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REGIONAL OFFICE FOR THE
Americas

156th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 22-26 June 2015

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

1. The Subcommittee on Program, Budget, and Administration held its Ninth Session at the Organization's Headquarters in Washington, D.C., on 18 to 20 March 2015.
 2. The meeting was attended by delegates of the following Members of the Subcommittee elected by the Executive Committee or designated by the Director: Argentina, Canada, Cuba, Ecuador, Jamaica, Saint Lucia, and United States of America. Delegates of Brazil, Mexico, and Paraguay attended in an observer capacity.
 3. Elected as officers were the Delegates of Canada (President), Jamaica (Vice President), and Argentina (Rapporteur).
 4. The Subcommittee discussed the following agenda items:
 - Draft Proposed PAHO Program and Budget 2016-2017
 - Nongovernmental Organizations in Official Relations with PAHO
 - Appointment of One Member to the Audit Committee of PAHO
 - Update on WHO Reform
 - Overview of the Financial Report of the Director for 2014
 - Proposal for the Use of the Balance of the IPSAS and Budgetary Surpluses
 - Programming of the Revenue Surplus
 - After-service Health Insurance
 - Update on the Master Capital Investment Fund and Reassessment of Real Estate Projects in the Master Capital Investment Plan
 - Status of Projects Funded from the PAHO Holding Account
 - Amendments to the PASB Staff Regulations and Rules
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- Report on the Development of the PASB Human Resources Strategy: A People Strategy
 - PASB Staffing Statistics
 - Draft PASB Information Technology Strategy
 - Update on the Appointment of the External Auditor of PAHO for 2016-2017
 - Amendments to Financial Regulations and Financial Rules of PAHO
 - WHO Draft Proposed Program Budget 2016-2017
 - Status on the Modernization of the PASB Management Information System
 - Draft Provisional Agenda for the 156th Session of the Executive Committee
5. The Subcommittee heard briefings on Ebola Virus Disease, Collaboration with the Organization of American States on the Preparations for the Seventh Summit for the Americas, Vaccination Week in the Americas 2015, and World Health Day 2015.
6. The Final Report of the Session is attached.

Annex



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

Washington, D.C., USA, 18-20 March 2015

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Annex

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FINAL REPORT

CONTENTS

	<i>Page</i>
Opening of the Session	3
Officers	3
Adoption of the Agenda and Program of Meetings	4
Program Policy Matters	
Draft Proposed PAHO Program and Budget 2016–2017	4
Nongovernmental Organizations in Official Relations with PAHO.....	7
Appointment of One Member to the Audit Committee of PAHO.....	8
Update on WHO Reform	8
Administrative and Financial Matters	
Overview of the Financial Report of the Director for 2014.....	11
Proposal for the Use of the Balance of the IPSAS and Budgetary Surpluses.....	13
Programming of the Revenue Surplus	16
After-Service Health Insurance.....	17
Update on the Master Capital Investment Fund and Reassessment of Real Estate Projects in the Master Capital Investment Plan	18
Status of Projects Funded from the PAHO Holding Account	19
Amendments to the PASB Staff Regulations and Rules	20
Report on the Development of the PASB Human Resources Strategy: A People Strategy	21
PASB Staffing Statistics	24
Draft PASB Information Technology Strategy.....	26
Update on the Appointment of the External Auditor of PAHO for 2016–2017.....	28
Amendments to the Financial Regulations and Financial Rules of PAHO	29
Matters for Information	
WHO Draft Proposed Program Budget	31
Status of the Modernization of the PASB Management Information System	32
Provisional Agenda for the 156th Session of the Executive Committee	33
Closure of the Session	36
Annexes	
Annex A: Agenda	
Annex B: List of Documents	
Annex C: List of Participants	

FINAL REPORT

1. The Ninth 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., on 18 to 20 March 2015. The session was attended by representatives of the following seven members of the Subcommittee elected by the Executive Committee or designated by the Director: Argentina, Canada, Cuba, Ecuador, Jamaica, Saint Lucia, and United States of America. Representatives of Brazil, Mexico, and Paraguay attended in an observer capacity.

Opening of the Session

2. Dr. Carissa Etienne (Director, Pan American Sanitary Bureau [PASB]) opened the session, emphasizing the Subcommittee's important role in providing guidance on issues that were critical to the continued good governance of the Organization. To enable the Subcommittee to provide such guidance, the Bureau would present updates on a number of important financial and administrative matters, including an overview of the financial report for 2014; a report on the Master Capital Investment Fund and the repairs and improvements needed in PAHO-owned facilities; and a report on the status of projects funded from the Holding Account, including the project for modernization of the PASB Management Information System. In regard to the latter, she was pleased to report that the human resources and payroll components of the system had been successfully implemented, thus concluding phase 1, and work had begun on phase 2.

3. The Subcommittee would also be examining the draft proposed PAHO program and budget for 2016–2017, which was being developed by means of a bottom-up process, beginning with country-level consultations to identify priorities. The input received from those consultations and from the Subcommittee would be used to finalize the budget proposal to be submitted to the Executive Committee in June. In addition, the Bureau would present an update on WHO reform, with an analysis of its relevance to PAHO. Informal briefings would also be given on Ebola virus disease, Vaccination Week in the Americas 2015, World Health Day 2015, and PAHO's collaboration with the Organization of American States to ensure a prominent place for health at the Seventh Summit of the Americas, to be held in Panama in April 2015.

Officers

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

<i>President:</i>	Canada	(Ms. Natalie St. Lawrence)
<i>Vice President:</i>	Jamaica	(Dr. Kevin Harvey)
<i>Rapporteur:</i>	Argentina	(Ms. María Emilia Cejas)

5. The Director served as Secretary ex officio, and Dr. Isabella Danel (Deputy Director, PASB) served as Technical Secretary.

Adoption of the Agenda and Program of Meetings (*Documents SPB9/1, Rev. 1 and SPBA9/WP/1*)

6. The Subcommittee adopted the provisional agenda submitted by the Director (Document SPBA9/1, Rev. 1) without change. The Subcommittee also adopted a program of meetings (Document SPBA9/WP/1).

Program Policy Matters

Draft Proposed PAHO Program and Budget 2016–2017 (Documents SPBA9/2 and Corr.)

7. Mr. Daniel Walter (Director, Department of Planning and Budget, PASB) presented the draft proposed program and budget for 2016–2017 and described the participatory bottom-up process of preparing the budget, which would include in-depth national consultations in order to identify country priorities and needs, an approach would ensure that Member States shared ownership of the budget and accountability for the achievement of outputs. He noted that although Document SPBA9/2 indicated that the Bureau would develop three possible budget scenarios for consideration by the Subcommittee, it had been considered premature to do so until the country consultations had been completed. The input from those consultations would be analyzed, consolidated, and incorporated into the draft program and budget to be presented to the Executive Committee in June. Based on anticipated needs, it was likely that the Bureau would seek a budget increase, but the amount of that increase could not yet be quantified.

8. Development of the program and budget would be guided by the Strategic Plan 2014–2019, which was closely aligned with WHO’s Twelfth General Program of Work. Lessons learned from the final assessment of the Strategic Plan 2008–2013 and the mid-term assessment of the program and budget for 2014–2015 would also be applied. The budget policy adopted in 2012,¹ which used a needs-based formula, would be used to set country allocations.

9. For the first time, an integrated budget would be presented, which meant that resource requirements would be presented in total, without prescribing how funds would be allocated or specifying their source. Member States would therefore be asked to approve the program and budget in its entirety, rather than appropriating only the portion funded by assessed contributions, which accounted for only half of the total budget. That change would further align PAHO with WHO, which had already adopted an integrated budgeting approach in 2014–2015. The integrated approach would allow flexible funding to be used to fill gaps and would provide greater assurance that voluntary contributions would fit within the scope and purpose of the approved program and budget. It would

¹ See Document CSP28/7 and Resolution CSP28.R10 (2012).

not, however, affect the PASB's accounting practices. The Bureau would still be able to report on the source of all funds and on how they were spent.

10. The Subcommittee voiced support for the proposed integrated approach to budgeting, which would give a complete picture of the intended work for the 2016–2017 biennium and allow greater flexibility in the allocation of resources. Members welcomed the Bureau's efforts to align PAHO's budgeting approach more closely with that of WHO. However, several concerns were raised, particularly regarding the predictability and timely availability of some sources of funding. It was pointed out that if voluntary contributions were not received when expected, it might be necessary to use resources from assessed contributions to fund some projects and programs, which could compromise the Bureau's ability to execute the regular program of work. It was also pointed out that voluntary contributions were often earmarked for specific purposes and so could not be used to mitigate shortfalls elsewhere in the budget. For those reasons some delegates felt that it might be preferable to approve specific amounts to be funded from assessed contributions for each category of work, rather than approving a lump sum.

11. In order to help Member States understand how the program and budget would be financed, it was suggested that the proposal to be submitted to the Executive Committee should include information on the sources of funding for the activities planned under each category of work. It was emphasized that budget execution reports should also indicate the sources from which activities had been funded. Information was requested on when the mid-term evaluation of progress towards the outputs and outcomes under the Strategic Plan 2014–2019 would be available.

12. The Subcommittee also expressed strong support for the bottom-up approach to development of the budget in order to ensure that it responded to the priorities and needs of Member States. Members identified several priority areas in which they believed increased support was needed, including mental health, violence and injury prevention, disabilities and rehabilitation, and social determinants of health. Clarification of the expenditures under category 6 of the program and budget (corporate services/enabling functions) was requested, particularly for salaries, travel, publications, and communications. It was pointed out that some of the activities envisaged under that category seemed to belong in other categories—for example, acceleration of actions for the elimination of priority communicable diseases.

13. The Bureau was encouraged to develop a realistic budget based on a rigorous prioritization exercise and to seek additional efficiencies in order to reduce costs. It was suggested that a review should be carried out to identify which programs might need to be put on hold or phased out. Support was expressed for a budget that would provide for zero nominal growth, with no increase in assessed contributions, and assurance was sought that Member States would not be asked to make up any shortfalls through voluntary contributions. At the same time, the need to provide sufficient resources to enable the Bureau to carry out the program of work approved by Member States was acknowledged. One delegate expressed the view that Member States should strengthen

funding through assessed contributions, but also called on the Bureau to strive to ensure that voluntary contributions were as flexible as possible.

14. Mr. Walter said that the program and budget proposal to be presented to the Executive Committee would include further information on the potential risks, as well as the advantages, of an integrated approach. While such an approach would give the Bureau greater flexibility and discretion in the allocation of funds from various sources, it would also require prudence and a new way of managing the budget in order to ensure that adequate funding was available at all times for priority programs. He pointed out, however, that at present no sharp distinction was made between programs that were funded by Member States through assessed contributions and programs supported by voluntary contributions. Nevertheless, the Bureau did provide a breakdown of expenditures and sources of funding in its budget execution reports and would continue to do so under an integrated approach.

