

PHEFA FUND

TRUST FUND

for strengthening

PANAFTOSA'S TECHNICAL COOPERATION

for consolidation of

**THE HEMISPHERIC PROGRAM FOR THE ERADICATION
OF FOOT-AND-MOUTH DISEASE**

(PHEFA)



TRUST FUND FOR PHEFA'S STRENGTHENING (PHEFA FUND)

We present here a succinct proposal for the establishment of a Fund for the Strengthening of PANAFTOSA-PAHO/WHO's Technical Cooperation for the consolidation of the Hemispheric Program for the Eradication of Foot-and-Mouth Disease (PHEFA).

The proposal reflects the region's need for specific support to countries and regions where cattle-raising is destined for subsistence and is an important source of high-quality protein for local populations. In these countries and regions Foot-and-Mouth Disease eradication programs have been only partially implemented and for this reason the disease persists in endemic form.



ANTECEDENTES

Foot-and-Mouth Disease (FMD) remains one of the major diseases that affect cattle-raising worldwide. Its importance is due to its high infectious power and adaptation capacity, the clinical damage it produces in several animal species, with significant, direct impact on animal welfare, economic yield, and agribusiness's productivity, as well as the serious difficulties it raises to access to import markets for susceptible animals, their products and by-products – difficulties caused by the restrictions imposed by the veterinary services of importer countries, which entail serious socioeconomic consequences for the affected countries and zones, as is particularly the case of South-North trade restrictions.

The Pan-American Center for Foot-and-Mouth Disease (PANAFATOSA) was established in 1951 under an agreement between the Organization of American States and the Government of Brazil through the intermediation of the Pan-American Health Organization (PAHO). Since then, the Center has provided technical cooperation to the countries, generating knowledge and instruments to support FMD control and eradication activities, developing vaccines and diagnostic methods, as well as establishing the South American diagnostic laboratories network and the countries continentwide information system, undertaking the epidemiologic characterization of FMD ecosystems, and implementing an extensive program of human resources training and development, particularly in the countries' veterinary services. We have today 350 million head of cattle and 5 million herds in FMD-free areas, 22 million jobs generated by the bovine production chain, as well as supplying the entire regional population with high-quality protein in addition to surpluses for exporting to the 170 countries of the world.

Despite these advances, there are still territories in South America where the disease circulates in endemic form, which makes all of South America vulnerable and puts at risk the huge effort spent for decades by the official programs, cattle-raisers, and all components of the meat production chain to combat FMD. Thus, despite PHEFA's significant progress, the mission to eradicate FMD from South America is an incomplete task. This is why it is necessary to strengthen national programs and cooperation and effective, solidarity assistance actions in favor of priority countries in a final eradication effort.

At the 36th Meeting of South American Commission for the Control against Foot-and-Mouth Disease (COSALFA), the just described panorama was presented by PANAFATOSA and analyzed by the official and private sector de-

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legates from member countries. Sensitized and aware that this is a decisive moment for making FMD past history in South America, the country delegates concluded that the following is necessary:

1. To maintain the results achieved, so that all countries may be granted certification as FMD-free with vaccination and gradually create the conditions for being certified as FMD-free without vaccination; and
2. To maintain political and financial strengthening for implementing the strategies and priority actions called for under PHEFA, including regional coordination.

In this connection, COSALFA 36's Resolution III addressed the strengthening of technical cooperation in relation to FMD and requested PANAF-TOSA to set up a working group (WG) to draft proposals on financing forms. In compliance with COSALFA 36's Resolution III, the Technical Group was set up and developed the PHEFA project.

The draft proposals were submitted to COSALFA 37 and approved pursuant to Resolution I:

Maintain the
strengthening
political and financial



Participation of the Prime Minister of the Guyana in the COSALFA 37



RESOLUTION I

Project for the Strengthening of PANAF-TOSA-PAHO/WHO's Technical Cooperation for the Consolidation of the Hemispheric Program for the Eradication of Foot-and-Mouth Disease

COSALFA's 37th REGULAR MEETING, considering:

- that COSALFA 36th's Resolution III requested PANAF-TOSA-PAHO/WHO to set up a Working Group (WG) to draft a proposal for a regional technical cooperation project to support the effort to eradicate Foot-and-Mouth Disease from the continent,
- that said Working Group prepared the proposed document, which includes a budget, to permit the continuity of PANAF-TOSA-PAHO/WHO's technical cooperation and pertinent activity,
- that in addition to resources made available by PAHO, said activities will rely on resources raised according to the Memorandum of Understanding proposed by PANAF-TOSA-PAHO/WHO,
- that the need to mobilize financial, structural, human, and material resources to strengthen the countries' priority programs and establish the requisite strategies to complete the disease's eradication,
- that the WG suggested in addition the establishment of a Trust Fund to concentrate the resources mobilized for ensuring the continuity of PANAF-TOSA-PAHO/WHO's technical cooperation.

