Addendum

Draft Proposed Program and Budget 2012–2013
Pan American Health Organization

JUSTIFICATION FOR THE PROPOSED INCREASE IN ASSESSED CONTRIBUTIONS

CONTENTS

INTRODUCTION

1. The proposed Program and Budget for 2012–2013 is being presented with the same budget level as the 2010–2011 Program and Budget ($642.9 million[1]). This figure accounts for the fact that this proposed Program and Budget is the last within the Strategic Plan 2008–2012 and the commitments of the Organization to achieve the 2013 targets agreed to in the Strategic Plan. It also considers the Results-Based Management (RBM) approach and recognizes the resource mobilization scenarios for the upcoming biennium.

2. In developing the proposed Program and Budget, the following criteria were considered to establish the total budget and distribute it among the Strategic Objectives (SOs) (Annex 4 shows the detailed analysis):

- Programmatic implementation in 2008–2009 and up to December 2010. In 2008–2009, the Organization achieved 85% of its RER indicators targets for that biennium, using 84% ($525 million) of the 2008–2009 Program and Budget ($642 million).
- Alignment of the budget with the programmatic prioritization as established in the PAHO Strategic Plan. This request was reiterated by Member States at the 50th Directing Council in September 2010.
- Contribution of the SOs to the Millennium Development Goals (MDGs) and the Health Agenda for the Americas. The priorities in the Country Cooperation Strategies were also considered.
- The budgetary implementation rate by SO and the resource mobilization measured by the reduction in the funding gap by SO.

3. This document presents four aspects of the Bureau's justification. The first part presents the overall need for the increase, illustrating three scenarios and their relative impact on the non-FTP budget.

4. The second part provides an overview of the expected impact on PAHO's technical cooperation programs if a 0% increase in assessed contributions is considered. Several important interventions will be put at risk, and these will be presented within the context of the Strategic Objectives (SOs) in the version of the document that will be presented to the 148th Session of the Executive Committee.

5. The third part presents PASB's systematic effort over time to exercise budget discipline by reducing the number of posts (especially fixed-term posts). The analysis shows an increase in productivity compared to the previous biennium, despite an ongoing workforce reduction.

6. The fourth part presents PASB's programmatic and budgetary performance efforts to apply the Results-Based Management (RBM) Framework requested by the Member States, especially in ensuring that the targets approved for the Strategic Plan are met. The 2012–2013 biennium is particularly important: because it is the last two-year period within the PAHO Strategic Plan 2008–2012, it represents the last opportunity to make any necessary adjustments, based on analysis and evidence, to ensure that the Region-wide Expected Results and targets are achieved by 2013.

[1] Unless otherwise indicated, all monetary figures in this document are expressed in US dollars.

I. BUDGET ASSESSMENT AND JUSTIFICATION FOR AN INCREASE IN ASSESSED CONTRIBUTIONS

7. The proposed Program and Budget is anticipated to be funded 46% from the Regular Budget and 54% from voluntary contributions, with most of these (about 90%) being highly earmarked. Although it is difficult to predict the level of resources that will be mobilized in light of the prevailing economic crisis, it is prudent to offset the possible decrease of voluntary contributions with more sustainable, predictable, and flexible financing, such as assessed contributions. The Bureau also anticipates that there will be an overall reduction in the AMRO component of voluntary contributions, as agreed during the 128th Executive Board of WHO in January 2011.

The Cost Impact of Fixed-term Posts on the Regular Budget

8. The regular budget (RB) is comprised of two major components: a fixed-term post (FTP) budget and a non–fixed-term post (non-FTP) budget. The FTP budget includes all costs associated with fixed-term positions approved for a particular budget period. The non-FTP budget includes all other costs not related to FTP. These could be: **a) cost of non-FTP activities**—program and operational activities, such as expenditures for travel, meetings, publications, courses and seminars, and general operating expenses), and **b) cost of non-FTP personnel**—personnel hired through any mechanism other than fixed-term posts.