15. The Bureau's aim was to ensure that voluntary funding contributed towards implementation of the overall program and budget. In the area of HIV/AIDS, for example, the Bureau was projecting that about \$16 million² in total funding would be needed, including about \$10 million in voluntary contributions and \$6 million in regular budget funds. The amount actually received in voluntary contributions, however, might be higher or lower. If it was higher, the proposed integrated approach would allow the Bureau to shift some of the regular budget funds to an area with a shortfall in its overall funding requirement. If it was lower, then additional funding from the regular budget or another source might be used. He emphasized that Member States would never be asked to contribute additional voluntary funding in the event of a shortfall and affirmed that language to that effect would be included in the resolution proposed for approval by the Executive Committee. If overall available funding proved insufficient, the Bureau would simply have to scale back programs.

16. The Bureau would provide the requested information on expenditures under category 6 and would bear in mind delegates' comments regarding activities that might need to be moved from that category to other categories. He explained, however, that the Bureau was primarily concerned with the delivery of results and not so much with the kinds of expenditures incurred to produce those results. Regarding prioritization, unless the framework for programmatic priority stratification approved in 2014³ was modified by the Countries Working Group, it would continue to apply to the allocation of resources in 2016–2017. The Subcommittee's comments and the input received from the country consultations regarding needs and priorities would also be borne in mind. With respect to the mid-term review of progress on the Strategic Plan 2014–2019, a report would be presented in 2016.

17. The Director affirmed that Member States' concerns and recommendations would be taken into consideration in developing and refining the program and budget proposal.

² Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

³ See *Official Document 345* and Resolution CD53.R3 (2014).

The Bureau was hopeful that the projected rise in miscellaneous income would be sufficient to cover increased funding needs in 2016–2017. If it was necessary to seek an increase in assessed contributions, it would be kept to a minimum. The Bureau would present a realistic budget proposal, as it had done for the 2014–2015 biennium, when there had been zero nominal growth in assessed contributions, which had resulted in a de facto reduction in the available budget. In order to accommodate that decline, PASB had been forced to reduce staff. It was hoped that the new human resources strategy (see paragraphs 76 to 90 below) would enable the Bureau to realize further efficiencies in that area; however, below a certain staffing level it would cease to be effective in delivering technical cooperation with the level of excellence expected by Member States and in keeping with the priorities set by them.

***Nongovernmental Organizations in Official Relations with PAHO
(Document SPBA9/3)***

18. Mr. Alberto Kleiman (Director, Department of External Relations, Resource Mobilization, and Partnerships, PASB) introduced Document SPBA9/3, which contained information on two nongovernmental organizations (NGOs) seeking admission into official relations with PAHO and two nongovernmental organizations wishing to renew their status as organizations in official relations with the Organization. The document also provided brief progress reports on the Organization's collaboration with 22 other NGOs currently in official relations with PAHO.

19. 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 Rapporteur reported that the Subcommittee had decided to recommend that the Executive Committee continue official relations between PAHO and the InterAmerican Heart Foundation (IAHF) and the Sabin Vaccine Institute for a period of four years and that it admit the Framework Convention Alliance (FCA) into official relations with PAHO, also for a period of four years. With regard to the *Sociedad Latinoamericana de Nefrología e Hipertensión* (Latin American Society for Nephrology and Hypertension), the Subcommittee requested additional financial information on the organization and asked the Bureau to ascertain whether the Society's employment of a secretary provided by a private company might create any conflict of interest. The Subcommittee also recommended several joint activities to be undertaken with the four organizations and requested the technical units concerned to incorporate those activities into the respective four-year collaborative work plans.

20. The President announced that the Subcommittee's recommendations would be submitted to the 156th Session of the Executive Committee in the form of a proposed resolution.

Appointment of One Member to the Audit Committee of PAHO (Document SPBA9/4)

21. Dr. Heidi Jiménez (Legal Counsel, PASB) reviewed the background of the Audit Committee and drew attention to its Terms of Reference, which appeared as an annex to Document SPBA9/4. She noted that, under those Terms of Reference, the three Audit Committee members were elected by the Executive Committee and served terms of up to three years each. Candidates were drawn from a list compiled by the Director. She also recalled that one member of the Audit Committee had resigned in 2014 and that Mr. John Fox had been appointed in October 2014⁴ to serve out the final year in that member's term of office, which would end in June 2015. It would therefore be necessary for the Executive Committee to appoint a new member during its 156th Session. Accordingly, the Director had drawn up a list of three candidates, including the incumbent, to be considered by the Subcommittee, which was asked to recommend a candidate to the Executive Committee. Confidential documentation on the three candidates had been distributed to the Subcommittee.

22. The Subcommittee decided to establish a working group consisting of Argentina, Saint Lucia, and the United States of America to review the list of candidates proposed by the Director. Subsequently, Mr. Brian Hackett (United States of America) reported that the working group had evaluated the three candidates on the basis of the criteria for membership set out in section 4 of the Terms of Reference and had selected five critical factors for ranking the candidates. Each member of the group had ranked each of the candidates separately and the scores had then been consolidated and the individual results averaged. Mr. Fox had been unanimously selected as the candidate to be recommended for appointment to the Audit Committee.

23. Dr. Jiménez noted that the working group had also observed that, for the sake of consistency and continuity, it was advantageous to avoid frequent turnover in the membership of the Audit Committee.

24. The Subcommittee endorsed the recommendation of the working group. The President thanked the members of the group for their work and announced that the Subcommittee's recommendation would be communicated to the Executive Committee.

Update on WHO Reform (Document SPBA9/5)

25. Mr. Daniel Walter (Director, Department of Planning and Budget, PASB) presented a report on the status of WHO reform and its relevance to PAHO, noting that the Ebola virus disease outbreak had exposed structural weaknesses with respect to several areas, including alignment across the Organization's three levels, WHO's leadership in global health, and the Organization's capacity to rapidly mobilize and respond to health emergencies. Most of the reforms launched in 2011 were now in the implementation phase, but those in the area of governance continued to lag behind those in the programmatic and managerial areas. For example, a framework for engagement

⁴ See the final report of the 155th Session of the Executive Committee, Document CE155/FR.

with non-State actors remained to be concluded. Argentina would be leading a Member State consultation on that topic in late March with the aim of arriving at consensus.

26. PAHO was closely aligned with WHO in the implementation of a number of reforms. The PAHO Strategic Plan 2014–2019 and the WHO Twelfth General Program of Work covered the same period and shared a common programmatic structure and results hierarchy. The presentation of an integrated budget and bottom-up planning (see paragraphs 7 to 17 above) would further align PAHO’s program and budget structure and practices with those of WHO.

27. Regarding programmatic reform at country level, PAHO had participated fully in the development and implementation of a global country-focused strategy and guidelines for the development of country cooperation strategies. In the area of governance reform, the Bureau conducted proactive briefings to help Member States prepare for WHO Governing Body meetings.

28. Some PAHO reforms had preceded the reforms currently under way within WHO. For instance, in 2003 PAHO had adopted a managerial strategy and in 2006 it had produced a report entitled “PAHO in the 21st Century: Leadership and Cooperation in Public Health.” Those initiatives had given rise to the establishment of the Ethics Office, an independent evaluation function, and new modalities of country support, including through subregional cooperation. In 2010 PAHO had adopted a results-based management framework. In 2015 it would adopt a human resources strategy that shared many of the objectives of WHO human resources reform, a resource mobilization strategy that was informed by WHO practices, and a communications strategy that was very similar to the WHO strategy. In 2016, the Bureau would introduce a program performance and financing portal similar to the WHO program budget portal, which would provide real-time information on the status of funding and program implementation. Hence, in many respects PAHO was further advanced than WHO with regard to reform and in others it was closely aligned with what WHO was doing.

29. The Subcommittee welcomed the report on WHO reform and commended the Bureau’s efforts to ensure that PAHO’s policies and practices were aligned with those of WHO. A number of improvements to the report were suggested, however. It was pointed out, for example, that it provided information on only two aspects of WHO reform: WHO’s engagement with non-State actors and the allocation of WHO resources to regions. The Bureau was asked to prepare a more comprehensive report for consideration by the Executive Committee, showing all areas of WHO reform and indicating what initiatives PAHO was taking in those areas.

30. It was also pointed out that the report contained no reference to the criticisms that PAHO had faced during the discussions on reform at the January 2015 session of the WHO Executive Board. As those criticisms had related mainly to a perceived lack of integration and alignment with WHO, it was suggested that the Bureau should prepare a report describing PAHO’s integration with WHO in compliance with Article 54 of the WHO Constitution. It was also suggested that the Bureau and Member States should be

more proactive in highlighting how the work and policies of PAHO were aligned with those of WHO. It was considered that the Region's participation in the WHO reform portal would demonstrate to Member States from other regions that PAHO had nothing to hide and was firmly committed to transparency and accountability.

31. With regard to governance reform, it was pointed out that the report did not sufficiently emphasize the need for alignment across all three levels of the Organization in keeping with the "One WHO" approach discussed during the January session of the WHO Executive Board. It was also felt that the report would have benefited from a more in-depth analysis of the implications of WHO governance reform for the Region. Several delegates noted that, while the report did mention PAHO's human resources strategy, it made no reference to a PAHO staff mobility policy, nor did it provide any information on how the Bureau would coordinate with WHO in that regard. It was suggested that the Bureau should undertake a policy review to determine how it could best participate in the WHO mobility policy in order to build a dynamic work force with the necessary skills.

32. With regard to the proposed framework for WHO's engagement with non-State actors, the need to maintain consistency of agreed terminology in order to avoid confusion was emphasized. It was pointed out in that connection that paragraph 4 of Document SPBA9/5 used the term "external stakeholders" rather than "non-State actors." The reference to the private sector in that paragraph was considered inappropriate, since the aim was to establish a general framework for engagement with various categories of non-State actors, of which the private sector was only one. It was also pointed out that a statement in paragraph 5 of the document indicating that the WHO Executive Board would hold an inter-sessional consultation on the draft framework was inaccurate. In fact, an intergovernmental meeting open to all Member States would be held to draw up proposed amendments to the draft framework, which had come in for considerable criticism during the Executive Board session, as reflected in Decision EB136(3).

33. The Subcommittee expressed gratitude to Mexico for its efforts in developing a transparent resource allocation methodology and welcomed the inclusion of Paraguay as a second representative of the Americas on the Working Group on Strategic Budget Space Allocation. Strong support was expressed for an equitable methodology that would ensure a fair share of WHO resources for the Region of the Americas. The Delegate of Mexico noted that the next meeting of the Working Group would be held in April and suggested that an information session might be held in Geneva prior to the World Health Assembly in May to inform Member States from the Americas on the progress made on the methodology.

34. Mr. Walter said that the various suggested improvements and corrections would be incorporated into the document to be presented to the Executive Committee. He agreed that it was important to clarify PAHO's relationship and coordination with WHO in order to dispel any misunderstanding and avoid unproductive discussions on the matter at future WHO Governing Body sessions. With regard to the Bureau's planned web portal, he noted that once the PASB Management Information System became fully operational in early 2016 it would be much easier to provide current information on program

implementation and funding, which was currently being produced by a number of different systems.

