



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



150th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 18-22 June 2012

Provisional Agenda Item 3.1

CE150/4 (Eng.)

7 May 2012

ORIGINAL: ENGLISH

REPORT ON THE SIXTH SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION

1. The Subcommittee on Program, Budget, and Administration held its Sixth Session at the Organization's Headquarters in Washington, D.C., from 14 to 16 March 2012.
2. The meeting was attended by representatives of the following members of the Subcommittee elected by the Executive Committee or designated by the Director: Argentina, Costa Rica, El Salvador, Guyana, Saint Vincent and the Grenadines, United States of America, and Venezuela (Bolivarian Republic of). Representatives of Brazil, Canada, France, Mexico, and Trinidad and Tobago attended in an observer capacity.
3. Elected as officers were the Delegates of United States of America (President), Costa Rica (Vice President), and Argentina (Rapporteur).
4. The Subcommittee discussed the following agenda items:
 - Mid-term Evaluation of the Health Agenda for the Americas
 - Proposed PAHO Budget Policy
 - Preliminary Program and Budget 2010–2011 End-of-biennium Assessment/ Second Interim PAHO Strategic Plan 2008–2012 Progress Report
 - Nongovernmental Organizations in Official Relations with PAHO
 - Appointment of One Member to the Audit Committee of PAHO
 - Overview of the Financial Report of the Director for 2011
 - Surplus from the Implementation of IPSAS in 2010

- Master Capital Investment Plan
 - Status of Projects Funded from the PAHO Holding Account
 - Amendments to the PASB Staff Rules and Regulations
 - PASB Staffing Statistics
 - Project for Modernization of the PASB Management Information System: Progress Report
 - Process for the Election of the Director of the Pan American Sanitary Bureau and the Nomination of the Regional Director of the World Health Organization for the Americas
 - Draft Provisional Agenda for the 150th Session of the Executive Committee
 - Method of Work of the Governing Bodies: Delegation of Functions to the Executive Committee
5. Under “Other Matters” Dr. Socorro Gross-Galiano (Assistant Director, PASB) provided an update on the situation in Haiti. The Subcommittee also heard informal briefings on the Expanded Textbook and Instructional Materials Program (PALTEX), World Health Day 2012, WHO Reform, Vaccination Week in the Americas, the PAHO Revolving Fund for Vaccine Procurement, and the 16th Inter-American Meeting, at the Ministerial Level, on Health and Agriculture (RIMSA 16).
6. The Final Report of the Session is attached.

Annex



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SIXTH SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 14–16 March 2012

CE150/4 (Eng.)
Annex

SPBA6/FR (Eng.)
18 April 2012
ORIGINAL: ENGLISH

FINAL REPORT

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FINAL REPORT

1. The Sixth Session of the Subcommittee on Program, Budget, and Administration of the Executive Committee of the Pan American Health Organization (PAHO) was held at the Organization's Headquarters in Washington, D.C., from 14 to 16 March 2012.

2. The session was attended by delegates of the following seven members of the Subcommittee elected by the Executive Committee or designated by the Director: Argentina, Costa Rica, El Salvador, Guyana, Saint Vincent and the Grenadines, United States of America, and Venezuela (Bolivarian Republic of). Delegates of Brazil, Canada, France, Mexico, and Trinidad and Tobago attended in an observer capacity.

Opening of the Session

3. Dr. Mirta Roses Periago (Director, Pan American Sanitary Bureau [PASB]) opened the session and welcomed the participants, noting that the session was the first in the cycle of Governing Bodies sessions for 2012. She also noted that the working environment in the Subcommittee's sessions was generally more informal than was the case with the other Governing Bodies, which facilitated a lively exchange of views. She was confident that the Subcommittee's discussions of the various items on its agenda would greatly facilitate the work of the Executive Committee in June and the Pan American Sanitary Conference in September.

Officers

4. The following Member States were elected to serve as officers of the Subcommittee for the Sixth Session:

<i>President:</i>	United States of America	(Ms. Ann Blackwood)
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<i>Vice President:</i>	Costa Rica	(Dr. Ileana Herrera Gallegos)
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<i>Rapporteur:</i>	Argentina	(Dr. Raúl Penna)
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5. Dr. Mirta Roses Periago (Director, PASB) served as Secretary ex officio, and Dr. Jon Kim Andrus (Deputy Director, PASB) served as Technical Secretary.

Adoption of the Agenda and Program of Meetings (Documents SPB6/1, Rev. 2 and SPBA6/WP/1)

6. The Subcommittee adopted the provisional agenda submitted by the Director (Document SPBA/1, Rev. 2) without change. The Subcommittee also adopted a program of meetings (Document SPBA6/WP/1).

Program Policy Matters

Mid-term Evaluation of the Health Agenda for the Americas (Document SPBA6/2)

7. Mr. Diego Victoria (Area Manager, Planning, Budget, and Resource Coordination, PASB) outlined the proposed procedure for evaluating the Health Agenda for the Americas, adopted by the Region's ministers and secretaries of health in 2007. The evaluation process, like the formulation of the Agenda, would be led by Member States and would assess progress in the Agenda's areas of action; it would also seek to determine the extent to which the Agenda had guided the preparation of national health plans and the strategic plans of health cooperation organizations. At the same time, the PASB Office of Internal Oversight and Evaluation Services would evaluate the Bureau's response to the Health Agenda for the Americas.

8. It was proposed that the country-led portion of the evaluation should be carried out by a working group consisting of no more than 10 Member States. The Bureau recommended that the group's membership should include the current members of the Subcommittee (Argentina, Costa Rica, El Salvador, Guyana, Saint Vincent and the Grenadines, United States of America, and Venezuela (Bolivarian Republic of)) and that the Member States that had been involved in the initial stages of the development of the Health Agenda (Antigua and Barbuda, Argentina, Canada, Chile, Cuba, Panama, and United States of America) should also be invited to participate.

9. The proposed terms of reference for the working group were contained in the annex to Document SPBA6/2. It was proposed that the group should meet initially by teleconference on 26 March 2012 and then should hold a three-day face-to-face meeting during the week of 16 April in a location to be decided by the group's members. The Bureau recommended that one member of the group should be selected to lead the evaluation process and that each member of the working group should designate one official from its ministry or secretariat of health with expertise in planning and evaluation at national level to serve as its representative on the working group. PASB would serve as technical secretariat for the group. It was envisaged that the working group would submit a progress report on the evaluation process to the 150th Session of the Executive Committee in June 2012 and would submit its final report to the 28th Pan American Sanitary Conference in September 2012.

10. The Subcommittee voiced support for the proposed evaluation procedure and the proposed terms of reference for the working group. It was considered important for the country-led evaluation process to be informed by the Bureau's internal evaluation and vice versa. The Subcommittee stressed that the working group should begin its work immediately, should maintain a tight focus, and should establish a timetable with specific dates for the completion of the various steps in the process in order to complete its work in time to meet the reporting deadlines. The Delegate of Argentina said that his Government was willing to lead the evaluation process. The Delegate of Brazil said that her Government would like to be a member of the working group.

