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ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

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**OUTLINE OF THE PROGRAM BUDGET OF THE
PAN AMERICAN HEALTH ORGANIZATION 2020-2021**

Introductory Note to the Subcommittee on Program, Budget, and Administration

1. The proposed Program Budget of the Pan American Health Organization 2020-2021 (PAHO Program Budget 2020-2021, or PB 2020-2021) is the first to be developed and implemented under the new Strategic Plan of the Pan American Health Organization 2020-2025 (PAHO Strategic Plan 2020-2025, or SP 2020-2025). The document sets out the corporate results and targets for the Pan American Health Organization (PAHO) agreed upon by the Member States for the next two years and presents the budget that the Pan American Sanitary Bureau (PASB, or the Bureau) will require in order to support Member States in achieving the maximum impact on health over the next two years.
 2. Given the context of the 13th General Programme of Work (GPW 13) of the World Health Organization (WHO) and the corresponding WHO Program Budget 2020-2021 (WHO PB 2020-2021), the Sustainable Health Agenda for the Americas 2018-2030 (SHAA2030), and the PAHO Strategic Plan 2020-2025, the programmatic structure of the new PB 2020-2021 will be different from that of the Program and Budget of the Pan American Health Organization 2018-2019. A new results framework is currently under development that will need to respond to the GPW 13, the WHO PB 2020-2021, the SHAA2030, and the SP 2020-2025.
 3. The lack of a complete results framework poses a challenge for presenting the full draft of the PB 2020-2021 for consideration by the Subcommittee. Therefore, the document to be considered consists of an outline that describes the proposed structure and format of the proposal that will be presented to the 164th Session of the Executive Committee.
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4. The Annex hereto presents the content of this draft outline, including a brief description of the intended content in the applicable sections. The programmatic section, containing the outcomes and outputs and their respective indicators, is currently under development. The budget section will include a high-level proposal of the overall budget by regional outcomes, as well as how the budget is expected to contribute to the SHAA2030, and how it compares with the current PAHO Program and Budget 2018-2019.

5. Following recommendations by the Member States, the Bureau is also developing a new budget policy for the PAHO Strategic Plan 2020-2025 with the support of the PAHO Strategic Plan Advisory Group (SPAG).

6. In the section “Financing the Program Budget,” the Bureau will present a proposal to increase the Organization’s assessed contributions, with scenarios for consideration by the Member States.

Action by the Subcommittee on Program, Budget, and Administration

7. The Subcommittee is invited to analyze the outline presented in the Annex and provide PASB with comments and observations regarding the structure and format of the document. It may also wish to comment on the appropriateness of the overall resource level of the budget.

Annex

PROPOSED
PROGRAM BUDGET OF THE
PAN AMERICAN HEALTH ORGANIZATION 2020-2021

Outline

Pan American Health Organization
Regional Office of the World Health Organization for the Americas

February 2019

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Executive Summary

This section will provide a high-level summary of the contents of the document.

Proposed Budget

Overall Budget Proposal

1. A budget of \$620 million for base programs is proposed for the Program Budget of the Pan American Health Organization 2020-2021 (PAHO Program Budget 2020-2021, or PB 2020-2021), essentially unchanged from the 2018-2019 biennium. In addition, \$30 million will be proposed for special programs, for a total PB 2020-2021 of \$650 million. This proposal represents a zero nominal budget increase in base programs and an overall reduction of 3.8% with respect to the Program and Budget of the Pan American Health Organization 2018-2019. The proposed budget reflects a realistic balance between programmatic needs, the resource mobilization environment, historical financing levels, implementation levels, and efficiency efforts. The proposed amount for special programs is indicative and will be revised as appropriate.