35. The Director said that the Bureau would continue to pursue the reforms begun in the early 2000s with a view to ensuring even greater transparency, accountability, and efficiency. Since PAHO had already implemented many of the reforms currently under way at WHO, however, it was important to be sure that aligning itself fully with WHO in some areas would actually bring about an improvement and not cause the Region to take a step backwards. It was true that much of the conflict that had arisen during the recent Executive Board session and at other times within WHO was the result of lack of knowledge and understanding of PAHO and its relationship with WHO, and it was therefore important to continue highlighting what the Region was doing to align itself with WHO.

36. She stressed that the Bureau consistently sought to work with WHO, while at the same time always bearing in mind the parameters within which PAHO must operate in accordance with its Constitution and its rules and regulations. In the area of staff mobility, for example, the Bureau was already collaborating with other regional offices and with WHO Headquarters. However, under the Bureau's staff rules, its staff were considered PAHO staff members, not WHO staff members, a reality that limited somewhat the extent to which it could embrace the WHO mobility policy.

Administrative and Financial Matters

Overview of the Financial Report of the Director for 2014 (Document SPBA9/6, Rev. 1)

37. Mr. Gerald Anderson (Director of Administration and Acting Director, Department of Financial Resources Management, PASB) introduced the draft financial report of the Director for 2014, noting that the report was still being finalized and the figures had not yet been audited. Highlighting the main trends with regard to income and expenditure, he noted that PAHO assessed contributions had remained unchanged from 2013. WHO assessed contributions allocated to the Region had decreased slightly because the Director-General of WHO had decided to withhold 20% of the allocations to all regions; however, that 20% had been disbursed in early 2015, so the total amount received from WHO for the 2014–2015 biennium was expected to be the same as in 2012–2013. Miscellaneous income had increased appreciably, owing mainly to a rise in interest rates in Brazil, whereas PAHO voluntary contributions had declined significantly. WHO voluntary contributions had remained about the same as in 2013.

38. Collection of current-year assessed contributions had been slightly lower in 2014 than in 2013, but collection of arrears from prior years had been substantially higher, as a result of which the total revenue from assessed contributions had increased. The level of cumulative arrears had decreased slightly from 2013 to 2014, but it remained considerably higher than in 2010, 2011, or 2012. WHO voluntary contributions had totaled around \$22 million for both 2013 and 2014. PAHO voluntary contributions, on

the other hand, had decreased from \$70.3 million in 2013 to \$44.7 million in 2014. National voluntary contributions had risen sharply, mainly as a result of contributions from Brazil for the *Mais Médicos* program.

39. The Revolving Fund for Vaccine Procurement continued to account for the largest share of non-program and budget sources of revenue, followed by the Revolving Fund for Strategic Health Supplies (commonly referred to as the Strategic Fund), the use of which had increased almost threefold from 2013 to 2014. For that reason, the Bureau was proposing that a portion of the 2014 revenue surplus be used to increase that Fund's capitalization in order to support advances to Member States for procurement of strategic health supplies (see paragraphs 56 to 60 below).

40. The Subcommittee welcomed the outline of the Financial Report and, in particular, the rise in miscellaneous income. Clarification was sought of the reasons for the increase in consolidated revenues and the significant decline in PAHO voluntary contributions. Information was also requested on whether the Bureau expected a significant revenue surplus from 2014 and on what proportion of the Region's allocation from WHO had been received as of mid-March. The considerable increase in national voluntary contributions was noted, and assurance was sought that the amount being charged for program support was sufficient to cover the Organization's costs and avoid undue pressure on its budget. The Bureau's plan to put in place a financing portal similar to WHO's program budget portal was welcomed. It was considered that the portal would enhance transparency and facilitate Member States' access to information on PAHO's finances.

41. Mr. Daniel Walter (Director, Department of Program and Budget, PASB) said that \$126 million of the Region's total allocation of \$165 million from WHO had been received as of mid-March. Outstanding WHO voluntary contributions accounted for the entirety of the remaining \$39 million. PAHO voluntary contributions had declined mainly because some traditional large donors had contributed less in 2014 than in earlier years and the Bureau had not been able to broaden its donor base sufficiently to offset that reduction. It was hoped that resource mobilization efforts currently under way would reverse the downward trend within the next year or two.

42. Mr. Anderson explained that the rise in consolidated revenue was attributable to revenue increases in two areas that fell outside the program and budget: national voluntary contributions, mainly from Brazil, and, to a lesser extent, the various procurement funds. As was typical for the first year of a biennium, a substantial surplus, amounting to approximately \$23 million, was anticipated for 2014, but that amount would most likely be expended by the end of the biennium. With regard to program support costs, the normal rate charged was 13%; however, in Brazil, for example, national legislation provided for program support at a rate of 5% for any international organization activities carried out in the country. In such cases, the donor country was expected to cover all direct costs.

43. The Director, noting that countries were increasingly providing national voluntary contributions which could only be used in the donor country, said that mobilization of more flexible voluntary contributions was a priority for the Bureau. It was therefore working in a more strategic way with the PAHO Foundation and seeking to expand its donor base and explore new sources of contributions. Its ability to mobilize more resources was, however, somewhat dependent on the outcome of the World Health Assembly discussions on engagement with non-State actors, which would influence which potential donors PAHO might approach in the private sector. Internally, the Bureau was strengthening the leadership of the department responsible for project support and coordination in order to enhance its ability to mobilize and manage resources.

Proposal for the Use of the Balance of the IPSAS and Budgetary Surpluses (Document SPBA9/7, Rev. 1)

44. Mr. Gerald Anderson (Director of Administration and Acting Director, Department of Financial Resources Management, PASB), summarizing the main points of Document SPBA9/7, Rev. 1, recalled that a surplus of \$33.9 million had remained following PAHO's implementation of the International Public Sector Accounting Standards (IPSAS) in 2010. Most of those funds had been used during the period 2010–2014 for long-term, high-cost strategic and administrative initiatives, leaving a balance of \$2,281,684 as of 1 January 2015. In addition, at the end of the 2014 there had been a regular budget surplus of \$773,494. Hence, a total IPSAS and budgetary surplus of \$3,055,178 was available for programming. There had also been a revenue surplus of \$5,090,037. The revenue surplus was the subject of a separate agenda item (see paragraphs 56 to 60 below).

45. The Bureau proposed to use those surpluses for long-term investment initiatives, which were summarized in the table in Annex A to Document SPBA9/7, Rev. 1, and described in greater detail under the agenda items relating to the Master Capital Investment Fund (see paragraphs 66 to 71 below), the PASB Human Resources Strategy (see paragraphs 76 to 90 below), and the PASB Information Technology Strategy (see paragraphs 106 to 114 below). A draft resolution approving the proposed allocation of the balance of the IPSAS and budgetary surpluses appeared in Annex B to Document SPBA9/7, Rev. 1.

46. Subcommittee Members expressed support for the proposed uses of the surpluses, noting that they were long-term and relatively high-cost initiatives that would be difficult to fund from biennial budgets. Members also acknowledged the importance of investing in technology and in human resources in order to enhance the Organization's response capacity and its efficiency and productivity. However, the Subcommittee considered that more detailed information on the proposed uses was needed, including an explanation of the criteria applied to select and prioritize the various proposals and projects and a breakdown of how the funds would be allocated within the four proposed areas of investment. Information was also sought on how risk assessment had influenced the

selection of those areas and on whether additional investments beyond the surplus amounts would be required.

47. The Bureau was asked to provide more detailed information on the use of the funds in the document to be prepared for consideration by the Executive Committee in June. It was suggested that the Bureau should also provide a fuller explanation of the origin of the IPSAS surplus and of the IPSAS themselves.

48. Mr. Anderson explained that the items listed in Annex A to the document had been determined to be those of highest priority on the basis of a risk analysis, which had been informed by the strategies on information technology and human resources and the Master Capital Investment Plan; the recommendations of a working group established by the Director to study the operations of the Revolving Fund for Vaccine Procurement and the Revolving Fund for Strategic Health Supplies (commonly referred to as the Strategic Fund), and the experience gained from PAHO's response to the Ebola virus disease outbreak. The proposed investments would not fully mitigate the identified risks, but they would address the most pressing ones.

49. He then provided additional information on the projects that the Bureau proposed to carry out with the funds from the various surpluses, noting that the information would be included in the document to be prepared for the Executive Committee and that further detail would also be provided on the Information Technology Strategy, the Human Resources Strategy, and the Master Capital Investment Fund under the respective agenda items. In the area of information technology the highest priorities were to expand and optimize information technology operations in response to evolving requirements and to introduce innovations that would improve the way in which the Bureau delivered technical cooperation and conducted business (the "Grow" and "Transform" categories under the proposed information technology strategy, see paragraphs 106 to 114 below).

50. Accordingly, one project, valued at \$900,000, would put in place redundant Internet service providers for all country offices in order to ensure uninterrupted connectivity and enable the office to maintain a constant link to the PASB Management Information System. Another project, valued at \$550,500, would install managed firewall and Internet load-balancing services in order to protect against cyberattacks and ensure the availability of bandwidth for official business. A third project, also valued at \$550,000 would implement outsourced cloud-based e-mail management, which would free up internal staff resources for other purposes.

51. In the area of human resources, three projects were envisaged: implementation of the recruitment component of the PASB Management Information System, deployment of training and development software to provide a platform to enable PAHO staff to benefit from courses developed by the WHO Secretariat and by the Bureau to improve staff skills and leadership abilities, and development of course materials for the latter courses. The exact cost of those projects remained to be determined, but the Bureau was certain that the proposed funding of \$1,055,178 would be adequate to enable it to carry out all three during the current biennium.

52. With regard to the Master Capital Investment Fund, the proposed \$2 million allocation to the Real Estate Maintenance and Improvement Subfund would bring the total balance in that fund to \$3.8 million. Three urgent projects were proposed: a set of investments to enhance security in country offices leased by PAHO or provided by Member States for PAHO's use, the cost of which was estimated at \$260,000; urgent repairs and security measures in PAHO-owned country offices, for an estimated \$2 million; and urgent repairs to the roof, external façade, and external doors of the PAHO Headquarters building, for an estimated \$250,000. The balance remaining in the fund would be used in future bienniums for additional projects outlined in the real estate plan (see Document SPBA9/10).

53. As to the Vehicle Replacement Subfund, the proposed allocation of \$1 million was based on an analysis of the PAHO vehicle fleet, which had revealed that 63 of the Organization's 116 official vehicles would need to be replaced by 2016. The \$1 million would not cover the entire cost of replacing those vehicles, but it would provide the capital needed to replace a large proportion of them. The proceeds from the sale of the old vehicles would replenish the fund so that vehicle replacement could become a self-sustaining process and so that vehicles could be replaced on a regular basis, thereby maximizing resale value and minimizing maintenance and repair costs.

