institution on the roster of Eligible Beneficiaries may become ineligible. The system will automatically create an active list of ineligible Beneficiaries and the system will prevent the selection of a Beneficiary that is on the ineligibility list. A Beneficiary may become ineligible in the following cases:

(1) Beneficiaries who have not submitted the Final Report within 60 days from its due date;

(2) Beneficiaries whose reports have not been approved by PAHO/WHO 60 days after submission;

(3) Beneficiaries who have not returned the funds that were not applied during the execution of the initiative to PAHO/WHO; and

(4) Beneficiaries who have not updated their Eligibility Documentation after a two-year period or whose Eligibility Documentation is no longer sufficient to meet the eligibility requirements (e.g. qualified audit).

30.5.1 It will be at the discretion of an AMPES Entity Manager to exempt a Ministry of Health from this rule in the case of LOAs to be executed by different units within said institution. For example, if Program A of the Ministry of Health has not complied with



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submission of the Final Report to PAHO/WHO as scheduled, the AMPES Entity Manager may still, if so desired, proceed with a new LOA for Program B within the same Ministry.

**30.6 Amendments to Letters of Agreement**—If necessary, LOAs may be amended, specifically to:

(1) Reprogram the use of funds within the original objective of the LOA and without a budgetary increase, as long as the expected programmatic results are not affected;

(2) Change an implementation timetable (only one extension is authorized) or reporting schedule so long as sufficient time is allotted to submit a report to the external partner;

(3) Amend other associated terms not related to an activity. With the exception of the fill-in fields, under no circumstances, shall any language of the LOA legal format be modified without the express written consent of PBR and LEG;

(4) Increase of funds as long as the total amount of the LOA is maintained within the delegation of authority. (All these amendments may be completed by the AMPES Entity Manager without consulting PBR, and for which he/she will be held fully accountable);

(5) If an amendment affects the expected programmatic results of the LOA or if the budget is increased above the delegation of authority, the AMPES Entity Manager shall inform PBR and await its approval; and

(6) All amendments must be made in writing and signed by the original LOA signatories or his/her legal designee at the time of the amendment. Oral or written statements made by a staff member or any other person representing PAHO/WHO, or by the Beneficiary, shall have no effect in modifying the terms of a LOA. Amendments must be justified and shall not be based on the unwillingness or inability of the Beneficiary to deliver in accordance with the original LOA.

**30.7 Financial Regulations**—The use of financial resources through a LOA is subject to PAHO's existing financial regulations and financial rules, and requirements for compliance with applicable accounting standards in effect. In order to ensure that the amount agreed upon for the initiative has been accurately calculated, the LOA needs to have a budget and a timetable based on a calendar year, which will also provide a benchmark for reviewing the financial report. The following policies apply:

(1) A LOA shall only provide funds to be executed during a maximum period of two years. This period may involve one or two of the Organization's biennial planning periods.

(2) The funds may be obligated for a period not to exceed 24 months. However, the LOA transfers must be entered into OMIS payment schedule. This payment

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schedule must represent the estimated value of the activities expected to be completed during each calendar year period, as well as cash disbursements to the beneficiary. The payment schedule must conform to the expected completed activities disbursements for each calendar year period.

(3) PAHO/WHO shall not pay overheads on financial transactions; therefore, the budget for the execution of a LOA shall include only direct costs itemized according to expenditure categories. No overhead costs will be recognized;

(4) The term of any LOA shall not exceed the period of execution of an activity plus the required reporting period;

**30.8 Schedule and Transfer Authorization**—The transfers (disbursements), as identified in the transfers schedule must not exceed the obligated amount and must be tied to the calendar year budget (expected deliverables) as presented in the proposed budget and in the payment schedule covered in paragraph 30.7(2).

(1) The schedule of transfers shall include at least two transfers (first transfer and final transfer) tied to the calendar period. If the PAHO/WHO LOA Officer considers it appropriate, a second transfer may be established, totaling three transfers (first, second, and final transfer);

(2) The requirement of a minimum of two transfers shall be waived under the following circumstances: (i) LOA budget is less than US\$10,000; (ii) execution period of the activity is less than 15 calendar days; or (iii) LOA is issued in direct response to a declared emergency. In these cases, a single transfer is authorized;

(3) The first transfer to the Beneficiary may be for no more than 90% of the LOA budget. The final transfer must be for at least 10% of the total budget and will be paid to the Beneficiary upon approval of a Final Report by the PAHO/WHO LOA Officer. The system will allow the PAHO/WHO LOA Officer to indicate when the Final Report has been received and when he/she has approved it. Authorization for the final transfer will be made only if the Final Report has been approved;

(4) All transfers shall be made out directly in the name of the Beneficiary institution and will be deposited directly into the Beneficiary's bank account via electronic bank transfer whenever possible. The corresponding bank account information shall be stipulated within the LOA.

**30.9 Reports**—Each LOA will require one or two Progress Report (as determined by the AMPES Entity Manager) as well as a Final Report that shall be submitted by the Beneficiary. The reports must be related to the original document of the initiative financed by the LOA.

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30.9.1 Each Report shall contain two sections, as follows:

(1) Technical execution: documenting the progress made in the implementation of the LOA with respect to the original plan and with emphasis on accomplishment of the activities defined in the LOA initiative, which contribute to the OSER/OSER indicators.

(2) Financial execution: confirming that the resources were spent as agreed upon in the LOA.

30.9.2 Both sections of the report shall be coordinated by correlating the degree of technical execution with the utilization of funds. The PAHO/WHO LOA Officer designated for the LOA shall ensure that the reports are submitted according to the schedule and that they demonstrate compliance with the objective of the signed LOA. It is important that the Reports be well structured, concise, and specific.

30.9.3 Each financial report must include a statement signed and dated, stating that the financial data as presented is accurate and in accordance with the Beneficiary's financial rules and regulations. The statement shall be signed by a senior official from the Beneficiary's finance department. Sample formats for the reports are included in [Annex II \(Progress Report\) \(hyperlink\)](#) and [Annex III \(Final Report\) \(hyperlink\)](#). [Annex V \(hyperlink\)](#) includes the requirements for review of financial reports and examination of source documents.

**30.10 Schedule of Reports**—The Beneficiary shall submit a minimum of two reports:

(1) A Progress Report; and

(2) A Final Report that shall be received by the PAHO/WHO LOA Officer no later than 60 days following the final date indicated in the LOA document, and shall be approved by the PAHO/WHO LOA Officer no later than 60 days after its receipt. This 60 day period includes any discussion period between PAHO/WHO and the Beneficiary and is required to obtain approval of the Final Report in case the first version is not approved by PAHO/WHO. The PAHO/WHO LOA Officer will enter the status of the reports into the LOA AMPES-OMIS Monitoring Module ([Annex IV - hyperlink](#)), under Status of reports.

**30.11 Waiver of Reports**—Submission of a Progress Report shall be waived under the same circumstances mentioned in Section 30.7 for waving the requirements of two fund transfers, when: (i) LOA budget is less than US\$10,000; (ii) the execution period of the activity is less than 15 calendar days; or (iii) LOA is issued in direct response to a declared emergency.

**30.12 Procedures**—The review and approval process of a LOA is described in [Graph No. 1 \(hyperlink\)](#) of this directive.

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**40 Responsibility**

**40.1 Responsibility of the LOA's Business Owner**—The Planning, Budget and Resource Coordination (PBR) area is designated as the LOA business owner in PAHO/WHO. In this capacity, PBR is responsible for ensuring that the policies and procedures related to the Letters of Agreement are kept up to date and implemented effectively.

**40.2 Responsibility of the Beneficiary**—The Beneficiary is responsible for:

(1) Executing the LOA according to the agreed upon initiative. The Beneficiary of a LOA is expected to apply the funds as approved;

(2) Providing the necessary documentation for registration in the Beneficiary roster;

(3) Submitting the Progress and Final Reports, as well as any refunds, to PAHO/WHO within sixty (60) days after the LOA expiration date, to include:

- (a) A technical narrative documenting that activities have been conducted according to what was agreed upon in the LOA, and
- (b) A budgetary and financial accounting declaring that the resources were in fact expended as agreed. Both reports are to be submitted in the standard formats shown in [Annex II](#) and [Annex III \(hyperlink\)](#);

(4) Additional advances and the final transfer processed after the initial advance are at a minimum, subject to the submission of: (a) a Progress Report, and (b) a Final Report. Progress Reports may be waived for the reasons indicated in section 30.11.

(5) The funds that were not expended shall be returned to PAHO/WHO together with a final financial report no later than sixty (60) days after the final date of the agreement;

(6) The Beneficiary shall be responsible for maintaining all official accounting documents for a period of at least seven years. This is necessary in the event PAHO and/or PAHO's auditors determine to carry out an audit of the LOA;

(7) The LOA shall be signed by the Beneficiary's authorized legal representative;

(8) The Beneficiary shall also indicate the name of a contact person (Beneficiary Officer) who will act as the technical liaison with PAHO/WHO and will be the counterpart to the PAHO/WHO LOA Officer. The individual who signs on behalf of the Beneficiary shall be different from the Beneficiary Officer.

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**40.3 Responsibilities of PAHO/WHO’s AMPES Entity Personnel**—The two key PAHO/WHO staff involved in the management of a LOA are the AMPES Entity Manager and the PAHO/WHO LOA Officer. Since each role has a specific set of responsibilities, they must be performed by different officials. As such, the Ampes/Omis system will not allow the same name to be entered in both sections. All PAHO/WHO rules and regulations regarding ethics, behavior, and relations with commercial entities apply to PAHO/WHO staff involved in the origination, review, approval, and execution of a LOA.

**40.3.1 Responsibilities of the AMPES Entity Manager**—The AMPES Entity Manager is the allottee. The responsibilities of the AMPES Entity Manager include, but are not limited to, ensuring that:

- (1) The LOA is aligned with the entity’s Biennial Work Plan (BWP);
- (2) The selected Beneficiary Entity ensures the LOA complies with the specifications defined by PAHO/WHO;
- (3) Verifying that the potential Beneficiary Institution is eligible according to PAHO/WHO established rules;
- (4) The resources are used only for the purposes and activities agreed upon under the terms of the LOA, and that the Beneficiary refunds any unused funds and submits its reports in a timely manner;
- (5) When the LOA is funded with resources from an earmarked voluntary contribution (EVC): (i) the activities funded with the LOA are proper and in accordance with the terms and conditions of the earmarked voluntary contribution (EVC) agreement; (ii) the execution of the LOA is completed with sufficient time to submit the required report to the external partner; and (iii) the Beneficiary provides a financial report in accordance with the requirements in the earmarked voluntary contribution (EVC) agreement, if different from the standard format provided in [Annex III \(hyperlink\)](#);
- (6) When executing more than one LOA with the same Beneficiary, the AMPES Entity Manager shall guarantee that the funds will be used for the implementation of different initiatives;
- (7) All LOA documentation is registered in the database and physical files are complete and preserved for a period of seven years; and unused funds are returned in a timely manner.