2. The proposed PAHO Program Budget for 2020-2021 includes the budget allocation from WHO for the Regional Office for the Americas (AMRO), which is currently indicated as \$219 million,¹ constituting an increase of \$28.9 million, or 15.2%, with respect to the 2018-2019 biennium. Thus, the WHO component represents 35.3% of the proposed PAHO budget for base programs. The increased budget for regional and country levels in WHO is mainly justified by the strengthening of capacity at the country level, an increase in expected investment in normative work with emphasis on data and innovation, and implementation of the WHO strategic budget space allocation for technical cooperation at the country level (Document EB 137/6). Given that WHO is increasing the AMRO budget allocation, and that we are proposing an overall flat base budget of \$620 million, the PAHO-only portion of the budget is actually decreasing by the same amount that the WHO allocation for AMRO is increasing (i.e., \$28.9 million).

¹ Document [EB144/5](#) Draft Proposed WHO Programme Budget 2020-2021 (as consulted on 28 December 2018).

Budget by Regional Outcome

This section will present the overall budget distributed according to regional outcomes.

3. A new proposed PAHO programmatic results framework is currently under development as part of drafting the new Strategic Plan of the Pan American Health Organization 2020-2025 (PAHO Strategic Plan 2020-2025, or SP 2020-2025). The highest level of programmatic results to be presented in the proposed PAHO Program Budget 2020-2021 will be the regional outcomes. Thus, the budget will be provided by regional outcome; there will be no equivalent to the “categories” used in the Strategic Plan of the Pan American Health Organization 2014-2019.

4. The Bureau has the support of the Strategic Plan Advisory Group (SPAG) in developing the regional outcomes. The SPAG, which comprises representatives from 21 Member States, provides guidance and recommendations on development of the Strategic Plan 2020-2025, including the regional outcomes for the period.

5. **Regional outcomes**² are collective or individual changes in the factors that affect the health of populations to which the work of the Member States and PASB will contribute. These include, but are not limited to, increased capacity, increased service coverage or access to services, and reduction of health-related risks. Member States are responsible for achieving outcomes in collaboration with PASB and other PAHO partners. The outcomes contribute to the impact goals of the Strategic Plan. Progress made toward achieving outcomes will be assessed with corresponding indicators that measure changes at the national or regional level.

6. Distribution of the proposed budget across the different regional outcomes will be defined by a bottom-up/top-down planning process in which the Member States, supported by the Secretariat, will define priorities for the next biennium.

- a) The Bureau is proposing an overall budget that balances programmatic needs with past and expected financing and implementation levels; later, it will distribute the budget between the regional, subregional, and country levels.
- b) The PAHO budget policy will be a main driver in distributing the overall budget envelopes at the country level. The PAHO Country Offices will define and cost the main scope of work to take place in the upcoming biennium and distribute their budgets across the regional outcomes using the prioritization exercise performed with Member States as a guide.
- c) The regional and subregional levels will also propose the distribution of their overall budget allocations across each of the regional outcomes based on programmatic prioritization, technical needs, and the core functions of the Organization.

² As defined in the draft proposed PAHO Strategic Plan 2020-2025 currently under development.

- d) The results for the three levels will be consolidated to produce the first full draft of the budget for the Executive Committee. The Bureau will assess and adjust the figures to ensure that corporate priorities are adequately represented and that the budget is realistic and complete with regard to its distribution.

7. Table 1 gives an example of how the proposed budget will be presented and how it compares with the current approved PAHO Program and Budget 2018-2019.

**Table 1. Proposed PAHO Program Budget 2020-2021
by regional outcome,
(in millions of US\$)**

Regional outcome (ROCM)	Regional outcome detail	Approved budget 2018-2019*	Proposed budget 2020-2021
ROCM 1			
ROCM 2			
ROCM 3			
ROCM 4			
ROCM 5			
ROCM 6			
...			
ROCM 28			
Special Programs		\$56.0	\$30.0
	Total PAHO PB 2020-2021	\$675.6	\$650.0

* To allow for comparisons between the biennia, a crosswalk will be developed to show the difference between the results framework of the PAHO PB 2018-2019 and that of the PAHO PB 2020-2021.