54. The Director recalled that in 2014 the Executive Committee had asked the Bureau to provide a table summarizing all the areas in which there were funding gaps and the proposed sources of that funding. Annex A to Document SPBA9/7, Rev. 1, had been prepared in response to that request. The strategies on information technology and human resources also responded to requests by Member States. There had been significant underinvestment in the areas listed in Annex A, which were essential to the Organization's ability to function. The needs in the areas of information technology and real estate maintenance and improvement were especially critical. It was also vital to have a strategy for equipping the Bureau with the human resources needed to carry out the Strategic Plan 2014–2019 and to respond to Member States' needs with the required level of technical excellence.

55. The Subcommittee thanked the Bureau for the additional information provided and expressed general support for the proposed uses of the surpluses; however, Members felt that they were not in a position to make a recommendation to the Executive Committee without further analysis and discussion. Accordingly, the Subcommittee requested the Bureau to prepare a more detailed document for discussion by the Executive Committee, including in that document information on all the projects and initiatives that it proposed to carry out with the surplus funds and a breakdown of the amounts to be used for each one. The Bureau was also asked to provide information on how it intended to ensure the sustainability of the various projects and initiatives after the surplus funds had been fully expended.

Programming of the Revenue Surplus (Document SPBA9/8)

56. Mr. Gerald Anderson (Director of Administration and Acting Director, Department of Financial Resources Management, PASB) explained that in 2014 the Director had authorized the repayment of a \$10 million loan made to the Revolving Fund for Vaccine Procurement. Of that sum, \$4,136,469 had been used to replenish the Working Capital Fund, leaving a budgetary surplus of \$773,494 (see paragraph 44 above) and a revenue surplus (defined as amounts received by PAHO that were not budgeted and used) of \$5,090,037. The proposed uses of those funds were the same as for the IPSAS and budgetary surpluses (see paragraphs 44 to 55 above); the revenue surplus was covered under a separate agenda item because, whereas a resolution was required to authorize the proposed allocation of the IPSAS and budgetary surplus, the use of the revenue surplus required only the concurrence of the Subcommittee.

57. Members of the Subcommittee again highlighted the need for more detailed information on the proposed uses of the funds and the rationale for their selection. Clarification was requested, in particular, of why an increase in the capitalization of the Revolving Fund for Strategic Health Supplies was needed and of the extent to which program support fees covered the cost of operating the Fund. It was recalled that an increase in the charge assessed on PAHO's procurement activities had been approved in 2013, with the understanding that the charge would be reexamined periodically to ensure that the amount was sufficient to cover both the direct and indirect costs of the various revolving funds; the Bureau was requested to present additional information on program support costs at a future session of the Governing Bodies.

58. Mr. Anderson explained that Member States' use of the Strategic Fund had more than doubled from 2012 to 2014, with the value of purchases made through the Fund rising from \$27 million to \$60 million. Moreover, the Fund was increasingly being used for the procurement of medicines and supplies to treat cancer and other noncommunicable diseases, which could be very costly. The Fund's current level of capitalization, \$7.6 million, was insufficient to meet the increased demand from Member States, and the Bureau therefore proposed to allocate \$1 million of the revenue surplus to the Fund.

59. It also proposed to allocate \$1 million of the surplus to the Epidemic Emergency Fund. That proposal was being made in the light of the Region's response to the 2014 Ebola virus disease emergency, for which PAHO had invested about \$800,000, including its contribution to the WHO global response and cash advances to Member States for the procurement of supplies needed to respond to a potential Ebola outbreak. The proposed allocation of \$1 million was considered sufficient to enable the Organization to respond to a crisis of similar magnitude.

60. As with the proposal for the use of the IPSAS and budgetary surpluses (see paragraphs 44 to 55 above), the Subcommittee considered that it was not prepared to endorse the proposed uses of the revenue surplus without further analysis and discussion. Accordingly, the Subcommittee requested the Bureau to prepare a more detailed

document for discussion by the Executive Committee, including in that document information on all the projects and initiatives that it proposed to carry out with the surplus funds and a breakdown of the amounts to be used for each one. The Bureau was also asked to undertake an analysis of cost recovery for the various procurement funds with a view to determining whether they were self-sustainable and to provide information on how it intended to ensure the sustainability of all the various proposed projects and initiatives after the surplus funds had been fully expended.

After-service Health Insurance (Document SPBA9/9)

61. Mr. Gerald Anderson (Director of Administration and Acting Director, Department of Financial Resources Management, PASB) provided an update on the steps being taken to meet the after-service health insurance (ASHI) benefit obligation. He pointed out that one of the IPSAS requirements was that the actuarial estimate of the amount of funds needed to meet those obligations be updated regularly and reported that it had been ascertained that there was a gap between the estimate of \$275 million and the amount that the Organization realistically had available. He also clarified that the actuarial estimate covered the anticipated amount to be paid to every retiree through the end of his or her life; hence, the full amount was not needed all at once.

62. The Bureau had worked with the actuary to estimate what additional contributions to the ASHI Trust Fund would be needed in order to be able to meet the total defined benefit obligation in a timeframe of about 25 years. It had been determined that under PAHO's current investment guidelines that objective would be very difficult to achieve. It had also been determined that WHO's rate of return on investments was higher than PAHO's, and thus it appeared advantageous to merge the two funds. PAHO's actuary had concluded that if the assets of the two organizations were merged now, and if PASB also contributed the 4% levy on staff salaries that it currently charged for the Trust Fund, the goal could be achieved within 5 to 10 years of WHO's target year of 2037 (which might need to be adjusted depending on market conditions). WHO would provide separate financial reporting about the PAHO share of the combined ASHI Fund, enabling PAHO to track its progress towards meeting its benefit obligation. The actuarial review had also revealed that in the long term the current difference between the Americas and the rest of the world in the cost of health benefits would decrease over time because economic growth rates were projected to be higher in the rest of the world than in the United States and Canada.

63. Subcommittee Members expressed appreciation for the Bureau's efforts to ensure sufficient funding to meet the ASHI obligation and welcomed the merging of the PAHO and WHO funds, considering that it would result in cost efficiencies, leading to a higher return on investments. It was noted that the issue of unfunded future benefit liabilities was of concern to the entire United Nations system and that PAHO's unfunded liability was far smaller than that of other organizations. A delegate inquired whether PAHO or WHO was a member of the United Nations working group on ASHI and how PAHO's strategy for meeting the obligation might be impacted by the eventual adoption of a system-wide approach to ASHI administration and funding.

64. Mr. Anderson explained that the Bureau had explored solutions based on pooling of assets with the wider United Nations system. However, for legal reasons it would first be necessary to pool with WHO, after which it might be possible to participate jointly in a wider United Nations system approach, although some procedural hurdles would have to be overcome. The process for pooling the assets and combining the actuarial studies would be completed during 2015, and wider solutions might then be considered beginning in 2016.

65. The Director said that the provision of after-service health insurance was an important commitment to past and current staff. She recalled that in 2014 both the Subcommittee and the Executive Committee had emphasized the need to begin to look for long-term solutions. The Bureau was therefore pleased to be able to present a proposal that demonstrated to the Governing Bodies PAHO's commitment to addressing the ASHI issue.

Update on the Master Capital Investment Fund and Reassessment of Real Estate Projects in the Master Capital Investment Plan (Document SPBA9/10)

66. Mr. Bruce Leech (Director, Department of General Services Operations, PASB), introducing the item, said that the Bureau recognized the importance of having safe and modern buildings, particularly since ownership of aging buildings was associated with increasing liabilities as they deteriorated over time, but that the funds available to renovate and upgrade the Organization's real estate were limited. To ensure that the scarce resources available were deployed as effectively as possible, a Region-wide condition assessment survey of PAHO-owned real estate had been conducted in 2014 by independent professional surveyors. The survey had resulted in a cost estimate for repairs to PAHO-owned buildings of \$66.9 million, of which \$55 million were accounted for by the Headquarters building. There would be a further analysis of those results, and a follow-up report would be prepared, examining the feasibility and prioritization of all of the various repair options. The Bureau hoped to have that report ready by the time of the June session of the Executive Committee.

67. In response to a question, he added that the survey and the follow-up analysis required different sets of skills, which was why the latter was needed. Responding to another question, he reported that WHO had contributed approximately \$300,000 in the current year to PAHO for expenses relating to security issues at the country offices in Brazil and Guyana.

68. Several additional questions and concerns were raised in the Subcommittee's discussion of the item. Further explanation was requested of the specific repairs needed at the Headquarters building and of the considerable difference in the amounts budgeted for Headquarters and for the country offices. The Bureau was urged to investigate the possibility of relocating to leased premises rather than paying for repairs to aging buildings owned by the Organization. Clarification was sought as to how the Bureau had arrived at the figures in Annex A to Document SPBA9/10 if, as stated in the document, additional studies were needed. With regard to the projects completed in 2014, concern

was expressed about the difference in implementation levels at Headquarters (close to 100% overall) and in country offices (around 58% overall).

69. Mr. Leech recalled that the Bureau had engaged teams of professional and independent surveyors to examine each of the Organization-owned offices, asking them to provide an assessment of what works needed to be done at present or would have to be done over the following 10 years. That assessment formed the basis for the figures given. The various repair needs had been scored on criteria such as security, health and safety (the highest priorities), technological obsolescence, environmental concerns, and other factors, and the scores used to establish the prioritization of the repairs. Headquarters accounted for a substantially greater proportion of the total cost partly because it was a relatively large building and partly because it was approaching the end of its design life, with resultant failures in various elements. There was a considerable amount of work to be done at Headquarters in the coming two bienniums. The prioritized lists were now being studied to determine the most logical sequencing for the work.

70. The possibility of moving to leased property as opposed to repairing owned buildings was also being studied. The Bureau had tasked professional real estate consultants with considering the liabilities and advising on the options available. For the country offices, the proposed expenditure of around \$10 million over ten years was not unusual or extravagant, and so in most cases it would probably make more sense to retain and repair the owned premises. In the case of the Headquarters building, given the size of the repair liability and the complications involved, including logistics and sequencing, the case was not so clear-cut. Again, the Bureau was studying all options.

71. The Director said that it seemed clear that Member States needed more information in order to understand the context for the various proposed projects. The Bureau would therefore produce a document providing more detail on the repair work envisaged.

Status of Projects Funded from the PAHO Holding Account (Documents SPBA9/11)

72. Mr. Daniel Walter (Director, Department of Planning and Budget, PASB) reviewed the history of the Holding Account, recalling that it had been set up in 2008 at a level of \$25.29 million, the result of a one-time revenue surplus. Of that amount, 87% had thus far been disbursed. Ten of the original 14 approved projects had been completed before or during 2014, the project for the implementation of the PASB Management Information System was ongoing, and three projects relating to improvements to facilities had been placed on hold pending the outcome of the Region-wide condition assessment of the Organization-owned buildings (see paragraphs 66 to 71 above). It was anticipated that the Holding Account would probably be closed by the end of 2015, once all of the \$3.35 million remaining in it had been disbursed.