**40.3.2 Responsibilities of the PAHO/WHO LOA Officer**—In his/her role as technical counterpart, the responsibilities of the PAHO/WHO LOA Officer include, but are not limited to:

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- (1) Verifying that the Beneficiary complies with the terms of the LOA;
- (2) Assessing compliance of the potential Beneficiary with the Eligibility Documentation;
- (3) Following up with the Beneficiary on the timely submission of the Progress and Final Reports, as well as any refunds due to PAHO;
- (4) Receiving and reviewing the Progress and Final Reports from the technical and financial perspective, and approving or rejecting them within 60 days of receipt, thereby ensuring that there is sufficient time in case a report for an external partner needs to be prepared;
- (5) Recording the Report's status in the LOA AMPES-OMIS Monitoring Module;
- (6) Compiling and updating the reports and any other documentation which support his/her approval or rejection of the reports;
- (7) Requesting and examining additional documentation supporting the activities implemented by the Beneficiary to ascertain validity and compliance with the LOA, as necessary;
- (8) Keeping all the documentation related to the LOAs signed between the AMPES manager and the Beneficiary, for a period of seven years in the official filing system of the AMPES entity.

**40.4 Monitoring**—PBR/RC is responsible for monitoring the LOA process and its compliance. PBR/RC will also participate in the performance assessment of this process. During the implementation of the LOA, monitoring and any financial examination of documents shall be conducted under the responsibility of the PAHO/WHO LOA Officer.

**50 Definitions**

- **Accountability:** A system that includes the ability to demonstrate that work has been conducted in compliance with agreed rules and standards or to report accurately on performance results vis-à-vis plans, as well as clear rules of the consequences of achieving –or not– these results.
- **America's Planning, Programming, Monitoring and Evaluation System (AMPES):** The term AMPES is used to describe two different things – Firstly, on a conceptual level, it is the comprehensive system that incorporates the Pan American Sanitary Bureau's

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- planning, programming, monitoring and evaluation, and secondly, it is the software that supports many of these processes.
- **AMPES Programming Entities:** A generic term that designates a PASB programmatic unit. The AMPES entity is responsible for the development and execution of a Biennial Work Plan and its budget. As such, the AMPES system recognizes this entity as the nucleus for program and budget management, hence its name. Each AMPES entity has a manager. The AMPES Entity Managers are the following: Executive Management (EXM) members, Area Managers, Chiefs of some Offices, Subregional level Managers and PAHO/WHO Country Representatives.
  - **Initiative:** The set of activities that will be executed by the Beneficiary.
  - **Monitoring:** An ongoing function during intervention/execution that provides managers and stakeholders with regular feedback and indications of progress in the achievement of the expected results. Monitoring tracks the actual performance or situation against what was planned or expected according to pre-determined standards. Monitoring generally involves collecting and analyzing data on implementation processes, resource utilization, and achievement results.
  - **PAHO/WHO's AMPES Entity Personnel:** Usually the allottee and the LOA Signatory is the same individual, i.e., the AMPES Entity Manager. When an allotment for a LOA originates from Headquarters (HQ), regardless of the location of the Beneficiary, the LOA shall be signed by the HQ AMPES Entity Manager. AMPES Entity Managers cannot delegate signature of a LOA unless specifically allowed under their delegation of authority. Therefore, if a Regional entity wants to execute a LOA at the national level, the funds must be transferred to the respective PAHO/WHO country office, and the LOA should originate, be signed, and executed by the PAHO/WHO Representative.
  - **Project:** A purposeful undertaking which is organized to achieve specific objectives which have been established to solve a problem or satisfy a need. A project is goal-directed, time-limited, and produces specific results through the use of defined organizational resources.

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**ANNEX I**

**LETTER OF AGREEMENT (LEGAL FORMAT)**

*Letter of Agreement Number: (Fill-in Obligation Number)*

LETTER OF AGREEMENT BETWEEN *(Fill-in Name of the Beneficiary Institution)* and THE  
PAN AMERICAN HEALTH ORGANIZATION/WORLD HEALTH ORGANIZATION

The Pan American Health Organization, Regional Office of the World Health Organization (*hereinafter "PAHO/WHO"*), located at *(Fill-in Address)* and represented by *(Fill-in Name of PAHO/WHO AMPES Entity Manager)* and *(Fill-in Name of the Beneficiary Institution)* (*hereinafter "Beneficiary"*), located at *(Fill-in Address)*, duly represented by *(Fill-in Name of Representative & Title)*, hereby enter into the present Letter of Agreement, subject to the following:

**Article 1: Purpose and Title of the Letter of Agreement**

The purpose of this Letter of Agreement is to establish the terms and conditions pursuant to which PAHO/WHO and the Beneficiary will cooperate on the implementation of the following initiative: *(Fill-in Title of the Initiative that will be funded through this LOA)*, (*hereinafter, the "Initiative"*).

**Article 2: Commitments of the Beneficiary**

The Beneficiary, in accordance with the technical and budgetary characteristics established in Annex I, which constitute an integral part of this Letter of Agreement, shall comply with the activities and timetable outlined therein.

**Article 3: Commitments of PAHO/WHO**

Pursuant to its rules, regulations, policies, and procedures, PAHO/WHO shall transfer to the Beneficiary the total amount of: *(Fill-in the total amount of the LOA)*, according to the schedule of transfers and presentation of reports agreed to in Annex I. *(Fill-in Beneficiary banking information and routing for electronic transfers)*.

**Article 4: Initiative's Officers**

The Beneficiary designates the following individual as responsible for the execution and administration of this Letter of Agreement, until notification to the contrary:

Beneficiary Officer: *(Fill-in Name)*



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PAHO/WHO designates the following individual as responsible for the administration and monitoring of this Letter of Agreement, until notification to the contrary:

PAHO/WHO Officer: [\(Fill in Name\)](#)

**Article 5: Reports**

The Beneficiary shall prepare and submit to PAHO/WHO at least one Progress Report (number and dates of submission of the Progress Reports are specified in Annex I. Exceptions to the submission of the Progress Reports are contained in section 30.1 of the LOA Policy) and a Final Report no later than 60 days after the ending date of the agreement. The funds that were not expended shall be returned to PAHO/WHO with a final financial report no later than sixty (60) days after the ending date of the agreement.

All the reports must be submitted according to PAHO/WHO Formats (Annex II and III). PAHO/WHO may request the Beneficiary to submit supporting documents related to all activities and expenditures, including payment receipts.

**Article 6: Audit**

Any PAHO/WHO financial contribution received by the Beneficiary under this Letter of Agreement shall be subject to the usual PAHO/WHO audit and review procedure.

**Article 7: Relationship and Responsibility of the Parties**

The execution of this Letter of Agreement does not create any employer/employee, servant, agency or other binding relationship between the Beneficiary and PAHO/WHO, and PAHO/WHO shall not be responsible for any loss, accident, damage or injury suffered by the Beneficiary or any person employed by the Beneficiary arising out of or in connection with the execution of the Letter of Agreement or in any manner whatsoever.

**Article 8: Title, Copyright, Patent Rights and Others**

All rights, including title, copyright, and patent rights of any material(s) produced under the terms of this Letter of Agreement shall be vested in PAHO/WHO, which shall be entitled to make any changes or eliminate any part of the material(s) it deems advisable. The Beneficiary and its employees are allowed to use a copy of such material(s) for non-profit educational and research purposes, provided that PAHO/WHO rights are adequately recognized on the material(s).

**Article 9: Privileges and Immunities**

Nothing contained in this Letter of Agreement shall be either expressly or implied to be deemed a waiver of immunity from judicial process, confiscation, taxation, or other immunity or privilege

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which PAHO/WHO may enjoy, whether pursuant to treaty, convention, law, order or decree of an international or national nature or otherwise, or in accordance with international customary law.

**Article 10: Arbitration**

Any dispute between the Parties arising out of or relating to this Letter of Agreement that is not settled amicably shall be submitted to arbitration at the request of either Party. The Beneficiary and PAHO/WHO shall each appoint one arbitrator, and the two so appointed shall jointly appoint a third who shall act as the Chairperson. The procedure of the arbitration shall be decided on by the arbitrators and the expenses related to the arbitration, as assessed by arbitrators, shall be borne in equal parts by the Parties. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

**Article 11: Effectiveness, Amendment, and Termination**

This Letter of Agreement shall become effective on the date of its signature by the Parties and shall remain in effect until **(Fill-in date)**. No change in, modification of, or revision to this Letter of Agreement shall be valid unless made in writing and signed by an authorized representative of PAHO/WHO. In addition, either of the Parties may terminate this Letter of Agreement by giving 30 days advance notice in writing to the other. The Beneficiary may submit a written request for an exceptional extension.

The obligations assumed by the Parties under this Letter of Agreement may extend **(Choose 30/60/90/120)** days beyond its expiration or termination, as necessary, to allow extinction of all legal obligations assumed. Any balance of funds remaining upon termination of the Letter of Agreement and after the submission of the Reports stipulated Article 5, shall be returned to PAHO/WHO immediately.

IN WITNESS WHEREOF, the duly authorized Representatives sign this Letter of Agreement in two copies of equal content and validity, on the dates and places indicated below.

**FOR THE Beneficiary**

**FOR PAHO/WHO**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*AMPES Entity Manager Signature*

\_\_\_\_\_  
*(Fill-in Name and Title)*

\_\_\_\_\_  
*(Fill-in Name and Title)*

\_\_\_\_\_  
*(Fill-in and Date)*

\_\_\_\_\_  
*(Fill-in Place and Date)*

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**INSTRUCTIONS FOR COMPLETION OF THE LETTER OF AGREEMENT  
(LEGAL FORMAT)**

A Letter of Agreement (LOA) is defined as a technical cooperation instrument to transfer financial resources from PAHO/WHO to another institution (referred to as “the Beneficiary”), in order for the latter to execute an initiative that contributes directly to the PAHO/WHO Strategic Plan, through its Biennial Work Plans (BWP), and without direct involvement and supervision of PAHO/WHO. An initiative is defined as a set of activities that will be executed by the Beneficiary.