Budget by SHAA2030 Goal

8. For illustrative purposes, the proposed PAHO PB 2020-2021 will also be keyed to the 11 goals of the Sustainable Health Agenda for the Americas 2018-2030 (SHAA2030).

9. Given their more interprogrammatic nature, the proposed regional outcomes have been developed to respond to multiple SHAA2030 goals, so there is no direct association

between these goals and distribution of the budget. Instead, the Bureau will approximate the proportion of each regional outcome that is estimated to contribute to each SHAA2030 goal and the budget will be distributed accordingly.

**Table 2. Proposed PAHO Program Budget 2020-2021
by goals of the Sustainable Health Agenda for the Americas 2018-2030*
(in millions of US\$)**

SHAA2030 goal	Title of SHAA2030 goal	Estimated budget
GOAL 1	Expand equitable access to comprehensive, integrated, quality, people-, family-, and community-centered health services, with emphasis on health promotion and illness prevention	
GOAL 2	Strengthen stewardship and governance of the national health authority while promoting social participation	
GOAL 3	Strengthen the management and development of human resources for health (HRH) with skills that facilitate a comprehensive approach to health	
GOAL 4	Achieve adequate and sustainable health financing with equity and efficiency, and advance toward protection against financial risks for all persons and their families	
GOAL 5	Ensure access to essential medicines and vaccines, and to other priority health technologies according to available scientific evidence and the national context	
GOAL 6	Strengthen information systems for health to support the development of evidence-based policies and decision-making	
GOAL 7	Develop capacity for the generation, transfer, and use of evidence and knowledge in health, promoting research, innovation, and the use of technology	
GOAL 8	Strengthen national and regional capacities to prepare for, prevent, detect, monitor, and respond to disease outbreaks and emergencies and disasters that affect the health of the population	
GOAL 9	Reduce morbidity, disabilities, and mortality from noncommunicable diseases, injuries, violence, and mental health disorders	
GOAL 10	Reduce the burden of communicable diseases and eliminate neglected diseases	
GOAL 11	Reduce inequality and inequity in health through intersectoral, multisectoral, regional, and subregional approaches to the social and environmental determinants of health	
	Total PAHO PB 2020-2021	\$650.0

* Estimated amounts are based on the expected proportional contribution of regional outcomes and outputs to each SHAA2030 goal.

Implementation of the New PAHO Budget Policy: Budgets by Country and Functional Level

10. To distribute the budget allocation among the countries, PASB is developing a new budget policy, which will be guided by the Member States in the Strategic Plan Advisory Group as well as the recommendations contained in the Evaluation of the PAHO Budget Policy presented to the Member States during the 56th Directing Council in 2018 (Documents CD56/6 and CD56/6, Add. I). The new proposed PAHO budget policy will be presented at the 164th Session of the Executive Committee as part of the proposed PAHO SP 2020-2025. An eight-member subgroup of the SPAG is actively reviewing and providing recommendations as the policy is being drafted.

11. The Executive Committee version of this document will include country-by-country budgets taking into consideration *a)* the overall budget envelopes by country, and *b)* the completed prioritization exercises. Table 3 provides the format for these budgets.

**Table 3. Proposed PAHO Program Budget 2020-2021:
Indicative budget by country/territory and functional level
(in millions of US\$)**

Country/territory	Code	Proposed budget
Anguilla	AIA	
Antigua and Barbuda	ATG	
Argentina	ARG	
Aruba	ABW	
Bahamas	BHS	
Barbados	BRB	
Belize	BLZ	
Bermuda	BMU	
Bolivia	BOL	
Bonaire, Saint Eustatius, Saba	BES	
Brazil	BRA	
British Virgin Islands	VGB	
Canada	CAN	
Cayman Islands	CYM	
Chile	CHL	
Colombia	COL	
Costa Rica	CRI	
Cuba	CUB	
Curacao	CUW	
Dominica	DMA	
Dominican Republic	DOM	
Ecuador	ECU	
El Salvador	SLV	
French Departments in the Americas	FDA	