73. In the ensuing discussion, it was pointed out that, according to the figures presented in Table 1 of Document SPBA9/11, the balance remaining in the Holding Account was \$3.3 million, not \$3.5 million. The decision to place the three facilities

improvement projects on hold was considered prudent, and the Bureau was encouraged to modify those projects and redirect the corresponding funds as needed in the light of the findings of the assessment. Further information was requested on project 2.A in Table 1, relating to strengthening of public health information systems, which was seen as vital to the current PAHO Strategic Plan, and clarification was sought on the reasons for the low level of implementation (3%) of project 4.B, dealing with energy-saving measures.

74. Mr. Walter said that the document would be reviewed and any errors in the figures corrected prior to its submission to the Executive Committee. He explained that if it was decided not to proceed with the three projects currently on hold, it would be usual practice to seek Governing Body approval for reallocation of the funds, for example into the Master Capital Investment Fund to help meet the costs of the repairs envisaged. The balance remaining from project 4.B would probably be consolidated with the other balances in order to help address overall needs with regard to facilities improvements. As to project 2.A, which aimed to create a single platform for health information in the Region, the Holding Account funds for that project had been fully committed but work was still in progress. The relevant unit was studying the Organization's various databases and seeking ways to rationalize and consolidate them. An evaluation of the technical infrastructure was also being conducted with the goal of ensuring that the system would be sustainable in the long term.

75. The Director pointed out that the situation was very different now from 2008, when the Holding Account had been set up, and the views on what should be done with the remaining balances were probably very different also. She suggested that some of the remaining Holding Account funds might be merged into some other fund that would be put towards the necessary real estate repairs. The Bureau could then report to Member States in a consolidated fashion, rather than in a further report on the remnants of the Holding Account.

Amendments to the PASB Staff Regulations and Rules (Document SPBA9/12)

76. Ms. Kate Rojkov (Director, Department of Human Resources Management, PASB) summarized the proposed amendments to the Staff Rules set out in the annex to Document SPBA9/12, which fell into three categories: those made pursuant to decisions taken by the United Nations General Assembly at its sixty-ninth session, those made to achieve consistency with WHO's Staff Rules, and those made in the light of experience and in the interests of good human resources management. The first category included adjustments to the remuneration of staff in the professional and higher categories, as a result of which the salaries of staff in ungraded posts and of the Director would need to be adjusted as well. Additional information and documentation on that issue would be provided to the Executive Committee.

77. Among the amendments proposed for consistency with WHO's Staff Rules were those covering medical certification and inoculation, obligation on staff members to provide accurate and complete information about themselves, pensions, insurance, sick leave, and retirement. The latter would enable the Director to extend the employment of

staff members on an exceptional basis in response to the needs of the Organization, up to the age of 68.

78. There were also three amendments that had been proposed in the light of experience and in the interests of good human resources management, dealing with abolition of posts, administrative leave, and amendment of the education grant provisions to clarify the concept of “admissible expenses actually incurred.”

79. The Subcommittee endorsed the proposed amendments.

Report on the Development of the PASB Human Resources Strategy: A People Strategy (Document SPBA9/13)

80. Ms. Kate Rojkov (Director, Department of Human Resources Management, PASB) presented an overview of the development of the PASB human resources strategy, explaining that it aligned with the human resources strategy introduced in WHO in 2014, which pursued the same aims: both organizations wanted to attract the right talent, to enable that talent to perform optimally, and to retain that talent by providing appropriate opportunities and motivation. However, PASB’s strategy was based on a deeper analysis of the current staffing situation, as reflected in the staffing statistics (see paragraphs 95 to 105 below).

81. Over the past decade, PASB had been consistently reducing the number of fixed-term posts and increasing the number of staff working under non-staff contractual mechanisms. That approach had been intended to minimize business risks and protect operational budgets in an uncertain fiscal environment. While it had helped to contain costs, it had also prevented the Organization from attracting and retaining the best talent available and from ensuring business continuity, knowledge management, and institutional memory. In order to achieve its intended goal of being the top employer attracting the top talent, PASB had identified nine strategic lines of action, which were discussed in detail in Document SPBA9/13. She reviewed the nine strategic lines, noting that they represented ambitious goals requiring a considerable degree of commitment and effort.

82. Strategic line of action 6, which called for greater sustained investment in learning and development, was particularly important to the overall goal of technical excellence. Staff members needed to be given the opportunity to develop needed skills, in part through rotation between PAHO Headquarters and country offices, between country offices, or between PASB and the WHO Secretariat. Strategic line of action 8, calling for creation of a world-class work environment at PAHO, was also crucial to attracting and retaining the best talent available. The launching of the PASB Management Information System (see paragraphs 135 to 139 below) would be key to simplifying and lessening administrative chores, enabling a greater focus on technical excellence in public health.

83. As a next step, working groups and focus groups would be established to pursue particular themes of the strategy. With regard to funding for the strategy, it was proposed

that a portion of the IPSAS and budgetary surpluses (see paragraph 44 to 55 above) be allocated to a new fund to support its implementation.

84. The Subcommittee welcomed the description of the strategy and the philosophy behind it. All speakers recognized the need for PASB to have top-grade staff in order for it to fulfill its mission, in particular with regard to implementation of the Strategic Plan, and consequently expressed support for the Bureau's efforts to upgrade the skills and the working environment of staff. The need for continuing education and training was emphasized, as was the need to promote new models of professional and managerial development. Delegates welcomed the opportunity that the strategy would provide to establish a correct ratio between professional and general services personnel, particularly in the country offices. Questions were asked on how PAHO was planning to adopt a culture of self-help and whether that organizational shift would be reflected in changes in the distribution of staff categories.

85. Some delegates questioned whether certain of the strategic lines of action were sufficiently distinct and suggested that some might be combined; strategic line 3, for example, seemed to overlap with strategic lines 6, 7, and 8 and strategic line 9 duplicated some of the steps that were being introduced with the modernization of the PASB Management Information System. Concern was expressed that the boosting of the Bureau's technical capacity arising from the launch of the PASB new Management Information System might be achieved through the replacement of some administrative personnel by technical staff. One delegate asked whether PAHO had a policy on persons with disabilities.

86. Information was sought on how the strategy aligned with the staffing situation at WHO and how lessons learned in one organization were being transferred to the other. The Bureau's efforts to put in place a clear mobility policy were applauded, but clarification was sought as to how staff mobility between PAHO and WHO would be managed. The Bureau was encouraged to develop a mobility plan that would facilitate staff development and the exchange of experiences and lessons learned and that would be responsive to needs at the various duty stations, including needs identified under country cooperation strategies.

87. Information was requested on the financial impact of the strategy and on the risks associated with not implementing it. While some delegates supported the proposal for funding of the human resources strategy, others felt that the document did not contain enough information to justify the proposed utilization of the surpluses. The Bureau was asked to provide more detail on specific projects to be undertaken and the outcomes to be achieved with those funds. It was also asked to indicate whether adoption of the strategy would have an impact on the resource allocation level for staff in PAHO's overall budget. Additional information was requested, as well, on the composition of the Strategic Staffing and Workforce Architecture Working Group mentioned under strategic line 1.

88. Ms. Rojkov said that the membership of the various working groups proposed under the strategy should be diverse and should include both technical and administrative

staff and a mix of professional and general services personnel drawn from a variety of duty stations. She affirmed the importance of structuring the workforce architecture appropriately, particularly in country offices, where the structure should support the country cooperation strategy. The overriding purpose of the strategy was to ensure that the Bureau had a workforce that would enable it to succeed technically, in which endeavor the country cooperation strategy was a basic guiding principle. She endorsed, too, the comments made about mobility and rotation and the need to tailor staff movements in response to the needs at country level. With regard to movement of staff and sharing of experience between PAHO and WHO, there were ongoing exchanges between the two organizations, as well as learning boards and discussion forums on human resources issues. Results of human resources studies and analyses were also routinely shared.

89. She clarified that while the strategy might indeed alter the ratio between professionals and general services staff, a more important consideration might be the ratio between administrative and technical functions, since some general services posts were technical in nature. In that connection, she noted that while it was too early to be certain about the impact of the PASB Management Information System on resource allocation, after two months of experience it seemed certain that it would lead to a reallocation of resources between administrative and technical functions.

90. Responding to the comments on the strategic lines of action, she undertook to revise the document in order to elucidate the differences between them. With regard to the idea of fostering a culture of self-help, which came under strategic line 1, she explained that in some country offices, certain business processes currently relied heavily on support staff. However, in today's environment of greater technological assistance, many functions could be performed by professional staff without need of assistance from support personnel.

91. The Bureau's treatment of persons with disabilities was incorporated in many different areas of the staff rules and regulations. It was not a standalone policy, but was embedded in a number of policies regulating how PASB operated.

92. As to the risks of not implementing the strategy, in her view the Organization's reputation, technical knowledge, successes, and entire mission would be jeopardized.

93. The Director concurred that failure to develop a human resources strategy was not an option for the Bureau's leadership and management. The strategy would be an essential personnel management tool, and the Bureau was committed to ensuring its success. It would need to respond to the changing environment and to the changing needs of Member States and, above all, must position PAHO as an organization of excellence, one that could deliver what its Member States expected.

94. In the specific area of the mobility policy that WHO was developing, there were risks as well as advantages. Selection processes in the WHO regions had not been uniform and consequently the quality of staff at WHO Headquarters and in the various

regions varied significantly. While the Bureau took pains to make sure it engaged technically sound people and that recruitment processes were up to a certain standard, that did not happen in every region and not always even at the WHO Secretariat. There were also differences in staff levels: a P3 post at PASB was equivalent to a P4 post at WHO, for example, and so P4 staff members who transferred from WHO Headquarters to the Americas under the mobility policy might find themselves unable to perform the work expected of PASB staff at the P4 level. That did not mean that the Bureau would not participate in the policy, but it was important to be fully aware of its implications and to be sure that such staff transfers did not weaken PASB's ability to serve its Member States. She urged Member States to bear those considerations in mind in the discussions on mobility at the global level.

PASB Staffing Statistics (Document SPBA9/14)

95. Ms. Kate Rojkov (Director, Department of Human Resources Management, PASB) reported that, as of 31 December 2014, the Bureau's staff had totaled 1,865, which represented a reduction of 125 by comparison with 2013. The reduction was spread across all categories. Whenever employees retired or left for other reasons, their managers were firmly encouraged to review the post description in detail and determine whether the employee's function was still needed and, if so, could perhaps continue to be performed without replacing the employee.

96. In addition to staff on fixed-term contracts and on United Nations temporary contracts, there were 1,000 employees working under contractual arrangements that did not necessarily follow the rules of the United Nations. Most of them were in the country offices. The Bureau had succeeded in maintaining gender equity in the professional and higher categories at Headquarters. However, among the PAHO/WHO Representatives, the staff were predominantly male. Her department was now discussing with its counterparts in WHO how to promote that type of work among women in order to achieve a better balance.