**Letter of Agreement Number**

In the space provided indicate the obligation number. This number will serve to identify the LOA.

**Heading of the Letter of Agreement**

This paragraph identifies, by name, the Parties and their respective addresses. The addresses should be the addresses to which all correspondence related to the LOA are to be sent and/or delivered. The name of the beneficiary will appear on all payment checks related to the LOA.

**Article 1. Purpose and Title of the Letter of Agreement**

This paragraph refers to the type of relationship being established between the Parties for a specific purpose. In the space provided, indicate a short title for the initiative or set of activities that will be funded through the LOA.

In case the LOA is part of a pre-existing commitment between PAHO/WHO and a third party (Voluntary Contribution), then this paragraph shall make reference to the particular Agreement or Project Document, and include the names of the parties and date of signing.

**Article 2. Commitments of the Beneficiary**

Identify the commitments of the Beneficiary in this space. In addition, information and details related to activities, outcomes, budget, and timetable must be attached to the Legal Format in the PAHO/WHO template for LOA Technical and Budgetary Components.

**Article 3. Commitments of PAHO/WHO**

In this paragraph, fill in the financial commitment of PAHO/WHO to support the LOA. Add the Beneficiary’s banking information to allow electronic bank transfers. Any other information related to advancing funds or making disbursements in installments, as well as specific conditions upon which each disbursement is to be made will be attached to this Legal Format in the PAHO/WHO template for LOA Technical and Budgetary Components.

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Please note that any disbursement of funds according to the timetable agreed upon with the Beneficiary must be approved by the PAHO/WHO LOA Officer .

**Article 4. Initiative’s Officers**

Each Party must designate a LOA Officer. The Beneficiary will provide the name of a contact person who will act as the technical liaison with PAHO/WHO and as the counterpart for the PAHO/WHO Project Officer. Please note that the individual who signs on behalf of the Beneficiary must be different from the contact person who acts as the focal point.

PAHO/WHO AMPES Entity Manager will designate a PAHO/WHO LOA Officer who will verify that the Beneficiary complies with the terms of the LOA. Please note that usually, the Allottee and the LOA Signatory is the same individual as the AMPES Entity Manager. The role of the PAHO/WHO LOA Officer must be performed by a different person.

The responsibilities and roles of the Beneficiary and PAHO/WHO personnel are described in the LOA directive.

**Article 5. Reports**

The Beneficiary must submit a Progress Report and a Final Report that must be submitted to the PAHO/WHO LOA Officer. Reports must be submitted in the PAHO/WHO Format for LOA Reports that will be provided to the Beneficiary. The submission of a Progress Report will be waived in those cases mentioned in Section V of the LOA directive. The reports should always make reference to the original document of the initiative financed by the LOA.

Each report will contain two sections:

- Technical execution: documents the progress made in the implementation of the LOA with respect to the original plan, with emphasis on accomplishments of the expected results agreed upon in the LOA initiative.
- Financial execution: confirms that the resources were spent as agreed upon by the LOA, including a financial statement describing the expenditures based on the format of the Budget. Please note that PAHO/WHO reserves the right to request supporting documents related to such expenditures, including all payment receipts.

This section must also include the reporting schedule. The Beneficiary will submit a minimum of two reports: (a) a Technical Progress Report prior to the last transfer; (b) and a Final Report that must be received no later than 60 days after the final date of the agreement and approved by the PAHO/WHO LOA Officer no later than 60 days after its submission.

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The PAHO/WHO LOA Officer designated to manage the LOA is responsible for ensuring that the reports are submitted according to schedule and that they comply with the purpose of the LOA. The PAHO/WHO LOA Officer will enter the status of the reports in the LOA AMPES-OMIS module.

**Articles 6 to 12**

These are standard provisions used whenever PAHO/WHO transfers funds to other Institutions. These articles may not be modified without the approval of PBR and LEG.

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**Attachment to Annex I**

**FORMAT FOR THE PRESENTATION OF PROPOSALS  
TO BE EXECUTED THROUGH A LETTER OF AGREEMENT (LOA)**

**Register Number:** \_\_\_\_\_ **(To be completed by PBR/RC)**

**PBR/RC Staff in charge:** \_\_\_\_\_ **(To be completed by PBR/RC)**

**Note to users:** Fields in the following format that will be automatically filled in from the Letter of Agreement Legal Format are identified with an **(A)**.

- 1. Title (A)
- 2. AMPES Entity Originator and Allotment number (A)
- 3. PAHO/WHO AMPES Entity Manager (A)

**BENEFICIARY INSTITUTION**

- 4. Name of the Beneficiary Institution (A)
- 5. Eligibility Documentation (mark with an “X” as appropriate) (A)
  - (a) YES
  - (b) NO
- 6. Beneficiary LOA Officer (A)
- 7. Type of institution (mark “X” as appropriate) (A)

Public Sector Institutions	Private Institutions
Governmental <input type="checkbox"/>	Private - NGO <input type="checkbox"/>
Decentralized Governmental Institution <input type="checkbox"/>	Private Associations <input type="checkbox"/>
Local Level (municipality) <input type="checkbox"/>	Private Academic <input type="checkbox"/>
Public Academic <input type="checkbox"/>	
Other Public Institutions <input type="checkbox"/>	
International Institutions	Other
UN System <input type="checkbox"/>	Religious <input type="checkbox"/>
International - Inter American System <input type="checkbox"/>	WHO Collaborative Center <input type="checkbox"/>
International – NGO <input type="checkbox"/>	Associations, Partnerships, or Alliances <input type="checkbox"/>
International Associations <input type="checkbox"/>	
	<b>Subregional Institutions</b> <input type="checkbox"/>

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**TECHNICAL AND BUDGETARY ASPECTS OF THE INITIATIVE**

8. LOA initiative level of execution (mark with an “X” as appropriate)

- (a) Country
- (b) Subregional
- (c) Regional

9. Identify the OSER and OSER indicators that the LOA initiative will support:

(A)

10. PAHO/WHO’s mainstreaming issues covered by the LOA. Mark the appropriate boxes with an “X”:

- (a) Gender and ethnicity
- (b) Human rights
- (c) Indigenous
- (d) Social protection
- (e) Primary health
- (f) Health promotion

11. Summarize the main outcomes:

12. Budget must be presented according to activities and by category of expenditure.

The use of financial resources through a LOA is subject to the same financial regulations and requirements of PAHO/WHO, in compliance with the International Public Sector Accounting Standards (IPSAS).





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**BUDGET BY CATEGORY OF EXPENDITURE - (Expressed in US\$ Dollars)**  
**NOTE: The breakdown should be done by calendar year. However, the total period to execute a LOA must not exceed 24 months**

<b>Category</b>	<b>Total Budget</b>	<b>Current Calendar Year (show from/ to months)</b>	<b>Future Calendar Year (show from/ to months)</b>	<b>2nd Future Calendar Year (show from/ to months)</b>
Personnel/labor	-			
Equipment	-			
Supplies and Materials	-			
Rent	-			
Utilities	-			
Travel	-			
Other (specify)	-			
<b>Total</b>	-	-	-	-

13. List the partner institutions, if any, participating in this LOA initiative:

14. Duration (in months)

- (a) Beginning Date: **(A)**
- (b) Termination Date: **(A)**

15. Authorization of Transfers

- First transfer (cannot be more than 90% of the total LOA amount): **(Fill-in date)**
- Second transfer (if the PAHO/WHO LOA Officer deems it necessary, a second transfer may be programmed): **(Fill-in date)**
- Final transfer (must be at least 10% of the total budget; should be paid upon approval of the Final Report by the PAHO/WHO LOA Officer): **(Fill-in date)**

NOTE: Transfers (disbursements) must represent the estimated value of the activities expected to be delivered during each calendar year period.

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16. Submission of Reports

- First Progress Report: (Fill-in date)
- Second Progress Report (if the PAHO/WHO LOA Officer deems it necessary, a second Progress Report may be programmed): (Fill-in date)
- Final Report: (Fill-in date)

17. Briefly explain any potential situation that could affect the normal execution of the LOA (i.e. delayed start, overestimation of execution speed, change in authorities, etc.).

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**ANNEX II**

**FORMAT FOR LOA PROGRESS REPORTS**

**TECHNICAL REPORT GUIDE**

1. Introduction
  - Brief summary of the LOA objective
  - Problems and shortcomings encountered during the LOA execution
2. Project
  - Main activities carried out
  - Include graphs, statistics, pictures, etc., as appropriate
  - Main outputs
  - Include relevant observations regarding the execution in relation with the implementation plan
3. References
  - Include information of other partners or donors
  - Cite any documentation that you consider important for the initiative
  - Lessons learned

**FINANCIAL REPORT**

1. Financial Report by Activity

<b>Activities Calendar Year 1</b>	<b>LOA Budget</b>	<b>LOA Expenditure</b>	<b>Expenditures/ Budget (%)</b>	<b>Explanation (*)</b>
-----------------------------------	-------------------	------------------------	---------------------------------	------------------------

**BUDGET CALENDAR YEAR**

Activities Calendar Year 2

**BUDGET CALENDAR YEAR**

**TOTAL BUDGET**

(\*) Following PAHO/WHO rules any variance higher than 10% has to be explained and properly justified.

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**ANNEX III**

**FORMAT FOR LOA FINAL REPORTS**

Reports should be concise and focused on what the LOA achieved.

**TECHNICAL REPORT GUIDELINES**

1. Introduction
  - Brief summary of the LOA objective
  - Target (population and area)
  - Brief references to the local/subregional/regional context when applicable
  - Problems and shortcomings encountered during the LOA execution
  - How your participation in the execution of this LOA made a difference
  - Which was the strategy used to accomplish the results
  - Emphasize important results during the execution, whether planned or unplanned
2. Results
  - In this section the report will always use the LOA initiative as a reference
  - Approach to the problem/issue under execution for the LOA
  - Main activities carried out
  - Include graphs, equations, pictures, etc., as appropriate
  - Results: Include relevant outcomes and outputs, observations, measurements, and any information that highlight the accomplishments
3. Evaluation Statement: based on the above section
  - What was accomplished and what was not
  - What was learned and what you would have done differently
  - Comments on the use, suitability of resources in connection with the outcomes
  - Conclusions
  - Recommendations
4. References
  - Cite any documentation that you consider important for the initiative

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**FINANCIAL REPORTS**

2. Financial Report by Activity

Activities Calendar Year 1	LOA Budget	LOA Expenditures	Expenditure/ Budget (%)	Explanation (*)
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**BUDGET CALENDAR YEAR**

Activities Calendar Year 2

**BUDGET CALENDAR YEAR**

**TOTAL BUDGET**

(\*) Following PAHO/WHO's rules any variance higher than 10% has to be explained and properly justified.