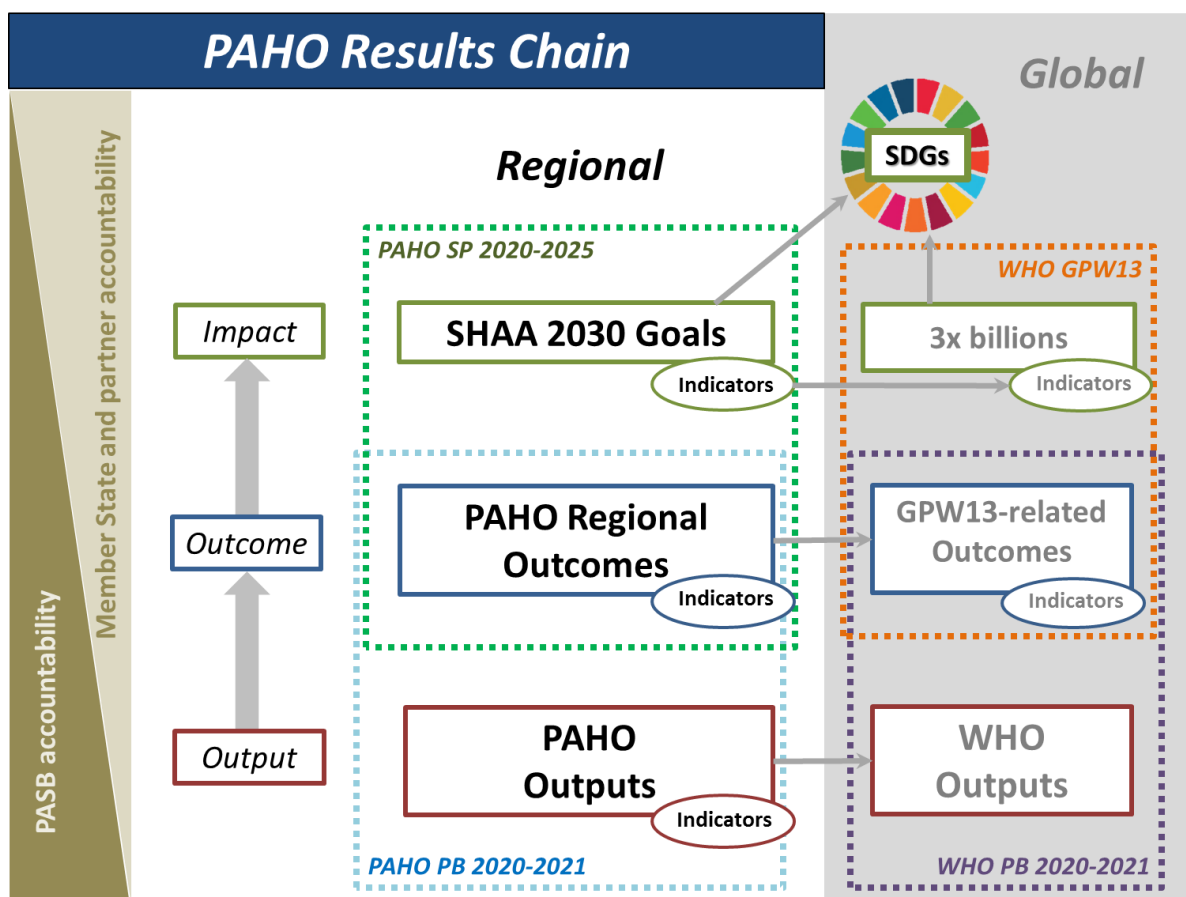
Country/territory	Code	Proposed budget
Grenada	GRD	
Guatemala	GTM	
Guyana	GUY	
Haiti	HTI	
Honduras	HND	
Jamaica	JAM	
Mexico	MEX	
Montserrat	MSR	
Nicaragua	NIC	
Office of the Eastern Caribbean Countries	ECC	
Panama	PAN	
Paraguay	PRY	
Peru	PER	
Puerto Rico	PRI	
Saint Kitts and Nevis	KNA	
Saint Lucia	LCA	
Saint Vincent and the Grenadines	VCT	
Sint Maarten	SXM	
Suriname	SUR	
Trinidad and Tobago	TTO	
Turks and Caicos	TCA	
United States of America	USA	
Uruguay	URY	
Venezuela	VEN	
Total - Country level		
Regional level		
Subregional level		
Total – Base programs		620.0
Region-specific programs and response to emergencies		30.0
PROGRAM BUDGET - TOTAL		650.0

