

## 58th DIRECTING COUNCIL

### 72nd SESSION OF THE REGIONAL COMMITTEE OF WHO FOR THE AMERICAS

*Virtual Session, 28-29 September 2020*

---

*Provisional Agenda Item 5.5*

CD58/12  
10 August 2020  
Original: English

#### PROGRAMMING OF THE REVENUE SURPLUS

##### Background

1. Financial Regulation 4.8 stipulates that any excess of revenue over the Budgeted Miscellaneous Revenue at the end of a budgetary period shall be considered a revenue surplus and shall be available for use in subsequent periods to cover any unfunded portion(s) of the Strategic Plan, as determined by the Director and with the concurrence of the Subcommittee on Program, Budget, and Administration.
2. The total amount available for programming in 2020-2021 from the revenue surplus for the 2018-2019 biennium is US\$ 7,504,914.21.<sup>1</sup>
3. As has been the case in the past, the revenue surplus offers a unique opportunity for the Pan American Health Organization (PAHO) to invest in longer-term, higher-cost strategic and administrative initiatives that are otherwise difficult to fund within the constraints of typical biennial budgetary exercises.

---

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

---

### Proposed Allocation

4. The Director determined the allocation of the 2018-2019 revenue surplus balance as presented below:

Fund/Program	Purpose	Amount (US\$)
Master Capital Investment Fund (MCIF)	<p>To fund the MCIF, which is primarily funded through revenue surpluses. The available balance in the Fund as of 31 December 2019 was \$13.8 million.</p> <ul style="list-style-type: none"> <li>• \$3,650,520.21 to the Real Estate Maintenance and Improvement Subfund of the MCIF to finance infrastructure needs for the Organization.</li> <li>• \$1,000,000.00 to the Vehicle Replacement Subfund of the MCIF to finance necessary vehicle replacements.</li> </ul>	\$4,650,520.21
PAHO Emergency Epidemic Fund	<p>This Fund was created with an initial amount of \$1,000,000.00, which has been depleted. It is a revolving fund to advance funds to affected countries in the advent of an epidemic outbreak or public health emergency. Advanced funds are recovered from appeals and other forms of voluntary contributions received in response to the emergency, when possible.</p>	\$1,000,000.00
Health in the Americas	<p>This is the flagship publication of the Organization, in response to a mandate from the 7th Directing Council of the Pan American Health Organization in 1953. Its periodic development requires additional funding. This expense is a strategic priority for the Organization and cannot be funded with any other source than with Flexible Funds.</p>	\$600,000.00
Working Capital Fund	<p>As a prudent management measure to enable cash flow management in the Organization.</p>	\$1,254,394.00
<b>GRAND TOTAL</b>		<b>\$7,504,914.21</b>

5. Given the extraordinary and unprecedented circumstances presented by the COVID-19 pandemic, the 14th Session of the Subcommittee on Program, Budget, and Administration of the Executive Committee was cancelled.

6. As a result of the uncertainty surrounding the status of unpaid assessed contributions on an unprecedented scale and the delay on the finalization of the official figures, the 166th Session of the Executive Committee, held on June 22-23, 2020, could not review and provide its concurrence to the estimated amount for the revenue surplus included in Document CE166/10.

**Action by the Directing Council**

7. The Directing Council is invited to review the proposal presented in this document and provide its concurrence with the proposed allocation of the revenue surplus.

- - -