97. She drew attention to the information in Document SPBA9/14 concerning staff mobility, composition of the workforce by age, and distribution of staff by length of service, noting that the overall number of movements and reassignments had declined from 2013 to 2014; that persons aged 50 to 59 comprised the largest group of staff in fixed-term posts and persons aged 30 to 39 the largest group in temporary posts; and that the majority of fixed-term employees, in all categories, had fewer than five years of service.

98. Turning to the issue of employment of retirees, she explained that the Director, based on a very thorough analysis, was authorized to extend employment beyond the mandatory retirement age, one year at a time, if an extension was deemed in the best interests of the Organization. There had been 16 such extensions in 2014, two fewer than in 2013. In addition, 59 retirees were helping the Organization under various forms of temporary short-term consultancy.

99. The Subcommittee welcomed the efforts made to gather the information about various categories of staff broken down by age and sex and by type of contract, all of which contributed to transparency. Delegates attached particular importance to the Organization's policy on gender equality, adopted in 2005. It was noted that it aligned with WHO's policy and with the outcome of the Fourth World Conference on Women, held in Beijing in 1995. Information was sought on whether there was a policy on movement of staff from Headquarters to the country offices, on the contractual arrangements that differed from those established under United Nations rules, and on whether there were policies aimed at ensuring the transfer of knowledge and skills when staff retired.

100. Ms. Rojkov explained that mobility in PAHO was significantly more advanced than the practice in the rest of WHO. The Region had a strong managerial practice of rotating technical specialists after they had been in a post for five years. Her department was working on how to convert that good practice into an actual policy, with due regard to how that policy could most beneficially mesh with WHO's policy in the same area.

101. Staff hired under non-United Nations contractual mechanisms, referred to as non-staff arrangements, comprised workers hired through staffing agencies or as national or international consultants and staff seconded by ministries of health, particularly in the country offices. There was also a category called "Employed by Other," which comprised externally sourced employees, such as security and cleaning staff.

102. There was indeed a specific strategy to facilitate knowledge transfer through an evaluation of staff members' tasks and deliverables prior to their retirement. Succession planning aimed at achieving enhanced business continuity was also an important aspect of the proposed human resources strategy (see paragraphs 76 to 90 above).

103. The Director added that human resources were a significant component of the Organization's total resources. In order to deliver technical cooperation with excellence, the Bureau needed to ensure that it had top-grade staff with up-to-date knowledge working in an environment that was conducive to being able to perform at the highest level. At the same time, there was an increasing need for the reorientation of staff and the introduction of new competencies and skills. It was also necessary to ensure that the Bureau not only maintained gender equity but also respected the geographical distribution guidelines of the United Nations.

104. The existence of different types of contractual mechanisms sometimes made it difficult to manage human resources. One such mechanism, the national PAHO consultancies, had been conceived as a means of saving financial resources. While such contracts were intended to be short-term (no more than four years) and the consultants were meant to deal with a specific issue at country level, in fact they often worked on a wide range of issues and functioned essentially as staff members. Consequently, their departure negatively impacted the offices' ability to continue delivering technical cooperation.

105. Many of the Bureau's staff at the P4 level, who made up the bulk of its technical capacity, were due to retire within three or four years. That was both an opportunity and, potentially, a risk, in terms of loss of knowledge and institutional memory. The Bureau was striving to ensure that it could maximize the opportunities afforded by staff retirements while at the same time preserving the organizational culture and maintaining and enhancing its technical excellence and ability to deliver technical cooperation. Those various issues underscored the need for the PASB Human Resources Strategy.

Draft PASB Information Technology Strategy (Document SPBA9/15)

106. Mr. Gerald Anderson (Director of Administration, PASB) presented an overview of the draft information technology (IT) strategy, noting that Document SPBA9/15 contained a brief summary of the strategy and that a more detailed version was available on the PAHO website.⁵ The IT strategy one of several strategies (including the human resources strategy and the master capital investment strategy, see paragraphs 76 to 90 and 66 to 71 above) aimed at enabling the Bureau to sustainably and continuously maintain the level of services that Member States expected. It was intended to provide guidelines for the remainder of the period of the PAHO Strategic Plan 2014–2019 and to ensure the IT support required in order to achieve the Plan's expected results. It would also provide mechanisms and tools for ensuring that IT investments were linked to the Organization's strategic priorities and a roadmap for continuously improving the reliability, quality, and added value of PAHO's IT support services, and it would ensure that the Bureau's IT infrastructure effectively supported the new PASB Management Information System.

107. The findings of an assessment of the Bureau's IT capabilities conducted in 2014 with the assistance of the United Nations International Computing Centre had provided the basis for the strategy, which set out a framework for classifying IT activities and spending. It comprised three categories: Run, which would include activities and spending needed to maintain regular, basic IT functions; Grow, which would include activities and investments aimed at enhancing, expanding the scope, and improving the efficiency of IT operations; and Transform, which would include innovations to qualitatively change and improve the level of IT services. It was proposed that 65% of IT spending should be devoted to Run activities, 20% to Grow activities, and 15% to Transform activities. Currently, 93% was being devoted to Run, 1% to Grow, and 6% to Transform. The IT assessment had recommended that 5.5% of PAHO's total program and budget should be devoted to IT; currently, the IT budget accounted for only 3.7% of the total budget.

108. As reported above (see paragraphs 44 to 55), the Bureau proposed to use \$2 million of the IPSAS surplus for needed activities in the Grow and Transform categories. Those activities would, inter alia, enhance the security of IT systems at PAHO Headquarters and in country offices, ensure that sufficient bandwidth was available for the operation of the PASB Management Information System and the performance of

⁵ [PASB Information Technology Strategy 2015-2019](#).

official functions, and guarantee that the country offices could maintain continuous connectivity.

109. The Subcommittee expressed support for the development of an IT strategy that would ensure optimal support for the Organization's technical cooperation functions. Members welcomed the strategy's emphasis on sustainability and on ensuring that systems were kept up to date and endorsed the proposed principles and strategic lines of action. Members also expressed support for the use of the \$2 million IPSAS surplus for the proposed enhancements of the Bureau's IT capabilities, but additional detail was requested on how those resources would be used and on how they would support implementation of the strategy. It was emphasized that all IT requirements should be correctly identified, including all IT support required for implementation of the human resources strategy and the PASB Management Information System. The Bureau was asked to provide a detailed budget for full implementation of the strategy, broken down by sources of funding and categories of work. It was also requested to make the 2014 IT assessment available to Member States.

110. Clarification was sought as to how the strategy differed from the plan for the Information Technology Subfund presented in 2014⁶ and on the strategy's benefits to the Organization referred to in paragraph 15 of the document, in particular with regard to its impact on the various categories under the Strategic Plan 2014–2019. Information was also requested on the composition of the IT Governance Committee and on whether any technological literacy training was envisaged to ensure that staff were prepared for the introduction of changes and innovations.

111. Mr. Anderson said that the Bureau would provide additional documentation detailing the list of IT requirements with projected budgetary amounts. In the area of human resources, most of the requirements related to PAHO's knowledge management functions had to be supported by qualified staff and appropriate IT tools. Staff learning and development was a component of the PASB Management Information System. Cornerstone software, which had already been introduced at WHO, would be used to keep track of training completed by staff and plan for training needed in the future in order to ensure that staff had the necessary skills. The project for modernization of the PASB Management Information System had also included a change management component designed to prepare staff to use the new system. The proposed human resources strategy, too, would include a learning component aimed at ensuring that staff were prepared to use new technological tools as they became available.

112. The previous plan for the Information Technology Subfund had been updated in the light of the findings of the 2014 IT assessment and the most recent available information derived from the experience of other international organizations and from experts in IT management. The 2014 assessment had identified both urgent operational and security needs, which had already been addressed, and medium and longer-term needs. The proposed strategy addressed the latter.

⁶ See Document SPBA8/8.

113. The IT Governance Committee would be an internal body consisting of Headquarters staff from both technical and enabling areas and country office support staff. The proceedings of the Committee would be made available to the internal auditors, and its operations had been discussed with the Audit Committee and with the external auditors. One aspect of the IT governance process would be the identification of all IT-related activities and requirements and their systematic inclusion in the IT strategy. One project, for example, was the development of a system to enable Member States to track implementation of the Strategic Plan.

114. The Director, observing that it was essential for the Bureau to innovate in order to accommodate changing modalities of technical cooperation and continue to meet Member States' needs, affirmed that the background section of the document would be expanded in order to provide more information on how the Bureau had developed the IT strategy on the basis of identified needs. The Bureau would, of course, make the IT assessment available to any Member State that wished to see it; however, it was important to understand that the Bureau had taken a number of other factors and issues into consideration in developing the strategy. She urged Member States to trust the Bureau to utilize the assessment report and other relevant documentation in order to obtain the information needed to arrive at a sound IT strategy.

Update on the Appointment of the External Auditor of PAHO for 2016–2017 (Document SPBA9/16)

115. Mr. Gerald Anderson (Director of Administration, PASB) reported that the mandate of PAHO's current External Auditor, the Court of Audit of Spain, would expire at the end of the current biennium. He recalled that it had been PAHO's past practice to appoint its External Auditor for two bienniums and to recommend reappointment for a further period, subject to satisfactory performance. The Organization was starting the implementation of the PASB Management Information System (PMIS) in the current biennium and in January 2016 would be incorporating the system that supported financial reporting into the PMIS. Both on the basis of good past practice and to maintain continuity in the audit function during the PMIS-related changes, the Bureau suggested that the current External Auditor should be retained for one more biennium. It had contacted the current External Auditor with a proposal along those lines.

116. The Court of Audit of Spain had responded that although the task had proved to be a drain on its resources and had entailed a need to bring in extra staff from sister organizations, it was willing to continue acting as PAHO's External Auditor for one more biennium. Thus the Subcommittee might wish to recommend to the Executive Committee that PAHO should retain the services of the Court of Audit of Spain for one more biennium (2016–2017).

117. The Director was of the view that such a course of action would be advantageous.

118. The Subcommittee endorsed the proposal to reappoint the Court of Audit of Spain as PAHO's External Auditor for the 2016–2017 biennium.

***Amendments to the Financial Regulations and Financial Rules of PAHO
(Document SPBA9/17)***

119. Mr. Gerald Anderson (Director of Administration and Acting Director, Department of Financial Resources Management, PASB) explained that all the changes in the financial regulations related to the shift to an integrated program and budget (see paragraphs 7 to 17 above), in alignment with WHO. All of the changes were shown, with explanations, in the annex to Document SPBA9/17. In particular, the existing financial regulations used the term “regular budget,” which in the new financial regulations had been replaced by “program and budget.” The components of the program and budget were described in detail in a new paragraph (4.3) of the regulations. The same paragraph also stipulated that Member States’ legal obligation to finance the program and budget was limited to assessed contributions.

120. Another new regulation (4.4) clarified the dates on which the components of the program and budget would be made available for implementation. As was already the case in the existing financial regulations, assessed contributions from PAHO Member States were made available for implementation on the first day of the budgetary period in which they were due, regardless of whether or not the actual cash contribution had arrived on that date. However, allocations from WHO would be made available for implementation upon receipt. It was simply prudent not to spend those amounts until they were actually in hand. The changes proposed were intended to go into force by the 2016-2017 biennium.