Budget Alignment with WHO Outcomes

12. PAHO maintains its commitment to be in alignment with the WHO GPW 13 and the WHO Programme Budget 2020-2021. From the programmatic perspective, alignment facilitates technical collaboration, monitoring, and reporting between the global and regional levels. From the budgetary aspect, alignment eases the transfer, implementation, and reporting of funds and streamlines processes between the two organizations.

13. As with the regional outcomes, the PAHO regional outputs have been structured so that no PAHO output responds to more than one output in the WHO framework. In this way, it will be possible to aggregate the budget from the bottom up and have a budget that is translatable into the WHO programmatic results chain. Figure 1 illustrates this relationship.

Figure 1. PAHO accountability for results and relationship to global mandates



Financing the Program Budget

This section is under development and will be completed with up- to- date details on resource trends, financing, and resource expectations.

Base Programs

14. The base programs of the PAHO Program Budget 2020-2021 will be financed through *a)* assessed contributions (ACs) from Member States, Participating States, and Associate Members; *b)* budgeted miscellaneous revenue; *c)* other PAHO financing sources, including voluntary contributions and special funds; and *d)* funding allocated by the World Health Organization to the Region of the Americas (consisting of both WHO flexible funding and voluntary contributions). PAHO assessed contributions and miscellaneous revenue are made available for use on the first day of the biennium, based on the assumption that Member States will pay their quota contributions on a timely basis. Other sources of PAHO financing, such as voluntary contributions, are made available when the respective agreement is fully executed. Funding from WHO is made available upon receipt of award distributions or a communication from the WHO Director-General.

15. Based on zero growth of assessed contributions, the share of each source of financing is as follows: assessed contributions, 31%; miscellaneous revenue, 3%; other sources of PAHO financing, 30%; and WHO allocation to the Americas, 35%. Table 4 will show the expected financing of PB 2020-2021 compared with that of PB 2018-2019.

Table 4. Proposed PAHO Program Budget 2020-2021 by financing sources compared with PAHO Program Budget 2018–2019, base programs only (in US\$)

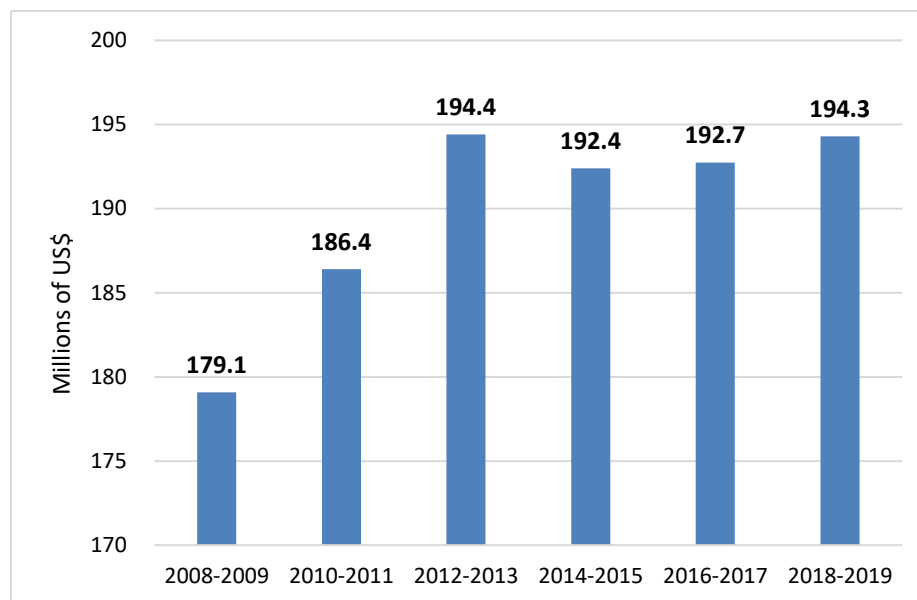
Source of financing	2018-2019	2020-2021	Increase (decrease)
PAHO net assessed contributions ³	194,300,000	194,400,000	100,000
PAHO budgeted miscellaneous revenue	20,000,000	20,000,000	-
PAHO voluntary contributions and other sources	215,200,000	186,700,000	(28,500,000)
WHO allocation to the Americas	190,100,000	219,000,000	28,900,000
TOTAL	619,600,000	620,000,000	