**Financial Report by Category of Expenditure**

Category	LOA Budget	LOA Expenditures Executed	Variance (%)	Explanation (*)
1. Personnel/Labor				
2. Equipment				
3. Supplies and materials				
4. Rent				
5. Utilities				
6. Travel				
7. Other (specify)				
<b>TOTAL</b>				

(\*) Following PAHO/WHO's rules any variance higher than 10% has to be explained and properly justified.

**Final Recommendations:**

1. Remember your audience – your report should be understandable to any health and administrative professional in PAHO/WHO.
2. Things to include in the report:
  - Pictures
  - Your observations and measurements
  - Statistics, Graphs, Figures
  - Simulations, models, political observations, quotes, news, etc.

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**ANNEX IV**

**AMPES-OMIS MONITORING MODULE**

**First Progress Report**

- **Date Programmed:** (A) **Date Received:** (Fill-in date)
- **Date Approved:** (Fill-in date)

**Second Progress Report (if any)**

- **Date Programmed:** (A) **Date Received:** (Fill-in date)
- **Date Approved:** (Fill-in date)

**Final Report**

- **Date Programmed:** (A) **Date Received:** (Fill-in date)
- 
- **Date Reviewed:** (Fill-in date)
- **Date Approved:** (Fill-in date)

**In case the Report is not received or is not approved, mark an “X” in the box (Ineligible)**

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**ANNEX V**

**Requirements for the Review of Financial Reports  
and Examination of Source Documents**

**Overview**

Upon submission, all financial reports must be reviewed by the PAHO/WHO Letter of Agreement (LOA) Officer. The LOA Officer must be familiar with the technical aspects of the LOA and the level of financial resources provided to the Beneficiary to achieve the expected results. Therefore, the LOA Officer must complete an initial review of the financial report to compare the financial resources provided to the budget line expenditures used to achieve the expected results.

The LOA Officer's review must include the following:

1. A determination that the expected results were fully met with the financial resources provided or an explanation as to the reason the expected results were not fully met.
2. Comparison of the actual funds expended vs. budgeted amounts per line item, based on the expected results as budgeted by agreement.
3. If differences between the actual amounts vs. budgeted amounts are greater than 10%, the Beneficiary must have provided an adequate explanation. If not, the LOA officer must request the explanation.

After reviewing the financial report, the LOA Officer has three options:

1. Accept the financial report without comments and/or reservations,
2. Accept the financial report with comments and/or reservations,
3. Reject the financial report with an explanation and request further clarification.

When the LOA Officer "Accepts the financial report without comments and/or reservations," a formal examination of the source documents supporting the financial report may not be required. When the LOA Officer "Accepts the financial report with comments and/or reservations" or "Rejects the financial report," a formal examination of the source documents must be conducted. This examination must be completed within 60 days from the receipt of the financial report. The requirements for financial examinations are described below.

**A Financial Examination of the Source Documentation is Required**

1. When the LOA Officer accepts the financial report with comments and/or reservations or rejects the financial report. This includes interim financial reports.
2. When the LOA is the first LOA signed by the Beneficiary and the amount of the LOA is over \$50,000 (or local currency equivalent).

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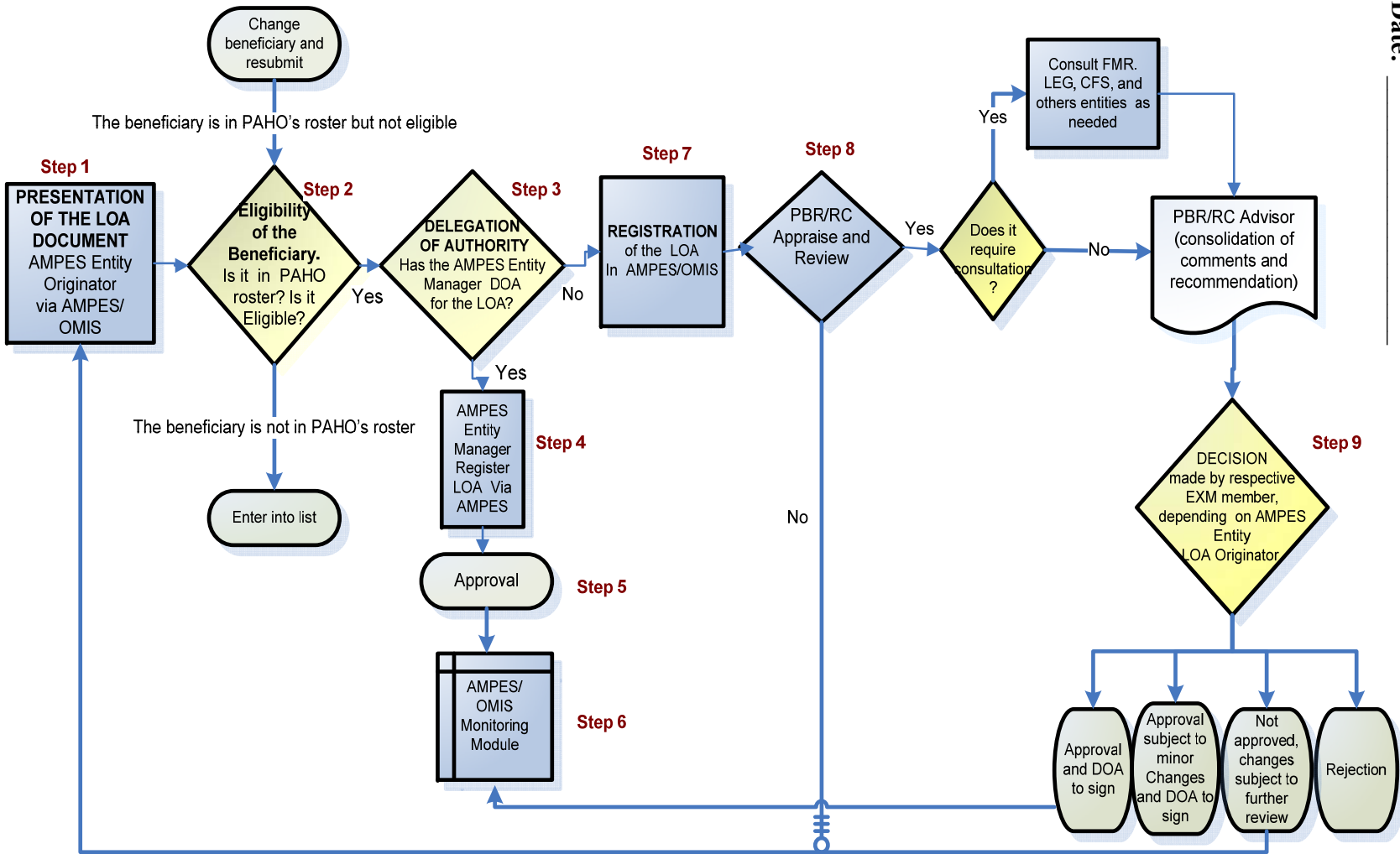
3. On a sample basis when the Beneficiary has received multiple LOAs and the Beneficiary has met all the reporting requirements. The sample should result in a minimum of one LOA every two years.
4. When an exception has been made to the eligibility requirements of a beneficiary institution.
5. In all cases when the total value of the LOA exceeds \$250,000 (or local currency equivalent).

**Performing Financial Examinations**

- Financial examinations must be performed by someone other than the LOA Officer. They may be performed by a staff member in the finance unit of the PWR office, or by a qualified accounting institution contracted locally.
- The financial examination must verify the expenditures reported on the financial report. This will include examining obligating, disbursing, and receiving (source) documentation to ensure the expenditure is properly supported and that the expenditure is appropriate under the terms of the agreement. In addition, the examination should ensure that the Beneficiary's rules and procedures were properly followed and that acceptable internal controls are in place.
- Each financial examination must be thoroughly documented with copies of supporting documents, including copies of pertinent sections of the Beneficiary's rules and procedures. LOA financial examinations will be subject to PAHO's internal and external audit reviews.



Graphic 1. - LOA FLOWCHART AND DESCRIPTION OF THE LOA PROCEDURE



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**DESCRIPTION OF THE LOA PROCEDURE**

1. STEP 1
  - Presentation of the LOA document: The originating AMPES entity will prepare the LOA document directly in the LOA AMPES Module. No one is authorized to modify the Legal Format of the Letter of Agreement or its Annex, where technical and budgetary information is provided (see attachment to Annex I). Any modification to the standard LOA template must be cleared in writing by PBR and LEG.
2. STEP 2
  - Eligibility of the Beneficiary: The AMPES module will request information about the Beneficiary: Is the Beneficiary on the PAHO/WHO roster? Is the Beneficiary Eligible? A) If the Beneficiary is not on the roster, the originating entity must provide “eligibility documentation” in order to include the institution on the roster. B) If it is on the roster but is ineligible, the originating entity should correct the reason for the ineligibility before continuing the process. C) If the beneficiary is on the roster and is eligible, the process can continue.
3. STEP 3
  - Delegation of Authority: Is the amount on the LOA within the delegation of authority of the AMPES Entity Manager? The process will differ according to the answer.

*Within Delegation of Authority*

4. STEP 4
  - Registration of the LOA: The LOA data is entered in the AMPES/OMIS Module and automatically registered.
5. STEP 5
  - Signature of the LOA: The AMPES Entity Manager is authorized to sign a Letter of Agreement (LOA) if the amount is within his/her delegation of authority.
6. STEP 6
  - Monitoring of the LOA: The AMPES entity should monitor the implementation of the LOA in the AMPES-OMIS monitoring module. Random examinations of the AMPES Entities led by PBR/RC will be conducted to assess compliance with the rules.

*Above Delegation of Authority*

7. STEP 7
  - Registration of the LOA: The LOA data is entered in the AMPES/OMIS Module and automatically registered. An e-mail is automatically generated and sent to PBR/RC informing

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that a new draft LOA has been created. The Originating AMPES Entity Manager is not required to send the LOA proposal by any other means to PBR/RC.