121. In the ensuing discussion, clarification was requested with regard to a number of matters, including the approval of supplemental proposals under paragraph 3.8; the degree of flexibility in the use of the various components of the program and budget; when those components would be available for implementation; whether the proposed new wording of paragraph 4.1 should be modified to make it clear that the program and budget would be approved with a specific ceiling; the meaning of “any other income attributable to the program and budget” under paragraph 4.3 and of “fully executed agreements” under paragraph 4.4; what sort of “exceptions” could be considered by the Director under new paragraph 4.5; whether the new term “budgeted miscellaneous revenue,” which had replaced the term “regular budget appropriation” in new paragraph 4.8, also included assessed contributions from Member States; and how internal borrowing and the use of the Working Capital Fund would work under amended regulation 8.1.

122. It was suggested that it would be helpful to include the entire set of financial regulations in the document in order to enable Member States to see the proposed changes in context and thus better understand the implications of adopting them. It was also suggested that an information section should be added, explaining key concepts. The Bureau was asked to comment on how the proposed changes would strengthen results-based management.

123. Mr. Anderson, welcoming the Subcommittee's close scrutiny of the document, said that the entire set of financial regulations, showing the proposed amendments, could be provided, although the document would be unwieldy. While agreeing that an annex might be added containing additional terminology, he pointed out that paragraph 4.3 already provided a listing of many of the terms used.

124. With regard to paragraph 3.8, the Directing Council or the Pan American Sanitary Conference would have to approve supplemental proposals submitted by the Director. In practice, however, such proposals had rarely, if ever, been put forward. As to paragraph 4.1, he explained that the rationale for not setting a total ceiling was to allow for the possibility that voluntary contributions might exceed the projected figures. The concept underlying the proposed changes was that the Member States would agree to a specific figure for assessed contributions, as they did currently, and that figure would not change, unless for some reason the Council or the Conference were to decide to make a change. However, the total of the budget from all sources could increase if additional voluntary contributions were received.

125. He explained that a "fully executed agreement" meant an agreement signed and legally binding under the laws of the donor. Once fully executed agreements for voluntary contributions were in place, the level of certainty that the money would actually be remitted was very high. The concept of "availability of contributions" had been included in paragraph 4.4 with the intention of clarifying when voluntary contributions could be expended. In the case of WHO voluntary contributions, that was the date on which the funds were received. For other voluntary contributions, it was the date of the signing of the legally binding agreement. The concept of exceptions in new paragraph 4.5 was unchanged from the existing regulations; the only change made had been to substitute the new terminology.

126. The term "budgeted miscellaneous revenue" referred to the specific target figure for miscellaneous revenue included in the approved budget, although actual revenue might be lower or higher. If there was such an excess, it was considered a revenue surplus. With regard to internal borrowing, the concept was no longer applicable under the IPSAS because revenue from assessed contributions was recognized and could be expended on 1 January of the financial period. In the event that there was insufficient cash to fund all the recognized revenue, funds from the Working Capital Fund could be used to cover financial commitments.

127. In response to additional questions raised by a Member of the Subcommittee, he said that he would consult the group that had drafted the amendments to clarify the intent of new paragraph 8.3 and to ensure that any change made was consistent with earlier Member State decisions on the use of the Working Capital Fund. He also undertook to consult the Bureau's legal advisers regarding the suggested addition of the words "when the funds are actually made available" at the end of paragraph 4.4. With reference to paragraph 4.8, he acknowledged that there was a possibility, albeit a remote one, that assessed contributions might remain unspent. The drafting group had considered that situation to be covered by the language in new paragraph 4.5, which allowed such funds

to be carried over to a subsequent period as income for the new period, not as a revenue surplus from the previous one.

128. The Director said that the Bureau had noted all the recommendations and comments and would analyze them and submit a revised document for consideration by the Executive Committee.

Matters for Information

WHO Draft Proposed Program Budget (Document SPBA9/INF/1)

129. Mr. Daniel Walter (Director, Department of Planning and Budget, PASB) introduced the document on the draft proposed program budget of WHO for the period 2016-2017, noting that it remained a work in progress, with some important matters still to be decided. Notable features of the draft program budget included a bottom-up approach to the identification of priorities in countries and the active involvement of global category and program area networks, including representatives of all regions, to consolidate country inputs, update outcome and indicators, and propose budget figures. An earlier draft of WHO budget had been presented to PAHO's Directing Council in 2014,⁷ and the input received had been incorporated in the version presented to the WHO Executive Board in January 2015.

130. Three possible budget scenarios had been proposed: in the first, the level of the budget would remain the same as in 2014-2015, in the second it would increase by 5% to cover higher staff costs, and in the third it would rise by 8% to cover both increased staff costs and program expansion. The lessons learned from the Ebola virus disease outbreak might well affect the final proposed version of the program budget to be presented to the World Health Assembly in May, as the cost of building and sustaining capacity to respond quickly to outbreaks might be included.

131. The Global Policy Group, of which the Director was a member, would decide in late March whether an increase would be proposed. If so, the Region's share—currently 5.4%, the lowest of all regions—would probably also increase if a needs-based formula was applied, as proposed by the Working Group on Budget Space Allocation. As the Working Group was not expected to conclude its work prior to the approval of the 2016-2017 program budget, the Director-General of WHO had been requested to propose an interim formula, which would be discussed by the Working Group at its next meeting.

132. In the discussion that followed, clarification was requested of the rationale for the proposed resource shifts under the draft proposed program budget, in particular those mentioned in paragraph 5 of Document SPBA9/INF/1. The WHO Secretariat was encouraged to identify appropriate indicators for those areas in which targets and indicators had not yet been defined. It was pointed out that it might be advantageous for WHO to use indicators developed at the regional level, particularly those developed in the Americas as part of the PAHO Strategic Plan 2014-2019.

⁷ See Document CD53/INF/2.

133. Mr. Walter explained that the proposed resource shifts mentioned in paragraph 5 were the result of an analysis of expenditure in the current biennium, which had shown that some areas were overfunded while others were underfunded. Funds would thus be moved from management and administration to programmatic work. He agreed that it might be advantageous for WHO to use some of PAHO's outcome and output indicators, as the process of developing the Region's indicators had been more rigorous in some respects than the process at WHO. While the Bureau tried to stay as closely aligned as possible with WHO, it would not adopt global indicators where it felt that the indicators established for PAHO were superior.

134. The Director observed that, while the Bureau always shared work done in the Region with WHO and would certainly share the Strategic Plan indicators, there was sometimes reluctance on WHO's part to accept such information. She assured Member States that she would represent the Region's views with regard to budget space allocation and other issues during the forthcoming meeting of the Global Policy Group.

Status of the Modernization of the PASB Management Information System (Document SPBA9/INF/2)

135. Mr. Esteban Alzamora (PMIS Internal Project Manager, PASB) reviewed the history of the project for modernization of the PASB Management Information System (PMIS), as set forth in greater detail in Document SPBA9/INF/2, recalling that the 50th Directing Council had adopted Resolution CD50.R10 (2010), approving the guiding principles for PMIS modernization and authorizing the Bureau to proceed with the adoption of enterprise resource planning software. The initial budget for the project had been \$20.3 million; that amount had subsequently been increased to \$22.5 million.⁸ The project was still within the allocated budget.

136. A request for proposals had been issued in 2013 and contracts had been signed for provision of the various modules, as well as for the work of a system integrator and for change management services. During 2014, implementation of the project had begun, PASB personnel had been selected to form the core team, and the external project manager had been hired. Staff training and design sessions had followed and had been completed on schedule, and testing of phase 1 (human capital management and payroll) had been completed. Planning sessions for Phase 2 (finance, procurement, and budget) had also been completed. Training in the procurement area had been provided to 11 country offices.

137. Phase 1 had gone live at the beginning of 2015. By the end of February, over 9,000 business processes had been initiated in the new system, with only 506 help desk requests, which illustrated the effectiveness of the staff training provided. As of mid-March 2015, planning and design sessions for phase 2 had been completed and the configuration stage was under way. That stage was expected to be completed sometime in

⁸ See Document CD53/19 and Resolution CD53.R11 (2014).

June. There would then be five months of testing, followed by deployment, with a planned go-live date of 1 January 2016.

138. Replying to a request for information on the alignment of the PMIS with WHO's Global Management System (GSM), Mr. Alzamora reported that two WHO staff would arrive in Washington in April 2015 to facilitate the integration of the PMIS with the GSM. They would also assist with testing in June and July, with the aim of having data shared smoothly across the two systems.

139. The Director, welcoming the progress made so far, paid tribute to the PASB staff who had worked so hard in preparation for project implementation. She cautioned, however, that the second phase would be infinitely more complex to implement than the first. It was impossible to predict how many unforeseen complications would need to be resolved during implementation, each of them having a cost. The Bureau had undertaken yet another risk assessment, seeking to determine what precautionary measures might be needed.

Provisional Agenda for the 156th Session of the Executive Committee (Document SPBA9/INF/3, Rev. 1)

140. Ms. Piedad Huerta (Senior Advisor, Governing Bodies Office, PAHO) presented the draft provisional agenda for the 156th Session of the Executive Committee contained in Document SPBA9/INF/3, Rev. 1. She recalled that the 155th Session of the Executive Committee had reviewed proposed lists of topics for consideration by the Governing Bodies in 2014 (Document CE155/FR, Annexes C and D). The Director had eliminated some items and added others in response to comments and recommendations received both during and after that session, including a report on the health sector response to the post-2015 sustainable development goals (item 7.8), which had been added at the request of various Member States. The Director also proposed to include a report on Ebola virus disease preparedness in the Americas.

141. The Bureau had taken note of Member States' requests for a more comprehensive document on the various aspects of WHO reform (see paragraphs 25 to 36 above) and would prepare the document; however, it wished to suggest that the report on WHO reform be moved from program policy matters to matters for information since it was not a matter calling for a resolution by the PAHO Governing Bodies. The Bureau was aware of the importance that Member States attached to the topic and would ensure that sufficient time was allotted in the program of meetings for a thorough discussion. The Global Strategy on Human Resources for Health: Health Workforce 2030 (item 7.2) would be discussed by the Executive Committee only if the WHO document on the global strategy was available in time; if not, the item would be removed from the Committee's agenda. In any case, a regional consultation on the global strategy would be held during the 54th Directing Council in September 2015.

142. In the ensuing discussion, several Members expressed concern that the excessive number of items on the draft agenda would not allow for adequate discussion, particularly

as one of the items to be discussed would be the proposed PAHO program and budget for 2016–2017. In that connection, it was noted that sessions of the WHO Governing Bodies were lengthened by several days in the years when the proposed program budget was to be discussed, and it was suggested that, unless the agenda was shortened, it might be necessary to extend the Executive Committee session, as well. It was also proposed that some items might be consolidated and that consideration of others might be deferred to 2016. In addition, it was recommended that the progress reports on technical matters (item 7.9) should simply be noted, but not discussed.