11. With regard to the evaluation methodology, it was suggested that some of the indicators from the PASB Strategic Plan 2008–2012 might be used to measure implementation of the Health Agenda for the Americas, but that other indicators would also be needed. It was also suggested that information on the evaluation process and the metrics used by the working group should be made public. Information on the cost of the evaluation was requested.

12. Mr. Victoria said that the Bureau would work out a budget for the evaluation process, including the cost of publishing the various reports for the Governing Bodies, after details such as the composition of the group and its schedule of meetings had been decided. The first step in the process would be for Argentina, as leader of the working group, to confirm the membership of the group and convene its first meeting on 26 March 2012. He agreed that it would not be appropriate to rely only on the Strategic Plan indicators in order to evaluate the Health Agenda for the Americas, as the Strategic Plan did not address all aspects of the Agenda.

13. Mr. David O'Regan (Auditor General, PASB) said that the Office of Internal Oversight and Evaluation Services had already begun its internal evaluation of the Bureau's performance with respect to the Health Agenda and expected to complete the evaluation in May and submit its report to the Executive Committee in June. The Bureau's evaluation process would be coordinated with, but would not duplicate, the country-led process.

14. The Subcommittee endorsed the proposal for the mid-term evaluation of the Health Agenda for the Americas as set out in Document SPBA6/2 and the timetable for the process outlined by Mr. Victoria. It further agreed that the working group should hold its first meeting by electronic means on 26 March 2012 and should subsequently hold a face-to-face meeting in mid-April, the exact dates and location to be established by the working group in consultation with the Bureau. The Subcommittee expressed gratitude to Argentina for agreeing to lead the evaluation process.

Proposed PAHO Budget Policy (Document SPBA6/3)

15. Mr. Román Sotela (Senior Advisor, Program and Budget Management, PASB) introduced Document SPBA6/3, which reported on progress towards the formulation of a revised PAHO budget policy to replace the current policy, which would remain in effect until the conclusion of the 2012–2013 biennium. The Consultative Working Group consisting of experts from six Member States had held its first meeting in February 2012 and had reviewed the current policy and an analysis of its application by the Bureau, examined the budget policies of other agencies, discussed concepts and issues related to the development of resource allocation policies in general, and formulated a list of criteria and principles to guide the development of a revised budget policy for PAHO.

16. The document summarized the outcomes of the Working Group's work thus far. The list of principles and criteria appeared in paragraph 24. Not all of them would necessarily be incorporated in the policy, but the Working Group had deemed all of them worthy of analysis and consideration. The Consultative Working Group would meet again in April to continue its discussion of those concepts and issues and would also take into account any guidance received from the Subcommittee.

17. At the request of the President, Mr. David O'Regan (Auditor General, PASB) highlighted the principal findings and recommendations emanating from the evaluation of the current budget policy by the Office of Internal Oversight and Evaluation Services (IES), which were summarized in paragraphs 12 and 13 of the document. IES had found the policy to be a significant achievement in term of its mathematical precision and objectivity, and recommended that the same objectivity should be preserved in the new policy. He pointed out that allocating resources on the basis of results or national public health capacity, rather than using a needs-based formula, might introduce a greater element of subjectivity into the policy because results and capacity were more difficult to measure.

18. The Subcommittee expressed appreciation for the work of the Consultative Working Group and welcomed the progress report, although several delegates noted that it had been made available only shortly before the opening of the session and they had therefore not had time to examine it in depth. Information was sought on how Member States could provide comments on the progress report and on arrangements for the virtual consultation scheduled for late April. It was suggested that in order to ensure broad participation in that consultation and maximize input from Member States, the PAHO/WHO country representatives should organize meetings with national health authorities to inform them about the issues under discussion within the Consultative Working Group.

19. Support was expressed for the retention of a needs-based mathematical formula as the main factor for determining the allocation of resources. Support was also expressed

for the use of both a floor and a ceiling to limit reductions or increases in allocations and for the use of population smoothing, although it was suggested that the latter should perhaps be given less weight than in the current budget policy. The importance of the subregional level and of continued support for subregional cooperation was underscored. Concern was expressed about a statement in paragraph 24 relating to national voluntary contributions, which proposed a reduction in regular budget resource allocations to countries that made voluntary contributions to the Organization for the implementation of national priorities. The need to ensure transparency in the distribution of resources and avoid disincentives to South-South cooperation was stressed.

20. Clarification was requested of the resource allocation approaches employed by the United Nations Children's Fund (UNICEF) and the World Bank, in particular the public sector capacity index mentioned in paragraph 17 of the document.

21. Dr. Oscar Mujica (Advisor, Social Epidemiology, PASB) said that UNICEF's approach to resource allocation was similar to that of PAHO, with one major difference. Under UNICEF's budget policy, resources were allocated to programs and projects mainly on the basis of a needs-based mathematical formula. Needs were determined on the basis of three indicators having to do with infant mortality. UNICEF also used population smoothing. However, unlike PAHO's policy, UNICEF's budget policy applied to allocation of project and program funds, not to the allocation of funds for operating expenses.

22. Mr. Rubén Suárez (Senior Advisor, Public Policies, Regulation, and Health Financing, PASB) explained that the Consultative Working Group had discussed two papers that used World Bank data and indicators to assess government capacity to address public policy issues. One, from the Organization for Economic Cooperation and Development (OECD), had presented a broad assessment of different types of indicators of such capacity, and the other, from the Government of Canada had provided a historical view of changes in recent decades in that Government's capacity to design and implement public policies. The Consultative Working Group's discussion had focused on how country capacity might influence technical cooperation activities and the allocation of resources.

23. Mr. Sotela said that all the background papers examined by the Working Group would be made available to Member States prior to the virtual consultation, which was scheduled to take place in late April, after the second meeting of the Consultative Working Group. All Member States would be invited to participate. The comments received during the consultation would be incorporated into the report to be submitted to the 150th Session of the Executive Committee.

24. The Director noted that PAHO was one of only a handful of international organizations that had a budget policy, which meant that there was not much experience

to draw on in formulating a new policy for PAHO. Because PAHO was a multilateral organization governed by its Member States, and because the policy was intended to establish a means of allocating resources in order to achieve the collective mandates agreed by Member States, broad consultation was essential. Consultation at country level was especially important, and the Bureau, through the PAHO/WHO representatives, intended to convene such consultations. It was working to ensure that all Member States, including those with limited connectivity, would have an equal opportunity to express their opinions with regard to the budget policy. Input from experts from countries with federal systems of government would be particularly helpful, as they had grappled with the challenges of allocating resources among several levels.

25. As was apparent from the document, the formulation of a budget policy was a complex process in which many factors must be taken into consideration. It was important to bear in mind that the PAHO budget policy applied only to the distribution of resources from the regular budget, which accounted for less than half of the Organization's total resources and was used to support its core functions. Most funding for technical cooperation activities came from voluntary contributions. The policy should take account of both types of resources. The growth of national capacity, including capacity for horizontal cooperation, was another factor that might affect resource allocation decisions. It was also important to take account of the disparities among the countries of the Americas, which remained the most unequal region in the world in terms of distribution of wealth.