RESOLVES:

1. To endorse the proposed Strengthening Project and Memorandum of Understanding. (http://new.paho.org/panaftosa/index.php?option=com_docman&task=doc_download&gid=102)
2. To request the public and private sectors to sign the Memorandum of Understanding.
3. To request the public and private sectors and other partners to enter into cooperation agreements with PAHO under the Memorandum of Understanding and to contribute resources to finance PANAF-TOSA-PAHO/WHO's technical cooperation and reference activities.
4. To request PAHO's Directors to set up a Trust Fund to permit the Strengthening Project's implementation.
5. To ask the PAHO's Directors to consider charging of 5.0 percent as administration costs (PSC).

(Approved at COSALFA's plenary session of May 12, 2010)

CHARACTERISTICS OF THE PHEFA FUND

Purpose

The PHEFA Fund's purpose is to mobilize, coordinate, and raise resources for financing the Strengthening of PANAFITOSA-PAHO/WHO's Technical Cooperation for Consolidation of the Hemispheric Program for the Eradication of Foot-and-Mouth Disease (PHEFA). Resources contributed to the Fund would be one of various sources of financing for PHEFA's strengthening, but would have a significant advantage as they would permit rapid, effective response to unattended to priorities.

The Fund will be a pool of international financial assistance to support regional intervention processes to achieve the eradication of foot-and-mouth disease in the Americas, as contemplated under PHEFA's revision, and to channel these resources in an efficacious and effective manner to the development of activities toward this end.

THE KEYS CHARACTERISTICS OF THE PHEFA FUND

- It will be administered by PAHO;
- The coordination structure will be formed by PAHO and the donors;
- The administration and execution and the reports on the use of resources will be transparent; and
- Resources will be applied in their entirety in the execution of the Work Plan that forms part of the PHEFA Project and in the 5.0 percent fee owed PAHO for the administration and operation of the funds.

Pool of international
financial
assistance
to support the processes



ADVANTAGES OF THE PHEFA FUND

- It will improve the coordination of resources donated for PHEFA's strengthening;
- It will prevent the duplication of efforts as it will finance joint initiatives aimed at the eradication of foot-and-mouth disease, as opposed to fragmented efforts by individual donors; and
- It will reduce transaction costs of supporting development, as donated resources will be concentrated in just one efficiently and transparently administered fund.



FINANCING MECHANISM

- Donors interested in participating in the effort for the execution of the Project for the Strengthening of PANAFATOSA-PAHO/WHO's Technical Cooperation for Consolidation of the Hemispheric Program for Eradication of Foot-and-Mouth Disease (PHEFA) should sign the Memorandum of Understanding individually with PAHO. The Memorandum of Understanding establishes the norms for participation in the Trust Fund;
- Donors will then sign a Term of Adjustment to the Memorandum of Understanding, with details on the type of donation they will contribute and on other items pertaining to their participation in the Trust Fund. PANAFATOSA has models of the Memorandum and the Term of Adjustment;
- PAHO will then indicate an account for donors' deposits and will establish a separate budgetary entry that will permit the execution of the resources transferred by donors to be applied on the PHEFA Project, and will record all pertinent transactions;
- PAHO will reserve 5.0 percent of the resources meant for the PHEFA Project's execution to pay for the institution's operating costs; and
- PAHO will send all participants a financial report on total contributions for PHEFA Project's full execution. These reports will follow the norms established under the Memorandum of Understanding signed between the donors and PAHO.





ACTIVITIES FINANCED BY THE PHEFA FUND

The Fund will finance all activities contemplated under the PHEFA Project's Work Plan or under detailed plans derived from it. Reports on PHEFA Project activities will be as follows:

- Annual Progress Report;
- Biannual Technical Report; and
- Financial Report.