- a) **Assessed contributions:** In 2018-2019, the proposed assessed contributions from Member States, Participating States, and Associate Members came to \$194.3 million. PAHO assessed contributions have not grown since 2012-2013 (Figure 2). Having zero nominal growth in net Member State contributions has

³ The PAHO Program Budget 2018-2019 included gross assessed contributions and deducted the adjustment for tax equalization (see Table 3 in, Official Document 354). PASB will continue to include net assessed contributions in this table, since the net contributions depict the true amounts of assessed contributions expected from the Member State quotas for each biennium.

effectively implied a reduction in the Organization’s flexible resources, since staff and activity costs have increased while assessed contributions have remained the same. This situation has increased dependency on voluntary contributions and limited the Bureau’s ability to address funding gaps. To address this challenge, Annex A will present three proposed growth scenarios for assessed contributions—namely, 0%, 3%, and 6%—for consideration by the Member States.

Figure 2. PAHO assessed contributions over the biennia

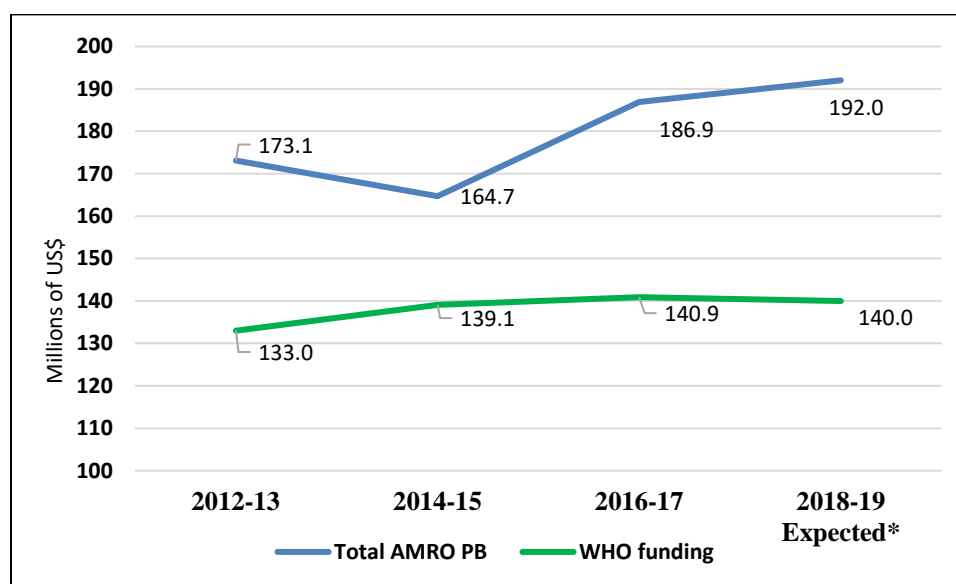


- b) **Budgeted miscellaneous revenue.** This amount corresponds to the estimated income earned in the previous biennia from interest on the Organization’s investments. Based on the most up-to-date information at the time of presenting this budget proposal, miscellaneous revenue is already expected to be \$20 million, similar to the amount in 2018-2019.
- c) **PAHO voluntary contributions and other sources.** This component includes voluntary contributions that are mobilized directly by PAHO, as well as revenue from program support costs and any other income that finances the Program Budget. At least 43% (about \$81 million) is expected to be financed from other sources; the remaining amount would come from resource mobilization efforts. The figure has been adjusted downward to reflect resource mobilization expectations, based on latest historical data and forecasts, and to accommodate a larger WHO budget component.
- d) **WHO allocation to the Americas.** The draft proposed WHO Program Budget 2020-2021 sets the allocation to the Region of the Americas at \$219.0 million, representing a 15% increase with respect to 2018-2019 (\$190.1 million). This allocation corresponds to 35% of the PAHO budget for base programs and can only

be financed by WHO flexible funds and voluntary contributions mobilized by WHO.

16. Despite the growth of the WHO budget, PAHO has failed to benefit from any additional funding from the global level. The WHO allocation budget has increased 27% relative to 2012-2013, yet WHO funding for the Americas has only gone up 5% during that same period. Thus, the increase in the WHO budget has only widened the overall funding gap for PAHO (Figure 3).

Figure 3. Total WHO budget and funding allocations for the Americas, 2012-2013 through expected 2018-2019