26. Mr. Sotela pointed out that the deadline for posting documents for the Executive Committee on the PAHO website was 7 May 2012, six weeks before the opening of the 150th Session. He thought it unlikely that the Bureau would be able to produce the document on the budget policy by that deadline, as it would have only about a week following the virtual consultation in late April to compile and produce a report on the input received from Member States and then finalize the working document for the Executive Committee and have it edited and translated into all of the Organization's official languages. He therefore sought the Subcommittee's approval to defer posting the document until 21 May 2012, four weeks before the opening of the 150th Session of the Executive Committee.

27. The Subcommittee agreed that the document would be made available by 21 May 2012 and took note of the report.

Preliminary Program and Budget 2010–2011 End-of-biennium Assessment/Second Interim PAHO Strategic Plan 2008–2012 Progress Report (Document SPBA6/4)

28. Mr. Diego Victoria (Area Manager, Planning, Budget, and Resource Coordination, PASB) summarized the preliminary findings of the assessment of the 2010–2011 program and budget and the second progress report on the PAHO Strategic

Plan 2008–2012, noting that a more complete report, including an analysis of progress at the country level, would be presented to the 150th Session of the Executive Committee in June, with the final report to be submitted to the 28th Pan American Sanitary Conference in September.

29. The assessment had revealed that good progress was being made towards achieving the 16 strategic objectives (SOs), the 90 Region-wide expected results (RERs), and the 256 indicator targets included in the Strategic Plan 2008-2012. None of the strategic objectives was “in trouble” (i.e., there were no serious impediments or risks that might prevent their being achieved); 12 were “on track” (i.e., no problem was foreseen in achieving them by the end of 2012); and 4 were “at risk” (i.e., action was needed to overcome impediments, delays, or risks to further progress). The number at risk had been reduced by one with respect to the situation at the end of the previous biennium. A strategic objective was considered to be at risk if even one of its Region-wide expected results was at risk. Seventy-eight of the Region-wide expected results were on track, 11 were at risk (10 fewer than at the end of the 2008–2009 biennium), and one was in trouble—RER 9.4 (Development, strengthening, and implementation of plans and programs for improving nutrition throughout the life-course). With regard to the RER indicator targets, 231 had been achieved (5% more than in 2008-2009); 25 had not yet been fully achieved, but progress had been made on all.

30. Of the total 2010-2011 budget of \$643 million,¹ \$599 million (93%) had been mobilized. Available resources for the biennium had increased by \$40 million with respect to 2008–2009. A total of \$261.8 million in voluntary contributions had been mobilized. It had not been possible to fill the entire funding gap, mainly because PAHO had received only 30% of the voluntary contributions expected from WHO. The budget had been allocated to the various strategic objectives in accordance with the priority ranking approved by Member States. It had proved difficult to align resources fully with the programmatic priorities, as doing so often entailed moving or recruiting staff, which took time. Moreover, the majority of voluntary contributions continued to be earmarked, which made it difficult to channel resources to the areas where they were most needed. Nevertheless, good progress was being made with regard to both resource alignment and mobilization of flexible voluntary funding.

31. The Subcommittee welcomed the preliminary report and looked forward to receiving the full report in June. In particular, delegates looked forward to a more explicit and in-depth analysis of the strategic objectives and Region-wide expected results currently at risk and a more qualitative assessment of the challenges that must be surmounted in order to achieve them. It was also hoped that the full report would contain information on the amount of funding received during the biennium from all sources, including national voluntary contributions, the Revolving Fund for Vaccine Procurement,

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

the Regional Revolving Fund for Strategic Public Health Supplies (the “Strategic Fund”), and funds for Outbreak Crisis and Response, as the assessment should be based on the Organization’s total budget.

32. Strong support was voiced for the results-based management approach to planning and budgeting described in the report, whereby each entity planned the cost of its biennial work plan according to the estimated amount of resources required to achieve its expected results and outputs during that biennium, and the Bureau then endeavored to mobilize voluntary resources to fill any funding gaps. Lack of flexibility with regard to the allocation of voluntary resources was seen as a problem for both WHO and PAHO, and it was hoped that PAHO would benefit from efforts to address that problem in the context of WHO reform.

33. Concern was expressed about the strategic objectives that had been on track at the end of the 2008–2009 biennium but were now at risk, notably SO1 (Reduce the health, social and economic burden of communicable diseases) and SO14 (Extend social protection through fair, adequate and sustainable financing). It was considered essential for both the Bureau and Member States to prioritize those areas. Concern was also expressed about the relatively low level of funding and implementation in respect of some strategic objectives, particularly SO10 (Health services), SO11 (Health systems leadership and governance), and SO12 (Medical products and technologies).

34. The importance of the assessment for future strategic planning was underlined. In that connection, it was pointed out that some of the strategic objectives and indicator targets should be examined with an eye to determining whether they remained relevant or needed updating.

35. Mr. Victoria affirmed that the report to be submitted to the Executive Committee in June would contain much more detailed information, including not only comparisons with the previous biennium but also with the current one. That information would enable Member States to see how funds had been reoriented on the basis of the results achieved during the 2010–2011 biennium. The report would also present more in-depth analysis of the issues raised by the Subcommittee, including that of the relevance of the RER indicators.

36. Dr. Marcos Espinal (Area Manager, Health Surveillance and Disease Prevention and Control, PASB) said that Strategic Objective 1 (Reduce the health, social and economic burden of communicable diseases) was currently at risk because of delays in achieving two Region-wide expected results: RER 1.3, which had to do with technical cooperation for the prevention, control, and elimination of neglected communicable diseases, and RER 1.6, which related to implementation of the International Health Regulations (IHR) (2005). The Bureau had targeted activities and scheduled missions to several countries with a view to ensuring that RER 1.3 would be achieved. It was also

working to ensure that the IHR core capacities were in place in all countries of the Region as soon as possible.

37. Strategic Objective 3 was considered at risk mainly because of lack of progress with respect to RER 3.1 (Increased political, financial, and technical commitment for chronic noncommunicable diseases). The recent United Nations High-level Meeting on the Prevention and Control of Noncommunicable Diseases had helped to draw attention to the problem, but work was still needed to ensure an adequate financial commitment in some countries. The first meeting of the Pan American Forum for Action on Noncommunicable Diseases was expected to help boost both political and financial commitment.

38. Dr. Rubén Torres (Senior Advisor, Health Governance, Policy, and Planning, PASB) explained that Strategic Objective 14 was at risk principally because of delays in completing the studies called for under RER 14.2, which had to do with catastrophic spending on health, particularly out-of-pocket spending, and its impact on health system financing. National health accounts often did not reflect such spending. The Bureau was working to address that problem by encouraging countries to compile satellite health accounts in order to measure catastrophic spending. He was confident that SO14 would be achieved by the conclusion of the Strategic Plan 2008–2012.