8. STEP 8

- Review, Appraisal and Recommendation by PBR: PBR/RC will conduct a preliminary review of the proposal to determine: (a) whether a LOA is the appropriate mechanism to fund that initiative, and (b) the internal consistency of the proposed document. PBR may request the opinion of other entities if deemed appropriate. PBR/RC will decide for one of the following options: (a) prepare a report for the respective Executive Management (EXM) member; (b) return it with comments to the originator; (c) request further clarification from the originator; or (d) reject the proposed document.

9. STEP 9

- Decision: The final decision on the LOA proposal will be made by the EXM member who has direct supervision of the AMPES Entity Manager, from whom the Letter of Agreement originates. The decision will be made by the Deputy Director (DD) for the strategic areas at Headquarters; by the Assistant Director (AD) for the technical areas at HQ; by the Director of Administration (AM) for the administrative areas at HQ; and by the Director who can delegate this task to the County Focus Support (CFS) Office for the Subregional and Country Office (PAHO/WHO Representations) entities.
  - Once the respective EXM member receives PBR/RC recommendations, he/she will make the decision to accept or reject the recommendation. The decision of the EXM member may be as follows: (a) Approved; (b) Approved with comments, which may require modifications of the LOA by the AMPES Entity Manager without need to send it back for review to the EXM member; (c) Not approved, which will require that a revised version of the LOA document be submitted again to PBR/RC through the AMPES LOA module, and (d) Rejected.
  - At the time of approval, the respective EXM member also gives delegation of authority for the LOA signature to the AMPES Entity Manager. Annex I contains the LOA legal format and instructions for its completion.
  - The AMPES Entity Manager should monitor the LOA implementation in the AMPES-OMIS monitoring module. Random examinations of LOAs led by PBR/RC will be conducted to assess compliance with the rules.
10. Two original copies of the LOA are to be signed by each party. (Annex I – LOA Legal Format). One is to be kept by the AMPES Entity Manager and the other by the Beneficiary. Fully executed copies are to be sent to LEG and to PBR/RC.

## **Resource Coordination Policy (Draft)**

## **Resource Coordination at PAHO**

### **Introduction**

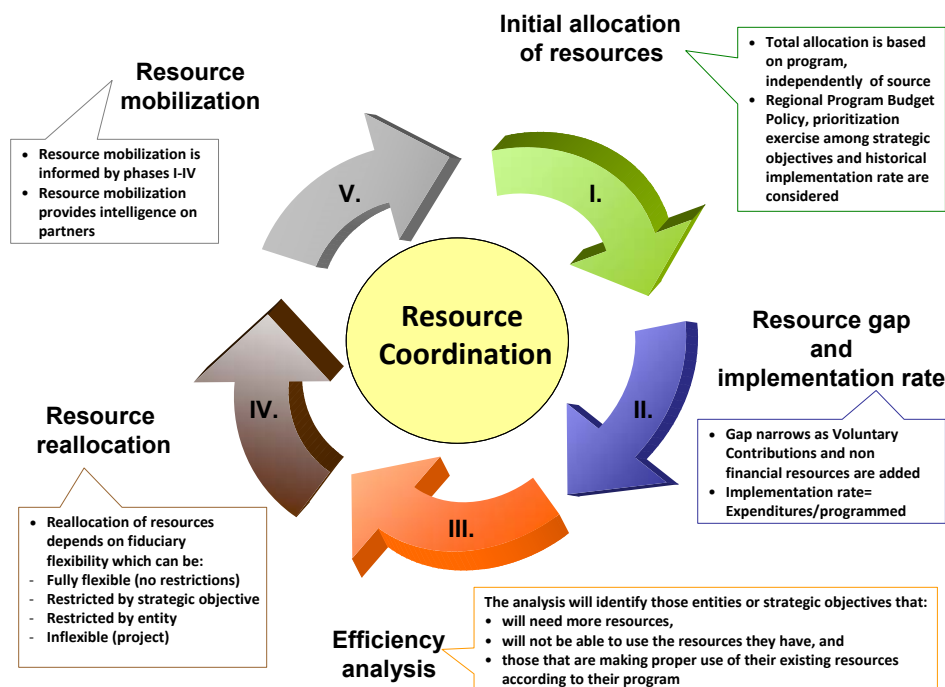
1. The introduction of results-based management (RBM) in PAHO requires that new instruments and procedures be established so that the Organization can properly operate under this new approach. A central tenet in PAHO's RBM is that all tasks—and, by extension, the resources required to carry them out *no matter their source*—lead to the achievement of the corporate regional results as established in the Strategic Plan. This is a significant departure from approaches commonly used in the international and intergovernmental arena, where the program is usually adjusted to available resources, and seldom are sources of funds combined.
2. PAHO also has a fiduciary responsibility to ensure that all voluntary contributions (VCs) received from external partners are well planned, budgeted, and executed, ensuring that their targets are met and that all resources are properly utilized. The Organization has undertaken major efforts to ensure that this full utilization occurs and, as a result, the volume of funds returned to partners has been reduced to below 1% of the total VCs funds that PAHO manages. This amount is still considered an important level of resources that could have been used to achieve the Organization's targets.
3. Under previous management approaches, resources were allocated to a given Pan American Sanitary Bureau (PASB) entity and, once allocated, they became that entity's "property," rather than belonging to the Organization as a whole. Under this "silo" approach, entities sometimes requested additional funds while, VCs from the same entities were simultaneously being returned to partners. The silo approach also resulted in some entities experiencing surpluses while others experienced deficits. A lack of transferability from one entity to another required Executive Management to increase the budgets of deficit entities from sources other than surplus entities. Clearly, PAHO's well established reputation as a good VC partner that delivers effective technical cooperation within a specific timeframe needed to be bolstered with modern management techniques.
4. To manage these issues, a resource coordination (RC) function was established within the Planning, Budget and Resource Coordination (PBR) area. This report describes the RC functions, its relationship to other entities, and its expected impact.

## Resource Coordination

5. Figure 1 summarizes the core resource coordination phases and its relations with resource mobilization (RM). The phases will be explained in detail further on.

Figure 1

### Resource Coordination Phases and Resource Mobilization



#### *Phase I: Initial Allocation of Resources:*

6. The resource coordination cycle begins with the initial allocation of resources. The Director allocates the available resources at the beginning of the planning period both by entity and by strategic objective, in line with the Program and Budget approved by the Governing Bodies. This is done also taking into consideration the Regional Program Budget Policy, the strategic objectives' prioritization exercise, and the historical implementation rate by entity.

### ***Phase II: Determination and Monitoring of the Resource Gap and the Budget Implementation Rate***

7. Phase II begins with a determination of the resource gap.<sup>1</sup> The resource gap is the difference between the necessary resources for an entity or strategic objective to execute its program and the resources available. The resource gap is monitored over the course of a biennium (see figure 3).

8. During program execution, the budget implementation rate—defined as the percentage of programmed resources spent—is determined and periodically monitored. Each entity and strategic objective budget implementation rate is reviewed every six months at the corporate level. However, managers have access to their budget implementation rate at any time.

### ***Phase III: Efficiency Analysis of the Use of Resources***

9. The efficiency of an entity or SO in the use of allocated resources can be determined by comparing information on its resource gap and budget implementation rate with its historical implementation rate. The historical implementation rate is the amount of programmed resource spent by the entity or SO in previous biennia. This analysis identifies the following three situations: (a) entities or SOs that will need more resources, (b) those who will not be able to use all allocated resources, and (c) those that are making proper use of their existing resources according to their program.

### ***Phase IV: Reallocation of Resources***

10. Based on the efficiency analysis, it may be considered necessary to reallocate resources in order to achieve corporate results as set forth in the Strategic Plan of PAHO; this means transferring resources from one entity to another or from one strategic objective to another. In reallocating resources, fiduciary commitments and the flexibility of the funds must be taken into account. The Organization must fulfill its commitments to donors.

### ***Phase V: Resource Mobilization***

11. The reallocation of resources process determines the entities and strategic objectives that need additional resources to achieve the expected results of the Strategic Plan and its Biennial Workplans thus orienting the resource mobilization function. Resource mobilization begins with the determination of the resource gap at the beginning

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<sup>1</sup> If only financial resources are involved, it is called a funding gap. The funding gap is the difference between the financial resources that the entity considers necessary for executing its program (planned cost) and the financial resources that it has in hand at the beginning the planning cycle from the regular budget and voluntary contributions already approved in the previous biennium.

of the planning cycle, and is a process that runs in parallel with the resource coordination process. This gap determines the initial resource mobilization needs, in which the information on donations from international partners and donation trends are also considered. The resource coordination process helps target efforts to attract voluntary contributions to the SOs or entities where they are most needed according to the established program.

### **Initial Allocation of Resources**

12. Voluntary contributions (if available from the previous biennium) and regular budget are awarded at the beginning of the planning period. This is the initial allocation of resources to implement programs according to Biennial Workplans. Additional voluntary contributions are awarded when the resources are received from-or committed by-a partner within the regulations of the International Public Sector Accounting Standards (IPSAS) adopted by the Organization. Criteria for the initial allocation of resources by entity and by SO are described below.

13. The RB distribution among entities is defined in the Regional Program Budget Policy approved by the Governing Bodies. This policy establishes that, as of 2010, 40% of the RB is assigned to countries, 7% to subregional programs, and 53% to regional entities. The country portion is distributed among Member States based on an agreed upon formula.

14. The distribution of resources among the Strategic Objectives is done according to a prioritization exercise that was used for the elaboration of the PAHO Strategic Plan. The methodology of this prioritization exercise was presented to and approved by the Subcommittee on Program, Budget, and Administration (March 2008, document SPBA2/7) and by the Executive Committee (June 2008, document CE142/29).

15. The historical budget implementation rate (average budget implementation rate of the last two biennia) is another important criterion to define the initial allocation of resources, both by entity and by SO.

### **The Resource Gap Concept**

16. Guided by this process, PASB has defined a matrix of allocations between SO and AMPES entities<sup>2</sup>.

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<sup>2</sup> An AMPES Entity or Entity is a generic term that designates a managerial, programmatic and executing unit responsible for developing and implementing a Biennial Workplan through the management of its associated resources (human, financial, in-kind, etc.). As such, the PASB AMPES information system recognizes this entity as the nucleus for program and budget management, hence its name.