Specific Programs and Outbreaks and Crisis Response

17. This section will provide a summary of specific programs that are fully funded by voluntary contributions and are time-limited. It will include such components as polio eradication maintenance, outbreak and crisis response, the Smart Hospitals Initiative, and the Hemispheric Program for the Eradication of Foot and Mouth Disease. The first three elements have traditionally been funded by WHO, and there are current talks about incorporating some of them back into the WHO Program Budget (polio eradication and some aspects of outbreak and crisis response are being reintroduced among the outcomes under the “2nd Billion” in the WHO Program Budget). PASB is monitoring these discussions to determine the appropriate size of this component.

Perspectives on Resource Mobilization: Challenges and Opportunities

18. This section is currently under development and will include the Bureau's latest perspectives on resource mobilization for the next biennium, including possible challenges and opportunities for financing the PAHO PB 2020-2021.

National Voluntary Contributions outside the PAHO Program Budget

19. This section is currently under development and will include an estimate of national voluntary contributions (NVCs) that fund national cooperation agreements. NVCs are country-specific funds that have been provided by national governments to finance specific initiatives which are aligned with the PAHO scope of work. Since they are country-specific, they fall outside of the governance of the PAHO Program Budget, although they are strictly managed following PAHO financial rules and regulations and accounted for in financial reports. Furthermore, their programmatic results are incorporated as part of the strategic achievements of the Organization. PASB will continue to support NVCs as a mechanism for funding country-specific work to achieve joint results, while ensuring that the Financial Rules and Regulations of the Organization are fully respected.

Context

Overview

20. This section is under development. It will provide a summary of the new programmatic structure of the PAHO Program Budget and the main changes in the results-based framework for planning, programming, and budgeting.

21. As indicated before, the highest level of accountability for the PAHO PB 2020-2021 will be the regional outcomes described in the SP 2020-2025.

22. **Regional outcomes**⁴ are collective or individual changes in the factors that affect the health of populations, to which the work of the Member States and PASB will contribute. These include, but are not limited to, increased capacity, increased service coverage or access to services, and/or reduction of health-related risks. Member States are responsible for achieving the outcomes in collaboration with PASB and other PAHO partners. The outcomes contribute to the Strategic Plan's impact goals. Progress made toward achieving outcomes will be assessed with corresponding indicators that measure changes at the national or regional level.