39. Dr. Gina Tambini (Area Manager, Family and Community Health, PASB), referring to Strategic Objective 9, said that the Bureau was working with several countries in the Caribbean to ensure that the indicator targets under RER 9.4 would be met. The two that had consistently been at risk or in trouble were 9.4.4. (Number of countries that have incorporated nutritional interventions in their comprehensive response programs for HIV/AIDS and other epidemics) and 9.4.5 (Number of countries that have national preparedness and response plans for food and nutrition emergencies). The approval by Member States of the Strategy and Plan of Action for the Reduction of Chronic Malnutrition (Resolution CD50.R11) was expected to facilitate the achievement of RER 9.1, relating to increased investment in nutrition, food safety, and food security, and RER 9.3, which had to do with monitoring and surveillance in relation to food security, nutrition and diet-related chronic diseases.

40. The Director said that the report to be submitted to the Executive Committee would include information on funds from all sources. It would also include a section on lessons learned that would highlight areas requiring attention under the Organization's next strategic plan.

41. The issue of voluntary contributions from WHO was a longstanding concern. The Region had historically failed to receive its allotted share of such contributions, and continued vigilance by Member States, particularly those that were members of the WHO Executive Board, was needed in order to rectify that situation.

42. The Subcommittee took note of the report.

Nongovernmental Organizations in Official Relations with PAHO (Document SPBA6/5)

43. Mr. James Hill (Advisor, Resource Mobilization, PASB) introduced Document SPBA6/5, which contained information on eight nongovernmental organizations (NGOs) wishing either to enter into official relations with PAHO and or to renew their status as organizations in official relations with PAHO. The document also provided brief progress reports on the Organization's collaboration with all of the NGOs currently in official relations with PAHO.

44. In accordance with the procedure outlined in the Principles Governing Relations between the Pan American Health Organization and Nongovernmental Organizations (NGOs), the Subcommittee undertook its review of the various NGOs in a closed meeting, following which the President announced that the Subcommittee had decided to recommend that the Executive Committee admit the Healthy Caribbean Coalition (HCC) and the Inter-American Society of Cardiology (SIAC) into official relations with PAHO and that it approve the continuation of official relations between PAHO and the Inter-American College of Radiology (ICR), the Latin American Association of Pharmaceutical Industries (ALIFAR), the Latin American Federation of Hospitals (FLH), the Pan American Federation of Associations of Medical Schools (FEPAFEM), the Pan American Federation of Nursing Professionals (FEPPEN), and the Latin American and Caribbean Women's Health Network (RSMLAC).

45. The President announced that the Subcommittee's recommendations would be presented to the 150th Executive Committee in a draft resolution for its consideration.

Appointment of One Member to the Audit Committee of PAHO (Document SPBA6/6)

46. Ms. Heidi Jiménez (Legal Counsel, PASB) introduced Document SPBA6/6, recalling that the Audit Committee had been established in 2009 with a view to enhancing transparency and accountability within the Organization. The Committee's terms of reference were contained in the Annex to Document SPBA6/6. Committee members served three-year terms, but in order to ensure that not all of the initial members of the Committee would be reelected at the same time, membership had been staggered, with one member serving a four-year term, one a three-year term, and the third a two-year term. The latter member, Mr. Peter Maertens, would complete his term in June 2012, and it would therefore be necessary for the Executive Committee to appoint a new member to the Audit Committee during its 150th Session in June 2012.

47. In accordance with the Audit Committee's terms of reference, the Director was responsible for recommending candidates to serve as members of the Committee. She

had confirmed that Mr. Maertens would be willing to serve a second term on the Committee and therefore recommended that he be appointed as a member of the Audit Committee for a three-year term commencing in June 2012.

48. The Subcommittee expressed strong support for the work of the Audit Committee and endorsed the Director's recommendation that Mr. Maertens should be reelected to a second term of office.

Administrative and Financial Matters

Overview of the Financial Report of the Director for 2011 (Document SPBA6/7)

49. Ms. Sharon Frahler (Area Manager, Financial Resources Management, PASB) introduced the draft financial report, stressing that it gave an unaudited picture of PAHO's financial position. The financial statements were currently being audited by PAHO's External Auditors, and the audited report was expected to be ready in mid-April and would be posted on the Organization's website as soon as it was finalized. She also noted that 2011 had marked the second anniversary of PAHO's transition to the International Public Sector Accounting Standards (IPSAS) and the first biennial closure of the Organization's financial accounts under the new standards.

50. The Organization's accrued resources for 2011 had totaled approximately \$838.5 million. Combined resources for the 2010–2011 biennium had totaled \$1.8 billion, as compared with \$1.4 billion for the previous biennium—an increase of approximately \$400 million, or 29%, in two years. However, total financial resources for 2011 had been \$94 million (10%) lower than the 2010 total of \$932.6 million. That difference reflected a decrease in vaccine procurement activity. In 2011 the pandemic (H1N1) 2009 vaccine had been incorporated into the seasonal influenza vaccine, which meant that Member States had not been obliged to purchase two separate influenza vaccines. The Organization's total expenses had shown a similar decrease, from \$927.3 million to \$836.3 million, a reduction of \$91 million, or 10%, which also reflected the decrease in vaccine procurement in 2011.

51. Total cash receipts of assessed contributions in 2011 had amounted to \$104 million, \$75 million from payment of 2011 assessments and \$29 million from cash receipts for prior bienniums—the second highest level of quota contribution receipts since 1998. During 2011, 25 Member States had paid their 2011 assessed contributions in full, 4 Member States had made partial payments, and 10 Member States had not made payments. Total assessed contributions still pending as of 31 December 2011 had amounted to \$24 million, which was \$5.7 million less than at the end of 2010 and the lowest level since 2000.

52. Accrued miscellaneous income had amounted to \$4.3 million, which was far less than the approximate \$10 million budgeted for 2011. Extremely low global interest rates had significantly impacted the interest earned on the Organization's investment portfolio. As a result, the miscellaneous income figure had fallen more than \$10 million short of the total budgeted amount of \$20 million for the 2010–2011 biennium. The shortfall in miscellaneous income had resulted in an overall shortfall in the Organization's regular budget for the biennium, which had been funded out of the Working Capital Fund.

53. In the discussion that followed Ms. Frahler's presentation, members of the Subcommittee expressed concern about the shortfall in miscellaneous income and about the number of Member States that had not paid their assessed contributions in full. Information was requested on how the shortfall had affected the minimum level of the Working Capital Fund and on how the Fund would be replenished. A delegate also inquired how the shortfall would be taken into account in future budgeting, particularly in future projections of miscellaneous income.

54. Ms. Frahler explained that it was difficult to estimate miscellaneous income because the amount projected for a biennium was established almost three years prior to the end of the previous biennium. In the current economic climate, it had been extremely difficult to surmise three years in advance what the returns on the Organization's investment portfolio would be. Certainly, when the 2010–2011 budget had been drawn up, no one had expected that interest rates would decline to almost zero.

55. The Bureau's top priority was always to preserve the capital in the Organization's investment portfolio—in other words, to preserve the funds with which Member States and PAHO's partners and donors had entrusted it. Its second priority was to ensure that it had the liquidity needed to meet its expenses. Its third was earning a return on investment, which unfortunately had not been possible in 2010–2011. Although the Organization had had a surplus of income over expenditures in 2010, it had run a deficit in 2011. The net result had been a reduction of approximately \$4.6 million in the Working Capital Fund, leaving a balance of slightly over \$15 million. The Fund would be replenished from surpluses in future bienniums.