143. It was pointed out that the agenda contained 57 items, including 9 proposed strategies and/or plans of action for approval. The need for the latter was questioned, given that the Organization had a comprehensive Strategic Plan for the period 2014-2019. Member States and the various PAHO technical areas were encouraged to be guided by the Strategic Plan rather than developing specific strategies or plans for every disease or problem. Information was requested on the rationale for the inclusion of several items, including the proposed strategies and plans of action on immunization (item 4.3), strengthening of health systems to address violence against women (item 4.5), antimicrobial drug resistance (item 4.8), and rational use of essential medicines and other health technologies (item 4.10), particularly as global strategies and/or plans of action already existed or would soon be adopted on most of those topics.

144. Some delegates were in favor of the idea of moving the item on WHO reform to matters for information, while others were opposed. The latter recalled that it had been requested during the Executive Committee's 155th Session that WHO reform be considered as a substantive item in order to agree on regional positions on the issue of strategic budget space allocation and the proposed framework for WHO's engagement with non-State actors. Other delegates pointed out that those two matters would already have been discussed and decisions taken at the World Health Assembly in May, so there would be no need to agree on regional positions in June. It was considered unlikely, however, that all outstanding issues in relation to those matters would be settled in May, and it was suggested that the decision as to how to deal with the item during the Executive Committee session be postponed until after the World Health Assembly.

145. Several delegates noted that, although the need to shorten Governing Body agendas at both PAHO and WHO had been highlighted repeatedly, the number of items proposed for consideration only seemed to grow. It was emphasized that Member States must strive collectively to streamline the way in which the Governing Bodies worked, including through a mechanism for developing and adopting more manageable agendas, and it was requested that the Bureau draw up some proposals in that regard for discussion by the Governing Bodies in 2016.

146. Ms. Huerta noted that four of items had been included on the agenda as program policy matters at the request of Member States: those on strengthening health systems to address violence against women (item 4.5), rational use of essential medicines and other health technologies (item 4.10), health-related law (item 4.11), and review of PAHO resolutions from 1999 to 2013 (item 4.13).

147. Dr. Cuauhtémoc Ruiz Matus (Acting Director, Department of Family, Gender, and Life Course, PASB) explained that a new regional strategy and plan of action on immunization (item 4.3) was being proposed because the period covered by the current Regional Immunization Vision and Strategy would end in 2015. The proposed plan of action would be aligned with the Global Vaccine Action Plan, adopted by the World Health Assembly in 2012, but would set different targets, as the Region was more advanced than other WHO regions with respect to the control of some vaccine-preventable diseases, such as poliomyelitis and measles. The regional action plan would also be fully aligned with the PAHO Strategic Plan.

148. Dr. Ruiz Matus, also explaining the rationale for the proposed strategy and plan on violence against women (item 4.5), recalled that WHO had a general plan of action for violence prevention. The proposed PAHO plan, which was being developed in consultation with Member States, would focus specifically on violence against women, which was a serious problem in the Region. The President pointed out that WHO was also developing a global plan of action on the issue of violence against women, which was slated for adoption in 2016.

149. Dr. Luiz Augusto Galvão (Chief, Special Program on Sustainable Development and Health Equity, PASB) said that the proposed plan of action on workers' health (item 4.6) had been placed on the agenda in response to a request from the 52nd Directing Council to update the Regional Plan on Workers' Health adopted in 1999 in order to reflect the many changes that had taken place since then in workplace environments and in other areas related to workers' health.

150. Dr. Marcos Espinal (Director, Department of Communicable Diseases and Health Analysis, PASB) said that, although a plan of action on antimicrobial drug resistance (item 4.8) was currently being developed at the global level, global plans tended to be fairly generic, and PAHO Member States had called on the Bureau to develop a more specific regional plan. Member States might wish, however, to wait until the global plan was available and then adapt its indicators to the specificities of the Region. With regard to the proposed plan of action on viral hepatitis (item 4.9), a regional plan was greatly needed, as there was no global plan and the issue of viral hepatitis had received relatively little attention.

151. Dr. Heidi Jiménez (Legal Counsel, PASB) reported that several Member State consultations on the proposed strategy on health-related law had been held since its consideration in 2014 by the 53rd Directing Council, which had not deemed it ready for adoption. The lines of action had been agreed, following another consultation in April 2015, she was certain that the strategy would be ready for presentation to the Executive Committee in June.

152. Dr. James Fitzgerald (Director, Department of Health Systems and Services, PASB) explained that the proposed strategy and plan of action on essential medicines had been requested by a Member State. Although a World Health Assembly resolution on the subject had been adopted in 2007, reports had shown a lack of progress in implementing

it. The proposed strategy would comprise various lines of action aimed at addressing problems related to the high cost of medicines, lack of access to appropriate medicines, overuse of some medicines, and lack of lack of systematic processes for the incorporation and evaluation of medicines and other health technologies within health systems.

153. The Director, affirming that many of the items on the draft agenda had been included at the request of Member States, agreed that a discussion was needed on a rational methodology for developing Governing Body agendas. An important consideration in relation to items proposed by Member States was whether there would be sufficient time for the Bureau to bring to maturity a document that would be suitable for discussion by the Governing Body in question. She suggested that the Subcommittee entrust the Bureau with responsibility for examining the draft provisional agenda for the 156th Session of the Executive Committee to assess whether the necessary preliminary discussions and negotiations on the various items had been carried out so that agreement could easily be reached on the proposed strategies and plans of action. She noted, however, that the Bureau could not amend the provisional agenda without the agreement of the Executive Committee and that it would therefore be obliged to prepare documents on all the items currently included.

154. She suggested that the Subcommittee might wish to recommend, for example, that the strategy and plan of action on essential medicines (item 4.10), the concept paper on strengthening public health policies across borders (item 4.12), the review of PAHO resolutions (item 4.13), and the report on the health sector response to the sustainable development goals (item 7.8) might be deferred to 2016 and that the reports on chikungunya virus transmission (item 7.6) and Ebola virus disease (item 7.7) might be combined.

155. After consulting with the Legal Counsel regarding the Subcommittee's ability to make or recommend modifications to the provisional agenda, the President proposed that the Subcommittee request the Director to prepare a revised draft provisional agenda, bearing in mind the Subcommittee's comments and recommendations concerning the removal or consolidation of some items, circulate it for comment by Member States during a two-week period and revise the draft agenda again in the light of any comments received, and then communicate the revised draft provisional agenda to Executive Committee Members.

156. The Subcommittee agreed to that proposal and also recommended that the Executive Committee request the Bureau to draw up a proposal for streamlining the method of work and enhancing the efficiency of the Governing Bodies.

Closure of the Session

157. Following the customary exchange of courtesies, the President declared the Ninth Session of the Subcommittee closed.

Annexes

IN WITNESS WHEREOF, the President of the Subcommittee on Program, Budget, and Administration, Delegate of Canada, 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 twentieth day of March in the year two thousand fifteen. The Secretary shall deposit the original signed document in the Archives of the Pan American Sanitary Bureau.

Natalie St. Lawrence
President of the Ninth Session
of the Subcommittee on Program, Budget,
and Administration
Delegate of Canada

Carissa F. Etienne
Secretary ex officio of the Ninth Session
of the Subcommittee on Program, Budget,
and Administration
Director of the Pan American Sanitary Bureau

Annex A

AGENDA

- 1. OPENING OF THE SESSION**
 - 2. PROCEDURAL MATTERS**
 - 2.1 Election of the Officers
 - 2.2 Adoption of the Agenda
 - 3. PROGRAM POLICY MATTERS**
 - 3.1 Draft Proposed PAHO Program and Budget 2016-2017
 - 3.2 Nongovernmental Organizations in Official Relations with PAHO
 - 3.3 Appointment of One Member to the Audit Committee of PAHO
 - 3.4 Update on WHO Reform
 - 4. ADMINISTRATIVE AND FINANCIAL MATTERS**
 - 4.1 Overview of the Financial Report of the Director for 2014
 - 4.2 Proposal for the Use of the Balance of the IPSAS and Budgetary Surpluses
 - 4.3 Programming of the Revenue Surplus
 - 4.4 After-service Health Insurance
 - 4.5 Update on the Master Capital Investment Fund and Reassessment of Real Estate Projects in the Master Capital Investment Plan
 - 4.6 Status of Projects Funded from the PAHO Holding Account
 - 4.7 Amendments to the PASB Staff Regulations and Rules
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4. ADMINISTRATIVE AND FINANCIAL MATTERS *(cont.)*

- 4.8 Report on the Development of the PASB Human Resources Strategy: A People Strategy
- 4.9 PASB Staffing Statistics
- 4.10 Draft PASB Information Technology Strategy
- 4.11 Update on the Appointment of the External Auditor of PAHO for 2016-2017
- 4.12 Amendments to Financial Regulations and Financial Rules of PAHO

5. MATTERS FOR INFORMATION

- 5.1 WHO Draft Proposed Programme Budget 2016-2017
- 5.2 Status of the Modernization of the PASB Management Information System
- 5.3 Draft Provisional Agenda for the 156th Session of the Executive Committee

6. OTHER MATTERS

7. CLOSURE OF THE SESSION

Annex B

LIST OF DOCUMENTS

Working Documents

SPBA9/1, Rev. 1	Agenda
SPBA9/2 and Corr.	Draft Proposed PAHO Program and Budget 2016-2017
SPBA9/3	Nongovernmental Organizations in Official Relations with PAHO
SPBA9/4	Appointment of One Member to the Audit Committee of PAHO
SPBA9/5	Update on WHO Reform
SPBA9/6, Rev. 1	Overview of the Financial Report of the Director for 2014
SPBA9/7, Rev. 1	Proposal for the Use of the Balance of the IPSAS and Budgetary Surpluses
SPBA9/8	Programming of the Revenue Surplus
SPBA9/9	After-service Health Insurance
SPBA9/10	Update on the Master Capital Investment Fund and Reassessment of Real Estate Projects in the Master Capital Investment Plan
SPBA9/11	Status of Projects Funded from the PAHO Holding Account
SPBA9/12	Amendments to the PASB Staff Regulations and Rules
SPBA9/13	Report on the Development of the PASB Human Resources Strategy: A People Strategy
SBPA9/14	PASB Staffing Statistics
SPBA9/15	Draft PASB Information Technology Strategy

Working Documents (cont.)

SPBA9/16 Update on the Appointment of the External Auditor of PAHO for 2016-2017

SPBA9/17 Amendments to Financial Regulations and Financial Rules of PAHO

Information Documents

SPBA9/INF/1 WHO Draft Proposed Programme Budget 2016-2017

SPBA9/INF/2 Status of the Modernization of the PASB Management Information System

SPBA9/INF/3, Rev. 1 Draft Provisional Agenda for the 156th Session of the Executive Committee

Annex C

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Asunción

PAN AMERICAN HEALTH ORGANIZATION
ORGANIZACIÓN PANAMERICANA DE LA SALUD

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Subcommittee/
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