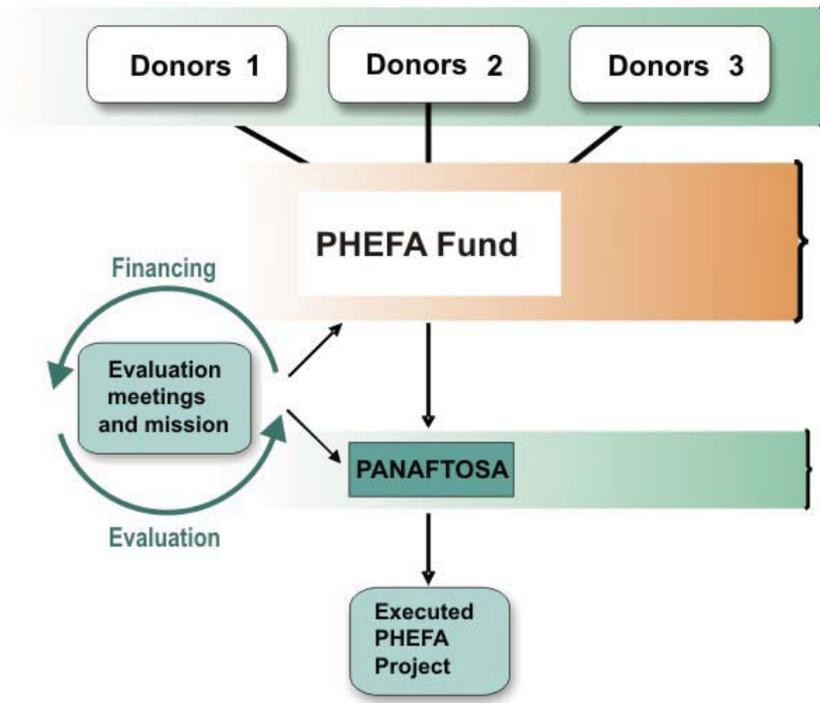
Donors will receive comprehensive reports on total contributions for the full execution of the PHEFA Project pursuant the terms of the Memorandum of Understanding every semester as a rendering of accounts, sixty days after the activities' completion.

Financial reports will be processed in PAHO/PANAFITOSA's computerized system for this purpose, and the annexation of PAHO/PANAFITOSA internal documents will be waived.

ADMINISTRATION, MANAGEMENT, AND DELIBERATIONS

The PHEFA Fund will be administered by PAHO and Biannual Evaluation Meetings will be held as an instrument whereby PANAFITOSA-PAHO/WHO will follow up the execution of the activities called for under PHEFA Project's Work Plan, the use of PHEFA Fund resources, on the basis of reports issued by PAHO/PANAFITOSA; will evaluate performance and actions, the achievement of agreed targets, and the definition of the subsequent actions to be carried out under the PHEFA Project.

Another follow-up and evaluation instrument will be the Joint Evaluation Missions in which donors and PAHO/PANAFITOSA representatives will participate, for the purpose of assessing the achievement of the Project's targets. PANAFITOSA will coordinate the meetings and missions, from planning to convening and execution, and will act as *ex officio* secretary for the activities.



Donors who have signed the Memorandum of Understanding deposit resources for the PHEFA Fund into a dedicated account indicated by PAHO.

PAHO will, through its specific sectors, administer the PHEFA Fund and will report to donors on the financial operations for the Project's full execution.

PANAFTOSA executes the Project's Work Plan with PHEFA Fund resources. Biannual meetings with donors and with Evaluation Missions follow up and redirect, if necessary, the achievement of the Project's targets.



PROJECTIONS

The main target of the coordinated effort to eradicate Foot-and-Mouth Disease from the American continent is to accelerate the eradication process, and the enhancement of the capabilities and structures of the national sanitary programs in priority countries that still live with the foot-and-mouth disease's virus in endemic form.



The Foot-and-Mouth Disease eradication program is a structuring program in Veterinary Public Health. Its structuring is an investment that addresses not only animal health but also the introduction into the countries of a sanitary health system to support the food safety programs and the programs to combat zoonoses.

This final phase of the program seeks to include a regional effort in those countries and areas where there is viral circulation and that place at risk all the sanitary conquests of other adjacent areas and countries. This phase will harmonize the regional sanitary situation as regards eradication of Foot-and-Mouth Disease from the world's largest commercial herd, an extremely important source of high-quality protein, and the generation of several million jobs in this production chain, as well as social inclusion and economic development.