56. While it was true that some countries had not paid their assessed contributions in 2011, arrears predating 2011 had amounted to only \$705,000, which was a remarkable achievement. In earlier years, arrears had totaled several million, and on one occasion the Bureau had even had to seek permission from the Executive Committee to borrow from other funds in order to cover a shortfall in the regular budget resulting from non-payment of quota contributions. The Bureau had set up deferred payment plans with Member States that were having trouble meeting their assessments, and those plans had been very successful. Allowing Member States to pay their assessments in local currency had also helped. She expressed gratitude to Member States for their continued commitment to timely payment of their assessed contributions.

57. The Director observed that it had been impossible to predict the sharp decline in interest rates on international markets in recent years, and it had also been difficult to predict when recovery would occur. The Bureau's internal investment committee had been very prudent and had done an excellent job of managing the Organization's investments and protecting the resources it received from Member States, which, as Ms. Frahler had said, was the Bureau's first priority.

58. She paid tribute to Ms. Frahler, who would be retiring shortly after the 150th Session of the Executive Committee in June.

59. The Subcommittee thanked Ms. Frahler for her report and for her years of service to the Organization.

Surplus from the Implementation of IPSAS in 2010 (Document SPBA6/8)

60. Mr. Guillermo Birmingham (Director of Administration, PASB) reported that the adjustments made in the Organization's accounts as part of the transition from the United Nations System Accounting Standards to IPSAS had yielded a surplus of almost \$33.9 million resulting from unexpended budgetary appropriations. It was proposed that the surplus be used to invest in the Organization's future by securing needed funding for long-term, high-cost strategic and administrative initiatives that would be difficult to fund out of biennial budgets. Specifically, the Bureau proposed that the funds should be used for the following purposes: modernization of the PASB Management Information System, after-service health insurance for retirees, creation of a reserve for the Master Capital Investment Fund, replenishment of the PAHO Special Fund for Health Promotion and creation of an Epidemic Emergency Fund, and investment in a five-year food safety plan. It was further proposed that the balance of the surplus remaining after the proposed levels of funding had been allocated to the foregoing initiatives should be put into a reserve fund to be used for additional investment in those initiatives or for future strategic and/or administrative purposes. Details of the proposed investments were provided in paragraph 7 of Document SPBA6/8.

61. The Subcommittee welcomed the surplus and expressed support for most of the proposed uses of the funds. Particular support was expressed for the proposals relating to the PASB Management Information System project and after-service health insurance. With regard to the proposal concerning the Master Capital Investment Fund, support was voiced for the transfer of \$6 million to the Information Technology Subfund, but it was suggested that the transfer of \$2 million to the Real Estate and Equipment Subfund should be deferred until the Project Infrastructure Investment Committee had completed its review of the proposed projects (see paragraphs 69 to 74 below) and the operating procedures for the Master Capital Investment Fund had been redrafted and submitted to the 150th Session of the Executive Committee.

62. More information was requested on how the Director would utilize the funds in the Special Fund for Health Promotion, whether the funds could be used to cover the cost of unfunded initiatives such as project management for the cholera-free Hispaniola initiative, and whether all the money in the Fund would have to be expended in the course of 2012.

63. With regard to the proposal to transfer the remaining balance of the surplus into a reserve fund, it was suggested that the money should instead be returned to Member States as a credit toward future assessed contributions. A delegate pointed out that when the Organization's income from investments had been negatively affected by the global financial crisis, Member States had agreed to an increase in their assessments in order to share the burden of that lower income. In her view, it was only fair that Member States should share in the surplus.

64. Mr. Birmingham, replying to the question concerning the Special Fund for Health Promotion, explained that, like the Holding Account and the Master Capital Investment Fund, it was a multi-year fund intended to cover projects that would span several years.

65. The Director added that the Special Fund for Health Promotion had been established in 1961 (Resolution CD13.R16), also as a result of a surplus of income over expenditures. It had initially been capitalized with about \$1.7 million, and currently about \$700,000 remained. Some of the money expended through the years had been put back into the Fund because funding had been received from various sources for health promotion activities. The Fund was used mainly for health education and communication activities and community-based initiatives, such as local development projects aimed at achieving the Millennium Development Goals that did not generally receive global funding. In the future, resources from the Fund might be devoted to initiatives aimed at combating noncommunicable diseases, which, despite the recent Political Declaration of the High-level Meeting of the United Nations General Assembly on the Prevention and Control of Noncommunicable Diseases, tended not to attract much international financing.

66. Concerning the suggestion that the remaining balance of the surplus should be returned to Member States, she pointed out that the amount accruing to each Member State would be quite small and that it might therefore be preferable to retain the funds in a reserve fund to be used for appropriate investments in the current and future bienniums.

67. She was pleased to be able to pass on a healthy financial situation to the Bureau's next Director. In particular, she was pleased that the surplus would make it possible to eliminate the post occupancy charge contemplated in the 2012–2013 budget to cover the cost of the PASB Management Information System, as doing so would free up more funds for technical cooperation activities. She noted that the modernization of the system

was expected to yield significant gains in the Organization's efficiency, effectiveness, and response capacity.

68. The Subcommittee took note of the report.

Master Capital Investment Plan (Document SPBA6/9)

69. Mr. Edward Harkness (Manager, General Services Operations, PASB) introduced Document SPBA6/9, noting that it described the operations proposed for the 2012–2013 biennium under the two subfunds of the Master Capital Investment Fund (Real Estate and Equipment Subfund and Information Technology Subfund). As there had been no unobligated funds left over from the previous biennial budget or any new influx of money into the Fund, a limited amount would be available for projects in 2012–2013. The Project Infrastructure Investment Committee was in the process of reviewing the proposed projects in order to determine which ones would be carried out during the biennium. The elevator rehabilitation project at PAHO Headquarters would definitely be completed during the period, at an estimated total cost of \$975,000.

70. Subcommittee members welcomed the Bureau's efforts to ensure regular maintenance and upgrading of the Organization's buildings and information technology infrastructure, both at Headquarters and in country offices. Given the Organization's focus on management and dissemination of information, it was considered critical to keep its information technology resources up to date. Strong support was expressed for the plan to rebuild the country office in Haiti.

71. It was noted that the document indicated that some funding for the Real Estate and Equipment Subfund might be received from WHO in 2012, and information was sought on the potential amount of such funding. It was also noted that the buildings that housed some country offices were provided by Member States, and it was suggested that the savings on rent for those facilities might be put into a fund to be used to improve those or other offices.

72. Mr. Harkness said that the Bureau had submitted a request for funding from WHO and had been informed that \$850,000 had been reserved for the Haiti country office reconstruction project. Subject to approval by the World Health Assembly in May 2012, PAHO might receive an additional \$850,000, bringing the total amount of WHO funding to \$1.7 million. He explained that there was no savings to be realized on rent for the country offices provided by Member States because PAHO did not pay any rent for the use of those facilities. Any rental costs were covered by the governments of the Member States concerned.

