

166th SESSION OF THE EXECUTIVE COMMITTEE

Virtual Session, 22-23 June 2020

CE166.R3
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RESOLUTION

CE166.R3

REVIEW OF THE CHARGE ASSESSED ON THE PROCUREMENT OF PUBLIC HEALTH SUPPLIES FOR MEMBER STATES

THE 166th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the *Review of the charge assessed on the procurement of public health supplies for Member States* (Document CE166/14),

RESOLVES:

To recommend that the 58th Directing Council adopt a resolution in the following terms:

REVIEW OF THE CHARGE ASSESSED ON THE PROCUREMENT OF PUBLIC HEALTH SUPPLIES FOR MEMBER STATES

THE 58th DIRECTING COUNCIL,

Having considered the *Review of the Charge Assessed on the Procurement of Public Health Supplies for Member States* (Document CD58/__);

Recognizing the increasing demand from Member States for access to vaccines and strategic public health supplies, and noting the transformational projects that the Pan American Sanitary Bureau has undertaken to improve demand and supply management tools, to leverage technology that can simplify and automate processes and improve quality and speed, and to establish digital platforms that deliver real-time information to Member States;

Noting that the expenditures on operation of the three procurement mechanisms of the Pan American Health Organization (PAHO) —the Revolving Fund for Access to Vaccines (Revolving Fund), the Regional Revolving Fund for Strategic Public Health Supplies (Strategic Fund), and reimbursable procurement on behalf of Member States—

reported for the 2018-2019 biennium represented a 74% increase over the prior period, and that an internal analysis of the full cost of personnel time, both at PAHO Headquarters and in PWR Offices, estimated the actual personnel costs for operation of the procurement mechanisms at approximately \$20.5 million;

Noting with concern that there is an ongoing need to ensure sustainability of the three procurement mechanisms, considering the full costs of technical cooperation activities and investments to improve the quality and efficiency of service;

Recognizing the need to adjust the internal composition of the 4.25% fee to increase the administrative component of the service charge from 1.25% to 1.75% and decrease the capitalization component from 3.00% to 2.50%,

RESOLVES:

To authorize the Director to do the following:

- a) adjust the internal composition of the 4.25% fee to increase the administrative component of the service fee to 1.75% and decrease the capitalization component to 2.50%, effective 1 January 2021. This change will apply to the 4.25% fee on net purchases made by the Revolving Fund, the Strategic Fund, and the reimbursable procurement mechanism;
- b) credit the increase in the administrative component (0.50%) to the Special Fund for Program Support Costs to defray the operating and management costs generated throughout the Organization by the Revolving Fund, the Strategic Fund, and the reimbursable procurement mechanism;
- c) decrease by the same percentage (0.50%) the credit to the Capital Accounts of the Revolving Fund, the Strategic Fund, and the reimbursable procurement mechanism.

(Second meeting, 22 June 2020)