**Figure 2**

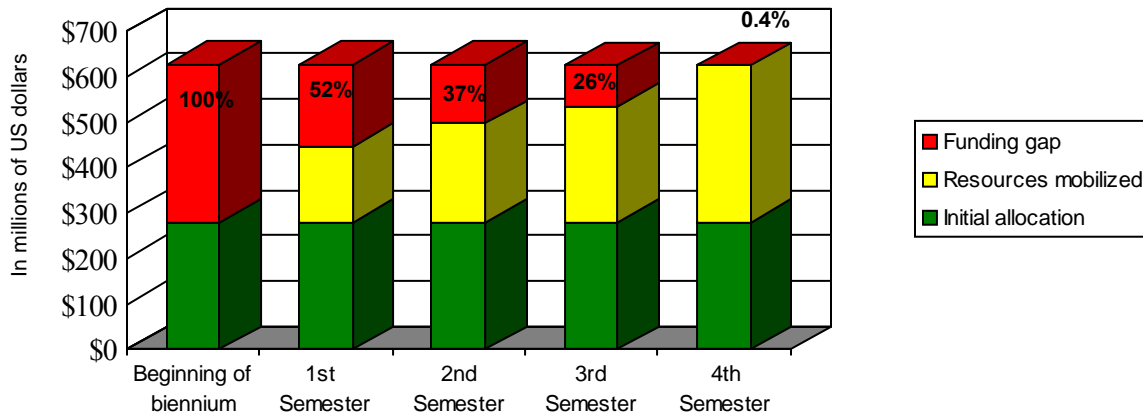
**Resources by Strategic Objectives (SOs) and AMPES entities:  
a matrix approach**

Strategic objective \ AMPES entity	SO1	SO2	SO3...	SO16	Total
AE1					
AE2					
AE3					
AE 4...					
AE 69					
Total					

17. In figure 2, the sum of the columns and the sum of the rows (distribution by SO and by entity, respectively) are determined by Governing Bodies' decisions based on the above-mentioned prioritization exercise and by the Regional Program Budget Policy.

18. The difference between the resources needed to complete a plan by an entity at the time of planning and the resources available is called the *initial resource gap*. A resource gap may be determined by entity or by SO (by adding the gaps in each entity that address a given SO). At any point in time, some resources (either VC or other resources) will have been mobilized. The *current funding gap* is determined by subtracting the available resources from the original planned costs. Figure 3 shows the evolution of the funding gap throughout the 2008–2009 biennium.

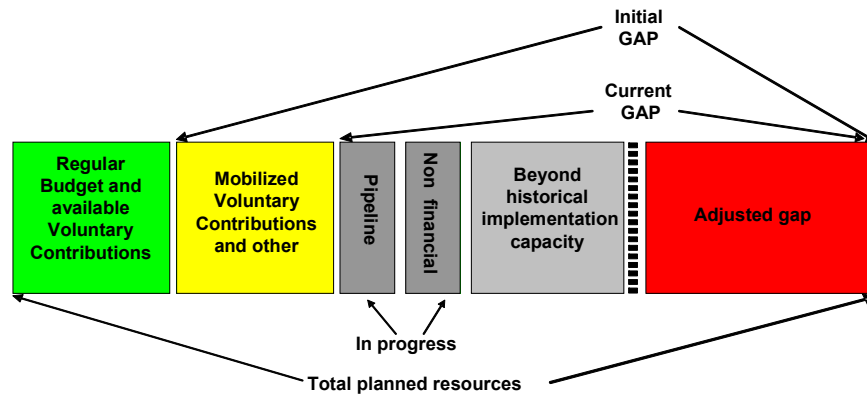
**Figure 3**  
**Status of the Program and Budget funding gap,**  
**by semester, 2008–2009 biennium.**



**Fine Tuning the Resource Gap**

19. Some further adjustments must be made to the resource gap in order to obtain the real resource needs as indicated in figure 4. In addition to those explained in the following paragraphs, some will be further detailed in subsequent sections.

**Figure 4**  
**The adjusted Resource Gap**



20. First, it is desirable to subtract from the resource gap the non-financial resources received. PASB is analyzing ways to address this issue in the future, because current arrangements preclude the Organization from doing this in a systematic manner.

21. Advanced arrangements with partners which are likely to result in VC agreements also should be included. For example, this may include resources which may be in the pipeline, but are not yet finalized. Extensive communication among PASB's internal stakeholders, such as those addressing technical cooperation, resource coordination, and resource mobilization, is a key factor in being able to do this. How to incorporate this information will be considered in the modernization of the corporate management system.

22. Finally, it is necessary to be realistic about the efficiency of the different entities in using their available resources according to their historical performance. With all these elements (some still in the process of development) an adjusted gap can be defined. See Figure 4 for an illustration of these concepts.

### **Financial and Non-Financial Resources**

23. The concept of resources being subsidiary to plans requires that different sources and types of resources be differentiated. In technical cooperation activities, a major component of interventions (frequently more than 70%) typically is expertise, which may be expressed in terms of person-months or other similar measures. From the program management point of view, receiving either the actual services or the financial resources needed to acquire them would be the same because both will allow achieving the expected result. However, in terms of record keeping and reporting, they are substantially different. PAHO, as do most international organizations, has well developed systems to record financial contributions from external partners and report on their use to those partners. However, there is no similar established and agreed upon system to report on the non-financial contributions. This is important because in many instances it is easier for partners to provide personnel or services rather than the financial resources to acquire them. It should be noted that non-financial contributions also include contributions in kind and counterpart contributions that Member States provide for the successful implementation of the initiatives that benefit health in their countries, which typically are not financial. These contributions are seldom detailed or acknowledged, because they are not entered into the financial records, despite the fact that partners are particularly eager to make explicit the level and nature of such contributions.

24. The current situation weighs in favor of financial contributions. To measure effectiveness, however, it is necessary to register both financial and non-financial contributions.

### **Analysis of Efficiency and Implementation Capacity**

25. Given that the resource gap reflects the amount of resources still needed to achieve the Strategic Plan's targets, it is reasonable for this gap to be one of the main criteria for assigning any resources that may become available. However, some entities or SOs may inflate its size in order to receive an additional allocation of resources. To compensate for this effect, the budget implementation rate of each entity or SO (i.e. the expenditure as a percentage of the programmed funds) is also monitored.

26. The resource gap and the implementation rate are key for determining additional allocations. The historical implementation rate is also important and must be considered to complete the analysis of efficiency and determine the implementation capacity of the entity or SO. This approach encourages good planning and resourcing, since both excessive resourcing estimates with low implementation rates and low estimates of necessary resources result in reduced awards. Thus, the RBM approach encourages credible resource estimates and the timely implementation of available resources.

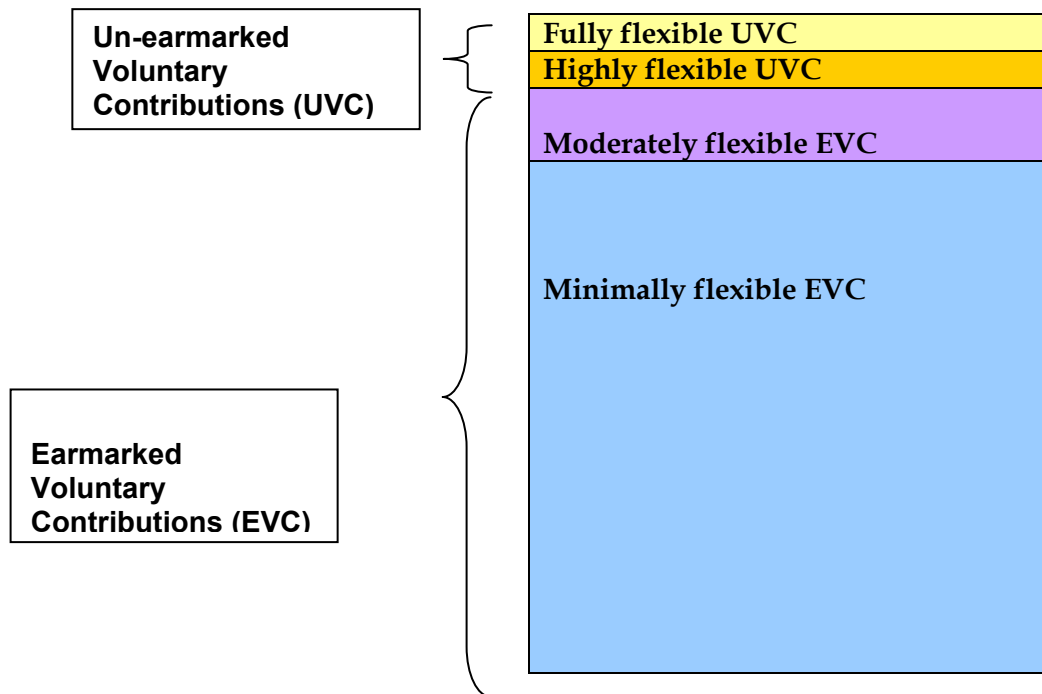
27. All these concepts are included in the adjusted gap. When an entity or SO has received enough resources to close its resource gap, it is possible to reallocate the excess resources to other SOs or entities that still have a funding gap. Conversely, if an entity or SO does not have enough resources to close its gap, the SO or entity is eligible for receiving reallocated resources to close the gap. Subsequent to all reallocations, this process also signals any remaining gaps where resource mobilization should be focused.

### **Fiduciary Flexibility and Reallocation**

28. While it may be highly desirable to shift resources freely as a way to maximize utilization, PASB must comply with its fiduciary mandates established with Member States or partners. For example, voluntary contributions vary in flexibility, depending on the agreement with the partner. As shown in Figure 5, PAHO has adopted WHO's definition of flexible resources, be they earmarked or un-earmarked.

**Figure 5**

**Fiduciary flexibility levels of voluntary contributions**



29. Four types of funds are defined according to their degree of flexibility. It obviously behooves PAHO to mobilize the most flexible voluntary contributions because they are the easiest to reallocate and, therefore, make it easier to achieve the Strategic Plan's results. Actually, most VCs received by PAHO are earmarked with different degrees of restrictions. For example, during the 2008-2009 biennium PAHO received from WHO \$12 million dollars of un-earmarked VCs and \$60 million of earmarked VCs. This means that the un-earmarked VCs (the most flexible funds) were only 17% of the total amount received.

30. Given the variations in flexibility, it makes more sense to implement restricted resources (earmarked VCs) first. However, some managers tend to spend flexible resources first because they believe that they are at risk of "losing" their assigned resources if they are reallocated. Part of the Resource Coordination's effort is to induce a behavioral change in the Organization to ensure that corresponding resources be implemented as much as possible and that all entities or parts of the Organization act as one working to achieve a collective result of the Strategic Plan. The Resource Coordination function also ensures that fiduciary requirements of the agreements with partners are respected in all reallocations.