73. Mr. Guillermo Birmingham (Director of Administration, PASB) added that the Bureau was examining options for generating and using savings on rent that the

Organization paid for country offices in buildings not provided by Member States. One possibility might be to establish a strategic real estate fund.

74. The Director noted that it was proposed that some of the surplus from the implementation of IPSAS in 2010 (see paragraphs 60 to 68 above) should be used to create a reserve to fund real estate investments.

Status of Projects Funded from the PAHO Holding Account (Document SPBA6/10)

75. Mr. Román Sotela (Senior Adviser, Program Budget Management, PASB) reviewed the history of the Holding Account, which had originated in 2008, when there had been a budget surplus. The Governing Bodies had approved the use of the Holding Account to fund 14 projects, of which 3 had been completed and 11 were ongoing. Table 1 in Document SPBA6/10 described the various projects and Table 2 summarized the status of implementation and the amount remaining in the Holding Account for each one. The annex provided more detailed information on the 11 ongoing projects.

76. Subcommittee members welcomed the Organization's efforts to modernize information systems, improve connectivity in country offices, maintain and upgrade physical infrastructure, and assist countries in implementing the International Health Regulations (IHR) (2005). With regard to the latter, a delegate asked how Member States should go about submitting proposals for funding under Project 1.B in order to strengthen their national IHR focal points and whether projects might be carried out at a subregional level among the countries of the Southern Common Market (MERCOSUR) and the Union of South American Nations (UNASUR). The same delegate highlighted the importance of coordinating the Organization's efforts to strengthen public health information systems (Project 2.A) with similar efforts under way at the subregional level, in particular the health observatories initiatives within MERCOSUR, UNASUR, and the Andean Health Organization.

77. Dr. José Antonio Escamilla (Advisor, Health Information and Analysis, PASB) said that strengthening interoperability among health systems would be the focus of the third phase of Project 2.A. To that end, the Bureau would indeed be collaborating with the various subregional initiatives.

78. Responding to the question concerning Project 1.B, Dr. Sylvain Aldighieri (Senior Adviser, International Health Regulations, Alert and Response, and Epidemic Diseases, PASB) said that the project includes 14 priority countries and a subregional center, which were listed in Document SPBA6/10. During the period under review, Haiti and Jamaica had submitted project proposals, which had been evaluated and approved and the funds had been transferred to national authorities via the respective PAHO/WHO country offices. Guyana had also submitted a proposal, which was currently under

review; that would be the last of the 15 projects envisaged under the first stage of the project.

79. Other countries were welcome to apply for support in strengthening their national focal points, and certainly the Bureau had the technical capacity to assist them. The Regulations did not provide for any intermediate structure between the country level and PAHO, as the regional point of contact for WHO headquarters and therefore no subregional initiatives were planned. Nevertheless, the Bureau recognized the importance of horizontal relationships among IHR focal points within the same subregion and supported those relationships.

80. The Director affirmed that the Bureau was committed to assisting Member States in strengthening their national IHR focal points. Support was available for that purpose not only through the Holding Account, but also through country budgets and country cooperation strategies, funds allotted to support technical cooperation among countries, and the subregional portion of the biennial program and budget.

81. The President suggested that, as 2012 was a crucial deadline for implementation of the Regulations, the Executive Committee might wish to pay particular attention to the topic.

82. The Subcommittee took note of the report.

Amendments to the PASB Staff Rules and Regulations (Document SPBA6/11, Rev. 1)

83. Ms. Nancy Machado (Human Resources Advisor, PASB) gave an overview of the changes to the Staff Rules set out in the annex to Document SPBA6/11, Rev. 1. Some of those changes were considered necessary in order to maintain consistency with decisions of the United Nations General Assembly, which in turn were based on recommendations of the International Civil Service Commission. Others were being proposed in light of experience and in the interest of good human resources management. The only substantive change concerned disciplinary measures. A new staff rule to be submitted for confirmation by the Executive Committee in June 2012 would provide for a reduction in a staff member's salary as a disciplinary measure, for example in cases of misconduct.

84. A member of the Subcommittee asked for more information on the budget impact of the 0.13% increase in the base/floor salary scale for staff in professional and higher categories. He also sought clarification regarding a 6.7% decrease in gross salaries for staff in the professional and higher categories provided for under Staff Rule 330.1.1, as amended.

85. Ms. Machado said that the increase in the base/floor salary scale would have no cost implications for the Organization as it would merely change the proportions allocated to the two components of the salaries of staff in the professional and higher

categories: base salary and post adjustment multiplier. The overall salary amount would remain unchanged.

86. Ms. Sharon Frahler (Area Manager, Financial Resources Management, PASB) explained that the 6.7% reduction in gross salaries was the result of a decision by the United Nations General Assembly to reduce staff assessment rates for staff in the professional and higher categories. That decision had been made because the United Nations Secretariat had accumulated a surplus of approximately \$135 million in the Tax Equalization Fund, which was used to reimburse taxes paid by staff members whose governments required them to pay income tax on their United Nations earnings. The change would have no impact on the net salaries of the staff members concerned.

87. The Subcommittee recommended that the Executive Committee adopt the proposed resolution contained in Annex B of Document SPBA6/11, Rev. 1, confirming all the Staff Rule amendments, establishing the annual salaries of the Deputy Director and the Assistant Director, and recommending that the 28th Pan American Sanitary Conference adjust the annual salary of the Director.

PASB Staffing Statistics (Document SPBA6/12)

88. Ms. Nancy Machado (Human Resources Advisor, PASB) introduced Document SPBA6/12, highlighting three trends in the Bureau's staffing profile. The first related to changes in the use of temporary staff following the contract reforms introduced in 2009, as a result of which the Bureau was using fewer United Nations staff employed on staff contracts for temporary assignments and instead was hiring more independent consultants on independent consulting contracts. The second trend concerned the sex balance of the Bureau's staff. As of 31 October 2011, women had held 49% of the professional posts within the Organization; thus sex parity had virtually been achieved. However, work was still needed in order to achieve parity at levels above P.3, as men continued to predominate in posts above that level. Sixty-six new staff had been hired in 2011 and the majority (55%) had been women.

89. With regard to trends in age, length of service, and retirement of fixed-term staff, 58% of the Organization's personnel would be reaching mandatory retirement age within the next 12 years, and more than half of those staff would retire within the next 7 years. With that in mind, the Bureau had taken steps to strengthen human resources planning through the introduction of a new online tool that provided managers with a clear picture of which staff were nearing retirement and which posts needed to be filled. The Bureau was also endeavoring to streamline recruitment procedures in order to ensure that vacant posts were filled promptly and by the most highly qualified candidates.

90. The Subcommittee welcomed the progress made with regard to sex parity, which was seen as evidence of the effectiveness of the Organization's gender equity policies.

The balance in the distribution of professional staff by nationality was also welcomed, as was the balance between professional and general services staff, although it was noted that, according to Table 1 in the document, general services staff at some duty stations outnumbered professional staff. It was pointed out that since 1990 a total of 371 fixed-term posts had been eliminated, and concern was expressed about the impact of that reduction on the Organization's technical capacity. Concern was also expressed about the large number of staff due to retire in the near future. The need for a well-planned recruitment policy to fill vacancies in strategic areas was underscored. The Bureau was encouraged to take measures to expedite competitive selection procedures.