23. **Outputs**⁵ are changes in national systems, services, and tools derived from the collaboration between PASB and PAHO Member States, for which they are jointly responsible. These outputs include, but are not limited to, changes in national policies, strategies, plans, laws, programs, services, norms, standards, and/or guidelines. The outputs will be defined in the respective PB and will be assessed with a defined set of output indicators that will measure the Bureau's ability to influence such changes.

Prioritization of the Results

24. This section is under development. It will present the results of the prioritization exercise that is currently underway at the country level. This is one of the elements that will inform the development and distribution by regional outcome of the proposed PAHO PB 2020-2021.

Risks and Opportunities

25. This section is under development. It will summarize the main risks and opportunities that are anticipated in implementing the proposed PAHO PB 2020-2021.

⁴ Ibid, 2.

⁵ Ibid.

Accountability for Performance

26. This section is under development. It will include the main mechanisms by which PASB will monitor the Program Budget and how it will report to the Member States.

27. To improve transparency and accountability at the country level, a new section is being proposed for consideration by the Member States that will present country budgets and prioritization results with a view to highlighting the main scope of work to be performed at the country level.

Regional Outcomes

28. This section will include:

- a) A brief analysis of the regional situation;
- b) The proposed budget, presented by outcome;
- c) Key technical cooperation interventions;
- d) Outputs;
- e) Output indicators.

Regional Outcome 1: _____

Regional outcome # (ROCM)	Text of regional outcome	Proposed budget	Priority tier
1			

Key technical cooperation interventions <ul style="list-style-type: none"> • To be developed • To be developed • To be developed 			
Output # (OPT)	Text of output	Baseline (year)	Target (year)
1.1	_____	_____ (2019)	_____ (2021)
1.2			

Annex A: Scenarios for Increases in Assessed Contributions

29. This section will present a detailed proposal for requesting an increase in PAHO assessed contributions (AC). As indicated earlier, the last net increase in PAHO assessed contributions was in 2012-2013.⁶

Latest approved amount	Scenario 1: no increase	Scenario 2: 3% increase	Scenario 3: 6% increase
(millions of US\$)			
194.4	194.4	200.2	206.1

30. When considering AC increases, Member States often ask what the Bureau would stop doing if the increase is not approved. The assessed contributions, because they are the most flexible source of funds available to the Organization, are used to help fill critical funding gaps for programs of direct relevance to Member States. Accordingly, here is how the Organization will apply any AC increase that is approved:

- a) In the current biennium, many PAHO/WHO Country Offices face funding gaps of over 20% vis-à-vis their budget allocations. At the same time, PAHO is committed to strengthening the country level in 2020-2021 and beyond. With an increase in assessed contributions, additional flexible funding will be allocated directly to the country level to fund actions prioritized by Member States. Any increases will be shown transparently in the PAHO PB 2020-2021 presented for consideration by the Directing Council in September 2019.
- b) Strategic priorities, such as noncommunicable diseases, maternal mortality, alert and response capacities for complying with the International Health Regulations (IHR), and health information systems, are currently underfunded because they depend almost entirely on flexible funding. Additional ACs will allow the Bureau to increase funding for these priorities.

31. Finally, the increase in assessed contributions would at least partly offset increases in the cost of staff and activities due to inflation (while recognizing that several Member States do not recognize inflation as a justification for quota increases).

32. The Annex will present a detailed country-by-country scenario showing what the proposed increases would represent for each PAHO Member State.

⁶ The PASB is requesting an increase in assessed contributions over the net amount—in other words, the actual quota amount that the Member States agree to contribute.

Annex B: Country Budgets and Prioritization Results

33. This new section will provide a short summary for each country, in line with the PAHO goal of highlighting country-level impact. The summaries will also be useful for defining better accountability at the country level and in providing a space where PASB can highlight each country's main achievements. The country summaries will not exceed one page each. The elements to be included are:

- a) Brief health situation analysis for each country
- b) National prioritization results
- c) Main PAHO deliverables for the next biennium
- d) Budget allocated to the country

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