### **Resource Coordination (RC) and Resource Mobilization (RM)**

31. After every feasible reallocation has been made, SOs or entities may still have unmet gaps. At this point, a two-way dialogue is established between the RC and the RM teams in order to focus efforts towards mobilizing resources where they are needed. The RC team informs the RM team on resource needs after reallocations, and the RM team informs the RC team on resources likely to be received (in the pipeline) or the partner's intentions and priorities. For example, RM may inform RC on a partner interested in a specific SO which already has sufficient resources. In order to receive the additional VCs that is being offered, an analysis undertaken to see if existing flexible resources in that SO can be shifted to other SOs in need of funding. If the flexibility of the resources precludes this, the SO program may be modified increasing the number of expected results in order to receive additional funds. If this is not possible, as a last resort, the funds being offered should not be accepted. It is important to ascertain that PASB should not accept, under any circumstances, VCs that do not directly support one of the results stated in the Strategic Plan.

### **Status of PASB's Implementation of Resource Coordination (RC)**

32. The following measures and instruments have been already developed to facilitate the implementation of RC:

- a) A policy to increase decentralization of VC management has been proposed and is being reviewed.
- b) All VCs are being monitored for the life of the project and for biennial performance. This report is being introduced online to allow managers to directly manage their entities or SOs. Analytical inputs are provided every six months.
- c) A report is produced bi-annually including, VCs that have lapsed, that are returning excess funds to partners, or that have shown no activity in the last semester.
- d) A report providing the full status of all funds by entity or SO was tested the past biennium. It will be provided online with analytical input every six months. It is important to advise managers with enough anticipation so that they can adjust their plans and programs.
- e) A report with suggestions for reallocation of funds to the PASB's Executive Management (EXM) was tested the past biennium, resulting in a complete utilization of resources that were lapsing by the biennium's end.
- f) Committees to follow up on RM and RC will be established to advise EXM on reallocations and RM.
- g) The methodology for including the pipeline and the non-financial contributions will be developed during the modernization of the corporate management system by 2014.

## **DELEGATIONS OF AUTHORITY POLICY**

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**Effective Date:** \_\_\_\_\_

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**DELEGATIONS OF AUTHORITY**

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**Chapter I.4 DELEGATIONS OF AUTHORITY****PAHO/WHO E-Manual****Effective Date:** \_\_\_\_\_**10 Purpose**

**10.1 Pan American Health Organization (PAHO)**—to establish clear lines of authority in accordance with Articles 4 and 21 of the *Constitution of the Pan American Health Organization*, and by virtue of such other authority as has been vested in the Director by decisions of the Governing Bodies of PAHO.

**10.2 Regional Office of the Americas of the World Health Organization (WHO)**—to establish clear lines of authority within PAHO as the Regional Office of the Americas of the World Health Organization (WHO) in accordance with Article 4 of the Agreement between WHO and PAHO, Article 31 of the Constitution of the World Health Organization, and the Delegation of Authority from the Director-General of WHO to Regional Directors.

**20 Scope**—This Section delegates certain authorities and provides general provisions governing the Delegation of Authorities or assignment of duties and responsibilities vested in the Director as the chief technical and administrative officer of PAHO, decisions of the Governing Bodies of PAHO, PAHO Strategic Plan 2008-2009 (<http://www.paho.org/english/gov/cd/cd48-od328-e.pdf>), other PAHO regulations, rules and procedures; and in accordance with the Delegation of Authority from the Director-General of WHO to its Regional Directors.

**30 Policy and Essential Procedures****30.1 Delegations of Authority in relation to:**

**30.1.1 Results-based Management (RBM)**—Delegation of Authority is a prerequisite for the successful implementation of Results-based Management. To be accountable for results, managers have to be empowered through the clear delegation of authority in all areas, included, and in particular, human resources management. It is the policy of PAHO to foster an efficient use of resources by empowering staff to participate in decisions affecting the Organization to enable good governance by appropriate Delegation of Authorities, both financial and human, to ensure the achievement of the PASB Expected Results in the approved Program and Budget as well as to enhance the overall performance of the Organization. (See PAHO/WHO E-Manual, Chapter II, Section 1. PAHO Results-based Management Framework (in draft)).

**30.1.2 Transparency**—It is the policy of PAHO to establish clear linkages between Delegations of Authority, responsibility and accountability. With the delegation comes the responsibility for the decision and actions, as well as the accountability for the efficient and effective use of the Organization's financial resources and assets. The acceptance of the Delegation of Authority identifies the manager not only as responsible for compliance with the applicable regulations and rules, but also as willing to accept this responsibility and accountability. The *PAHO Results-based Management Framework*, as developed, will be the basis upon which delegated authority is exercised and is aligned with responsibility and accountability of personnel across the Organization.

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**30.2 Principles of Delegations of Authority**

**30.2.1 The PAHO Constitution**—provides the legal basis upon which the Organization functions. It sets out the role of the Secretariat and outlines Organizational and Regional Arrangements

**30.2.2 Decisions of the Governing Bodies**—While often directed at the Director, the decisions and resolutions of PAHO's Governing Bodies are applicable to and bind the Organization as a whole. Responsibility to implement these decisions and resolutions is thus a shared responsibility of all staff. Strong and effective leadership from both the Director and Executive Management is required to ensure their effective implementation.

**30.2.3 Organization-wide Policies and Procedures**—Under the leadership of the Director, PAHO regulations, rules and/or policies and procedures are applied consistently by all entities.

**30.2.4 Strategic Plan and its Program and Budget** provide the direction and financial envelope for all work carried out at all levels of the Organization. The Region-wide Expected Results (RERs) are the measurable accomplishments that the Organization will be held accountable for achieving and to which all entities will contribute within the overall framework of the PAHO Strategic Plan and Program and Budget.

**30.2.4.1 Member States**—The Member States are collaboratively accountable for achieving the Strategic Objectives (SOs), as measured by their respective indicators and shall support the work of the PASB through timely and adequate funding of the Organization's Program and Budget, including voluntary contributions and non financial resources. (Resolution CSP27.R4 approved PAHO Strategic Plan 2008-2012, 2 October 2007)

**30.2.4.2 Strategic Plan Hierarchical Accountability**

(a) The Director is accountable to the PAHO Governing Bodies for the achievement of the Region-wide Expected Results (RERs), the monitoring of the Strategic Objectives (SOs), and for the effective and efficient use of resources in implementing the Program and Budget. The Director has authority to allocate and spend the entire PAHO budget as delegated by Member States.

*[[Hyperlink to PAHO RBM Framework, Annex A, 2.2.1 Director paragraph page \\_\\_\\_\\_](#)]*

(b) The Entity Manager is accountable for the achievement of all Office-Specific Expected Results (OSERs) of the entity's Biennial Workplan (BWP). The Entity Manager has authority to allocate and spend the BWP budget.

*[[Hyperlink to PAHO RBM Framework, Annex A, 2.2.2 Entity Manager paragraph page \\_\\_\\_\\_](#)]*

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- (c) the AMPES Project Coordinator is accountable for the achievement of all products and services in his AMPES project. The AMPES Project Coordinator has authority, through delegation by Entity Manager, to allocate and spend the AMPES project budget.

*[Hyperlink to PAHO RBM Framework, Annex A, 2.2.3, AMPES Project Coordinator paragraph, page \_\_\_\_]*

- (d) The Product/Service Responsible Officer is accountable for the achievement of products and services under his responsibility and has authority to allocate and spend, through delegation by AMPES Project Coordinator, the product/ service budget as assigned.

*[Hyperlink to PAHO RBM Framework, Annex A, 2.2.4, Product/Service Responsible Officer paragraph, page \_\_\_\_]*

- (e) The Task Responsible Officer is accountable for the accomplishment of tasks under his responsibility and has authority to allocate and spend, through delegation by Product/Service Responsible Officer, the task budget as assigned.

*[Hyperlink to PAHO RBM Framework, Annex A, 2.2.5, Task Responsible Officer paragraph, page \_\_\_\_]*

**30.2.4.3 Strategic Plan Corporate Accountability**—To contribute in the implementation of the Strategic Plan, the Organization has assigned corporate facilitators:

- (a) The Area of Planning, Budget and Resource Coordination (PBR) is accountable for the development, monitoring and reporting of the entire Strategic Plan.
- (b) Strategic Objective (SO) facilitator is accountable for the development, monitoring and reporting of SOs under his responsibility.
- (c) Region-wide Expected Result (RER) facilitator is accountable for the development, monitoring and reporting of the RERs under his responsibility.
- (d) RER Indicator facilitator is accountable for the development, monitoring and reporting for RER indicators under his responsibility.

*[For detailed Strategic Plan Corporate Accountability see: PAHO RBM Framework, Annex A, 2.3, page \_\_\_\_]*

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- (e) The OSER Facilitator is accountable for the development, monitoring and reporting of the OSERs under his responsibility.

*[Hyperlink to PAHO RBM Framework, Annex A, 2.3.5, OSER Facilitator paragraph, page \_\_\_\_]*

- (f) The OSER Indicator Facilitator is accountable for the development, monitoring and reporting of OSER indicator under his responsibility, including their milestones.

*[Hyperlink to PAHO RBM Framework, Annex A, 2.3.6, OSER Indicator Facilitator paragraph, page \_\_\_\_]*

**30.2.4.4 Strategic Plan Teams Accountability**— Three types of teams are being established to facilitate the implementation of the Strategic Plan: AMPES Project Teams, Cross-Organizational Teams and Strategic Objective Teams.

- (a) AMPES Project Teams are accountable for the achievement of the Product/Services under their responsibility.

*[Hyperlink to Exhibit 1 - Horizontal Team-Oriented Organization, page \_\_\_\_]*

- (b) Cross-Organizational Teams (COT) members are accountable for contributing to the achievement of one or more RERs and respective RER indicator targets.

*[Hyperlink to Exhibit 3 - Horizontal Team-Oriented Organization and PAHO/WHO E-Manual Section 2: Collaborative Groups]*

- (c) Strategic Objective (SO) Teams are accountable for the development, monitoring and reporting of the Strategic Objectives under their responsibility.

**30.2.5 Consultation**—It is essential for Regional, Sub-Regional and Country (PWRs) managers to consult and negotiate with the SO Facilitators and among themselves, in order to ensure consistency in the execution of the PAHO Expected Results and the corresponding administrative procedures.

**30.3 General Provisions**—The following general provisions apply to all Delegations of Authority:

**30.3.1 Re-delegation**—Authorities may be re-delegated in the specific delegation by inserting a Re-delegation paragraph and re-delegated successively unless restricted in the specific Delegation.