91. Ms. Machado noted that Table 1 showed only staff employed on fixed-term contracts and therefore did not reflect all the professionals employed by the Organization. In some duty stations, there were significant numbers of professionals employed on other types of contracts.

92. The Director added that the data in Table 1 also reflected the greater need for maintenance staff in some locations, such as Brazil, where one of the largest Pan American centers was located. In other cases, the relatively large number of general services staff was a result of decentralization processes that had taken place in earlier years. The Bureau was gradually reducing the number of those general services posts as the staff occupying them reached retirement age.

93. She pointed out that many of the tasks formerly performed by general services staff had either been automated or eliminated as a result of technological changes. Consequently, the education and skill requirements for support staff had changed, and the distinction between general services and professional staff had thus blurred. Indeed, the majority of the staff currently occupying general services posts were professionals from the standpoint of their level of education and their functions. To some extent, the reduction in the number of fixed-term posts reflected the automation of tasks and the simplification of processes, but it also reflected greater reliance on national capacity, which had grown significantly over the years. The fixed-term posts that continued to be funded out of the regular budget were the core posts that were essential to the functioning of the Organization.

94. The Subcommittee took note of the report.

Matters for Information

Project for Modernization of the PASB Management Information System: Progress Report (Document SPBA6/INF/1)

95. Mr. Tim Brown (Special Adviser, PASB Management Information System) reported that the project for modernization of the PASB Management Information

System was currently in the pre-implementation phase, which was projected to run through mid-2012. The implementation phase would comprise two parts. The first, from mid-2012 to mid-2013, would cover program planning and management, budget, and systems for finance and procurement, while the second, from mid-2013 to the conclusion of the project in mid-2014, would cover the human resources and payroll components of the system. The scope of the activities to be implemented in each step differed somewhat from those outlined in Document SPBA6/INF/1. The change was the result of input received from potential implementation partners.

96. The Bureau was currently preparing to purchase software for the new system and procure the services of a consulting firm to serve as system integrator—two major steps in the pre-implementation phase. About half of the total project budget of \$20.3 million would be expended on those two items. The technical evaluation of software options had been completed. The Bureau had also undertaken the technical evaluation of the system integrator candidates and was currently checking the references supplied by the various candidate firms. Consistent with PAHO's procurement practices, price proposals would be considered only after all aspects of the technical evaluation were complete. The procurement process had taken somewhat longer than expected owing to its complexity and to the need to find the most cost-effective solution. Moreover, the Bureau had placed higher priority on ensuring that the project met the Organization's needs than on adhering to a strict timetable. No changes to the overall schedule were envisaged, however.

97. Several steps had been taken to address the principal risks to the project at the current juncture, which were described in paragraph 11 of the document. To ensure that the new system met the Organization's business needs, an extensive survey of requirements had been carried out, involving some 80 staff members, about half of them from country offices. To help ensure a competitive procurement process, the Bureau had engaged a consulting firm, North Highland, to advise it on contract negotiations. In addition, it had made a special effort to invite bids from low-cost solution providers, and had provided for a 5% contingency allowance in the project budget. To help ensure good project management, in addition to hiring North Highland, the Bureau had hired an external expert to provide oversight. It was also working with the Audit Committee, which reviewed the project at each of its meetings. Before moving on to the implementation phase, the Bureau would conduct a readiness review to assess whether any further preparatory work was needed.

98. Continued alignment of PASB's system with the WHO Global Management System (GSM) remained a priority. The head of Information Technology at WHO was serving on the advisory committee for the project, which would help to facilitate alignment.

99. The Subcommittee welcomed the progress report and looked forward to future updates. The slight delay in completing the pre-implementation phase was noted, but it

was considered preferable to take a cautious approach and not rush to implement a system that might then require considerable refinement.

100. The Director observed that the effort to align the Bureau's system with that of WHO would be affected by WHO reform, which might lead to changes in the structure of planning processes, in strategic objectives, and in other areas, which in turn would have an impact on the structure of the GSM.

101. The Subcommittee took note of the report.

Process for the Election of the Director of the Pan American Sanitary Bureau and the Nomination of the Regional Director of the World Health Organization for the Americas (Document SPBA6/INF/2)

102. Ms. Heidi Jiménez (Legal Counsel, PASB) outlined the procedure for the election of a new Director, which would occur during the 28th Pan American Sanitary Conference in September 2012. In March, all Member States, Participating States, and Associate Members had been invited to submit nominations. The nomination period would close on 1 May 2012. By 1 June, all nominations received would have been compiled, translated into the Organization's four official languages, and forwarded by the President of the Executive Committee to Member States, Participating States, and Associate Members. Nominees would be invited to make a presentation during a Candidates' Forum, to be held during the week of 18 to 22 June 2012, alongside the 150th Session of the Executive Committee. Delegates of all Member States, Participating States, and Associate Members would be able to participate in the forum, either in person or by means of electronic communications. Details of the procedure and rules governing the election of the Director were provided in the annexes to Document SPBA6/INF/2.

103. In the ensuing discussion, a delegate sought information on logistical arrangements for the Candidates' Forum.

104. The Director said that the Bureau was working closely with the current President of the Executive Committee (Delegate of the Bolivarian Republic of Venezuela) to determine how much time should be allotted for the Forum and when during the week of 18 to 22 June it would be held. Much would depend the number of nominees. If there was a significant number, the President might decide to allot an entire day for the event. The Bureau had set up a special website² on the election process and would post additional information as it became available.

105. The Subcommittee took note of the report.

² http://new.paho.org/hq/index.php?option=com_content&task=view&id=5743&Itemid=4136&lang=en

Draft Provisional Agenda for the 150th Session of the Executive Committee (Document SPBA6/INF/3)

106. Ms. Piedad Huerta (Advisor, Governing Bodies Office, PASB) presented the draft provisional agenda for the 150th Session of the Executive Committee contained in Document SPBA6/INF/3. She recalled that the 149th Session of the Executive Committee had approved a list of topics for consideration by the Governing Bodies in 2012 (Document CE149/FR, Annex B). The items on the draft provisional agenda had been drawn from that list. Two had been added: item 3.7, “Method of Work of the Governing Bodies: Delegation of Functions to the Executive Committee,” which was also added to the Subcommittee agenda (see paragraphs 110 to 113 below), and item 7.8, “Update on the Implementation of the Expanded Textbook and Instructional Materials Program (PALTEX),” on which the Subcommittee had also heard an informal briefing (see paragraph 114 below).

107. In the discussion that followed, it was pointed out that the dates of the United Nations Conference on Sustainable Development (Rio+20 Conference) had been changed and that it was now scheduled to be held during the week of the 150th Session of the Executive Committee. It was suggested that it might therefore be advisable to change the dates of the 150th Session.

108. The Director explained that it would be very difficult to change the dates of the 150th Session as interpreters and other conference staff had already been hired and numerous other arrangements were already in place. Moreover, the dates of the Rio+20 Conference had been changed twice already and there was no guarantee that they would not change again.

109. The Subcommittee endorsed the draft provisional agenda as presented in Document SPBA6/INF/3 and agreed that the 150th Session should be held as planned from 18 to 22 June.

Method of Work of the Governing Bodies: Delegation of Functions to the Executive Committee (Document SPBA6/INF/4)

110. Ms. Heidi Jiménez (Legal Counsel, PASB) recalled that, in order to streamline the agendas of the Governing Bodies, it had been suggested during the 149th Session of the Executive Committee that not all progress and information reports and other agenda items considered by the Committee should necessarily be forwarded to the Directing Council or the Pan American Sanitary Conference (see CE149/FR, paragraph 14). The Bureau had reviewed the items that were normally included on the agendas of the latter two bodies with an eye to determining which ones could potentially be delegated to the Executive Committee and removed from the agendas of the Council or the Conference, and had identified three examples: Master Capital Investment Plan, Salary of the Director

of the Pan American Sanitary Bureau, and Updates on the Project for Modernization of the PASB Management Information. Accordingly, the Subcommittee might wish to recommend that those topics be delegated to the Executive Committee, which could in turn report on them to the Conference or the Council through the Report of the President of the Executive Committee. If the proposal to delegate responsibility for some items to the Executive Committee was approved, the Bureau would examine the relevant documents, rules, and regulations and identify needed amendments. The Bureau would be pleased to receive any other suggestions for streamlining the Governing Bodies' agendas.

111. The Subcommittee expressed strong support for the idea of delegating responsibility for some matters to the Executive Committee and endorsed the Bureau's suggestion to remove the three aforementioned items from the agendas of future Directing Councils or Pan American Sanitary Conferences. It was noted that the Executive Committee already had responsibility for reviewing the proposed agenda for the Directing Council or the Pan American Sanitary Conference and could remove items that did not need to go forward or add items that required consideration by the Directing Council or the Pan American Sanitary Conference. Clarification was requested of when the changes suggested in Document SPBA6/INF/4 would take effect.

112. Ms. Jiménez noted that once a decision was made to delegate responsibility to the Executive Committee, some items, such as the determination of the salary of the Director, would require an amendment of the Staff Rules and Regulations. She suggested that the concept of delegating responsibility for some matters to the Committee should first be reviewed by the Committee during its 150th Session in June 2012 and approved by the 28th Pan American Sanitary Conference in September 2012. The necessary amendments to the rules and regulations could then be submitted to the Committee at its 151st Session in September 2012, and, if approved, the change would take effect beginning in 2013.

113. The Subcommittee agreed to that suggestion and recommended that the three items listed in Document SPBA6/INF/4 be delegated to the Executive Committee as of 2013.

Other Matters

114. At the request of the Director, Dr. Socorro Gross-Galiano (Assistant Director, PASB) provided an update on the situation in Haiti and the status of recovery and reconstruction efforts in the wake of the 2010 earthquake. The Subcommittee also heard informal briefings on the Expanded Textbook and Instructional Materials Program (PALTEX), World Health Day 2012, WHO reform, Vaccination Week in the Americas, the PAHO Revolving Fund for Vaccine Procurement, and the 16th Inter-American Meeting, at the Ministerial Level, on Health and Agriculture (RIMSA 16).

Closure of the Session

115. Following the customary exchange of courtesies, the President declared the Sixth Session of the Subcommittee closed.

Annexes

IN WITNESS WHEREOF, the President of the Sixth Session of the Subcommittee on Program, Budget, and Administration, Delegate of the United States of America, and the Secretary ex officio, Director of the Pan American Sanitary Bureau, sign the present Final Report in the English language.

DONE in Washington D.C., United States of America, this sixteenth day of March in the year two thousand twelve. The Secretary shall deposit the original signed document in the Archives of the Pan American Sanitary Bureau.

Ann Blackwood
Delegate of the United States of America
President of the Sixth Session
of the Subcommittee on Program, Budget,
and Administration

Mirta Roses Periago
Director of the Pan American Sanitary Bureau
Secretary ex officio of the Sixth Session
of the Subcommittee on Program, Budget,
and Administration

AGENDA

1. **OPENING OF THE SESSION**
2. **PROCEDURAL MATTERS**
 - 2.1 Election of the President, Vice President, and Rapporteur
 - 2.2 Adoption of the Agenda
3. **PROGRAM POLICY MATTERS**
 - 3.1 Mid-term Evaluation of the Health Agenda for the Americas
 - 3.2 Proposed PAHO Budget Policy
 - 3.3 Preliminary Program and Budget 2010-2011 End-of-biennium Assessment/Second Interim PAHO Strategic Plan 2008-2012 Progress Report
 - 3.4 Nongovernmental Organizations in Official Relations with PAHO
 - 3.5 Appointment of One Member to the Audit Committee of PAHO
4. **ADMINISTRATIVE AND FINANCIAL MATTERS**
 - 4.1 Overview of the Financial Report of the Director for 2011
 - 4.2 Surplus from the Implementation of IPSAS in 2010
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 - 4.6 PASB Staffing Statistics

5. MATTERS FOR INFORMATION

- 5.1 Project for Modernization of the PASB Management Information System: Progress Report
- 5.2 Process for the Election of the Director of the Pan American Sanitary Bureau and the Nomination of the Regional Director of the World Health Organization for the Americas
- 5.3 Draft Provisional Agenda for the 150th Session of the Executive Committee
- 5.4 Method of Work of the Governing Bodies: Delegation of Functions to the Executive Committee

6. OTHER MATTERS

7. CLOSURE OF THE SESSION

LIST OF DOCUMENTS

Working Documents

SPBA6/1, Rev. 2	Adoption of the Agenda
SPBA6/2	Mid-term Evaluation of the Health Agenda for the Americas
SPBA6/3	Proposed PAHO Budget Policy
SPBA6/4	Preliminary Program and Budget 2010-2011 End-of-biennium Assessment/Second Interim PAHO Strategic Plan 2008-2012 Progress Report
SPBA6/5	Nongovernmental Organizations in Official Relations with PAHO
SPBA6/6	Appointment of One Member to the Audit Committee of PAHO
SPBA6/7	Overview of the Financial Report of the Director for 2011
SPBA6/8	Surplus from the Implementation of IPSAS in 2010
SPBA6/9	Master Capital Investment Plan
SPBA6/10	Status of Projects Funded from the PAHO Holding Account
SPBA6/11, Rev. 1	Amendments to the PASB Staff Rules and Regulations
SPBA6/12	PASB Staffing Statistics

Information Documents

SPBA6/INF/1	Project for Modernization of the PASB Management Information System: Progress Report
SPBA6/INF/2	Process for the Election of the Director of the Pan American Sanitary Bureau and the Nomination of the Regional Director of the World Health Organization for the Americas
SPBA6/INF/3	Draft Provisional Agenda for the 150th Session of the Executive Committee
SPBA6/INF/4	Method of Work of the Governing Bodies: Delegation of Functions to the Executive Committee

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