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**30.3.2 Concurrent Authority**—The delegating official retains concurrent authority to exercise any of the delegated authorities, duties or responsibilities.

**30.3.3 Authority Exercised in Accordance with PAHO/WHO E-Manual**—Authorities shall be exercised in accordance with PAHO/WHO regulations, rules and/or policies and procedures stipulated in this E-Manual.

**30.3.4 Ratification**—Actions taken by individuals prior to the date of a Delegation of Authority are ratified if in accordance with the terms and conditions of the latest Delegation.

**30.3.5 Reorganization**—Delegations of Authority continue in effect to the entity performing the functions of its predecessor until modified, revoked, or superseded.

**30.3.6 Specimen Signatures for Entities and “Ad Interim” Designees**—Financial Resource Management (FRM) requires Specimen Signatures for Entities and “Ad Interim” Designees to be held on file in FRM for verification to commit funds and for auditing purposes. 

**30.3.7 Designation of Officer in Charge**—Authorities may be exercised by persons serving during the short-term absence of the designated individual.

**30.3.7.1 Absence**— Whenever an entity manager of the regional, subregional or country level is absent on duty travel, annual, home or sick leave, he shall make arrangements for supervisory coverage during his absence.

**30.3.7.2 Notification**—In the event that some unforeseen emergency should require the Designated Officer in Charge to be absent from the office, he shall notify the immediate supervisor by telephone, giving the name of the person who will act in charge of the entity.

**30.3.7.3 Headquarters**—Designation shall be made by using the E-Designation for Officer in Charge.

**E-Designation of Officer in Charge (to designate)**

<http://workflow.paho.org/swift7/Skins/Outlook/default.aspx>

**E-Designation of Officer in Charge (to view report)**

<http://portal.paho.org/sites/AM/BTab7.aspx>

**30.3.7.4 In the Field**—Under normal conditions, the designation of an officer in charge shall always be in memorandum format via email to supervisors.

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**30.3.7.5 Briefing Staff**—It is essential that entity managers, prior to absenting themselves from duty, thoroughly brief the person who will act in charge of the entity. This briefing shall cover all urgent and pending matters and the current status of activities including, among other things, financial and budgeting data. Upon return of the actual entity manager, he shall be briefed in detail by the officer in charge.

**30.3.8 Accountability**—Each individual accepts accountability when he signs his specific Delegation of Authority.

### 30.4 Signature of Legal Documents

- (a) The Director is the only person with the legal capacity to legally bind the Organization with his signature. The signature of a legal document by anyone else must be expressly authorized in writing through a **memorandum**, or facsimile, originated by the Office of Legal Counsel (LEG) and signed by the Director, or his designee.
- (b) Such legal documents include amongst others, agreements, contracts, memoranda, letter of understanding or agreement, extensions, addenda, modifications, and any other document that, irrespective of its title, legally binds the Organization.
- (c) The nature and the formality involved in the execution of any such document may vary according to the subject matter and to the legal requirements of each country. Nonetheless, from a legal and administrative point of view, the documents referenced above listed above generate rights and obligations for the parties and, therefore, legally and administratively bind the Organization to the terms stated therein.

### 30.5 Delegations of Authority from the Director

#### 30.5.1 Executive Management

**30.5.1.1 Deputy Director (DD)** [[Hyperlink to delegation](#)]

**30.5.1.2 Assistant Director (AD)** [[Hyperlink to delegation](#)]

**30.5.1.3 Director of Administration (AM)** [[Hyperlink to delegation](#)]

#### 30.5.2 Entity Managers Reporting to the Director

**30.5.2.1 Country Managers (PAHO/WHO Representatives (PWR))**



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<b>ARG</b> —[Hyperlink to delegation]	<b>GUT</b> —[Hyperlink to delegation]
<b>BAH</b> —[Hyperlink to delegation]	<b>GUY</b> —[Hyperlink to delegation]
<b>BLZ</b> —[Hyperlink to delegation]	<b>HAI</b> —[Hyperlink to delegation]
<b>BOL</b> —[Hyperlink to delegation]	<b>HON</b> —[Hyperlink to delegation]
<b>BRA</b> —[Hyperlink to delegation]	<b>JAM</b> —[Hyperlink to delegation]
<b>CHI</b> —[Hyperlink to delegation]	<b>MEX</b> —[Hyperlink to delegation]
<b>COL</b> —[Hyperlink to delegation]	<b>NIC</b> —[Hyperlink to delegation]
<b>COR</b> —[Hyperlink to delegation]	<b>PAN</b> —[Hyperlink to delegation]
<b>CUB</b> —[Hyperlink to delegation]	<b>PAR</b> —[Hyperlink to delegation]
<b>DOR</b> —[Hyperlink to delegation]	<b>PER</b> —[Hyperlink to delegation]
<b>ECC</b> —[Hyperlink to delegation]	<b>SUR</b> —[Hyperlink to delegation]
<b>ECU</b> —[Hyperlink to delegation]	<b>TRT</b> —[Hyperlink to delegation]
<b>ELS</b> —[Hyperlink to delegation]	<b>URU</b> —[Hyperlink to delegation]
	<b>VEN</b> —[Hyperlink to delegation]

**30.5.2.2 Subregional Managers**

<b>CPC</b> —[Hyperlink to delegation]
<b>FEP</b> —[Hyperlink to delegation]

**30.5.2.3 Legal Counsel (LEG) [Hyperlink to delegation]**

**30.5.2.4 Coordinator, Country Focus Support (CFS) [Hyperlink to delegation]**

**30.5.2.5 Chief of Staff [Hyperlink to delegation]**

**30.5.2.6 Auditor General, Internal Oversight and Evaluation Services (IES) [Hyperlink to delegation]**

**30.6 Delegation(s) of Authority from the Deputy Director (DD)**

**30.6.1 Manager for Planning Budget, and Resource Coordination (PBR) [Hyperlink to delegation]**

**30.6.2 Manager for External Relations, Resource Mobilization and Partnerships (ERP) [Hyperlink to delegation]**

**30.6.3 Manager for Knowledge Management and Communication (KMC) [Hyperlink to delegation]**

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**30.6.3.1 Center Director of BIREME (BIR)** [[Hyperlink to delegation](#)]

**30.6.4 Manager for Emergency Preparedness and Disaster Relief (PED)** [[Hyperlink to delegation](#)]

**30.6.5 Manager for Ethics Program (ETH)** [[Hyperlink to delegation](#)]

**30.6.6 Ombudsperson (OMB)** [[Hyperlink to delegation](#)]

**30.6.7 Advisor for Governing Bodies Office (GBO)** [[Hyperlink to delegation](#)]

**30.7 Delegations of Authority from the Assistant Director (AD)**

**30.7.1 Manager for Family and Community Health (FCH)** [[Hyperlink to delegation](#)]

**30.7.1.1 Center Director for CLAP (CLP)** [[Hyperlink to delegation](#)]

**30.7.1.2 Center Director for CFNI (CFN)** [[Hyperlink to delegation](#)]

**30.7.1.3 Office Head for PAHO HIV Caribbean Office (PHCO)** [[Hyperlink to delegation](#)]

**30.7.2 Manager for Health Surveillance, and Disease Prevention and Control (HSD)** [[Hyperlink to delegation](#)]

**30.7.2.1 Center Director for CAREC (CEC)** [[Hyperlink to delegation](#)]

**30.7.2.2 Center Director for PANAFTOSA (AFT)** [[Hyperlink to delegation](#)]

**30.7.3 Manager for Sustainable Development and Environmental Health (SDE)** [[Hyperlink to delegation](#)]

**30.7.3.1 Center Director for CEPIS (CEP)** [[Hyperlink to delegation](#)]

**30.7.3.2 Center Director for INCAP (INC)** [[Hyperlink to delegation](#)]

**30.7.4 Manager for Technology, Health Care and Research (THR)** [[Hyperlink to delegation](#)]

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**30.7.5 Manager for Health Systems and Services (HSS)** [[Hyperlink to delegation](#)]

**30.7.6 Senior Advisor for Office of Gender, Ethnicity and Health (GEH)** [[Hyperlink to delegation](#)]

**30.8 Delegations of Authority from the Director of Administration (AM)**

**30.8.1 Manager for Information Technology Services (ITS)** [[Hyperlink to delegation](#)]

**30.8.2 Manager for Financial Resources Management (FRM)** [[Hyperlink to delegation](#)] **Special Delegation**—PSAB Delegation of Authority (Treasury Management, Bank Account signatories) [[Hyperlink to delegation](#)]

**30.8.3 Manager for Human Resources Management (HRM)** [[Hyperlink to delegation](#)]

**30.8.4 Manager for General Services Operations (GSO)** [[Hyperlink to delegation](#)]

**30.8.5 Manager for Procurement and Supply Management (PRO)** [[Hyperlink to delegation](#)]

**40 Responsibilities for the Delegations of Authority Section.**

**40.1 Legal Counsel (LEG) and Director of Administration (AM)** are responsible for maintaining this chapter.

**40.2 Director of Administration (AM)** is responsible for maintaining the official record of all Delegations of Authority and maintaining the Delegations of Authorities on the PAHO/WHO E-Manual web site.

**50 Definitions/Glossary**

**Entity** —is a generic term that designates a PASB programmatic managerial and executing unit. This entity is responsible for a Biennial Work Plan and its associated budget. As such, the AMPES system recognizes this entity as the nucleus for program and budget management. The entity managers are the following: Executive Management (EXM) Members, Area Managers, some Office Chiefs, Subregional Managers, and PAHO/WHO Representatives.

[[Hyperlink to Exhibit 1 - Horizontal Team-Oriented Organization](#)]

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**Entity Manager** — is the manager of a PASB entity and is responsible for executing a BWP and its budget, including the achievement of all programmed entity's OSERs, as approved by Executive Management.

**Project Coordinator**—is the leader of an AMPES project; is responsible for executing his AMPES project and for the achievement of all products and services of the project; has authority to allocate and spend (through delegation by Entity Manager) the project budget; and has programmatic and administrative supervisory responsibilities.

*[[Hyperlink to Exhibit 5 - Horizontal Team-Oriented Organization](#)]*

**Cross-Organizational Team (COT) Leader**—is the leader of a COT; is responsible for contributing to the achievement of one or more RERs assigned to his team, as measured by the RER indicator targets; and has programmatic, but not administrative supervisory responsibilities.

**60 Index**