9. A key step in accurately projecting future budget requirements is to estimate the total cost of the fixed-term posts (FTP) required to carry out the desired program of work. Increases in the cost of FTPs are based on current data and foreseeable trends.

10. The cost of FTPs is subject to the following factors:

- Statutory increases due to normal succession patterns (changes in staff grade or annual step increments; annual step increases granted subject to satisfactory performance).
- Statutory increases due to higher costs for staff health insurance, pension contributions, cost-of-living supplements approved by the United Nations International Civil Service Commission (UNICSC), and other costs over which the Bureau has no control. These increases do not consider increases in salaries, which have remained virtually frozen in real terms for the past 12 to 15 years.
- Inflationary increase or decrease due to exchange rate impact, manifested by the conversion to U.S. dollars of salaries denominated in local currencies, or through post adjustment changes for professional staff salaries.
- Inflationary increases or decreases due to absolute FTP number changes at duty stations.

11. An analysis performed for actual costs incurred during 2010 for FTPs funded with the Regular Budget revealed that the budget for FTPs is under-budgeted by 6.1%. In the 2010–2011 biennium, $206,200,000 will be needed. Table 1 below compares the amount budgeted for regular budget FTPs included in the approved budget for 2010–2011 with the current projection for 2010–2011 based on actual costs for 2010.

Table 1: Comparison of FTP Approved Budget versus Actual Costs for 2010-2011

2010–2011 FTP Regular Budget	2010–2011* Actual Cost for FTPs	% Change
$194,300,000	$206,200,000	6.1%

* Calculated with December 2010 payroll data and projected until the end of the biennium 2010–2011

12. However, an additional 2% increase to the actual cost of FTPs is needed for expected statutory increases during 2012-2013 bringing up the FTP budget to $210.3 million. (See Table 2)

Table 2: Comparison of FTPs Actual Costs for 2010-2011 versus Estimated Costs for 2012-2013

2010-2011 Actual Cost For FTPs	2012-2013 Estimated Cost for FTPs	% Change
$206,200,000	$210,300,000	2%

13. In recent years, the falling price of the US dollar worldwide has been the major contributing factor in the increased dollar-based cost of FTPs. This is true for general service posts, particularly in countries where salaries are denominated in local currencies other than the US dollar, and for professional-level posts, where significant compensatory increases in the post adjustment have been mandated by the UNICSC for most duties stations in the Region.

14. During the 2010–2011 biennium, in keeping with budgetary discipline, PASB's Director has further reduced 18 fixed-term posts (20 that were abolished at the regional level and 2 new posts that were created at the subregional level) , representing a saving of $4.9 million. Despite this effort, real FTP cost has increased 6.1% (to $206.2 million) as mentioned above. The Bureau is monitoring and managing the situation carefully to ensure that the program implementation is balanced between the FTP and non-FTP components of the budget, in order to minimize any negative impact on achieving the current biennium's expected results**.** (Note: Given current trends in the U.S. dollar, actual costs for 2012–2013 are likely to be higher than estimated; as mentioned previously, however, added cost increases based on speculation of future economic indicators are not factored in the FTP cost figure).

15. The continued trend in the the devaluation of the US dollar, which has played a large part in the excessive cost increases experienced during the past biennia, continues to reverse against most Latin American and Caribbean currencies. The total effect of the inflationary and US dollar devaluation factors on PAHO's non-FTP regular budget for the current biennium is estimated at approximately $3.6 millon, which is being absorbed within the current biennium's budget.

Assessed Contributions

16. In determining the level of the proposed 2012−2013 regular budget, three funding scenarios were considered: a) full cost recovery (an increase of 10.5% in assessed contributions; b) partial cost recovery (an increase of 6.7% in assessed contributions); and 3) Zero Nominal Growth (ZNG) (no increase in assessed contributions). All three scenarios incorporate a FTP budget of $210.3 million This figure considers the reduction of 18 FTPs, representing a $4.9 million reduction in the FTP budget proposal. In all scenarios, the proposed funding from miscellaneous income ($15 million) and the AMRO share ($80.7 million) remains constant.

17. **Scenario A.** This scenario (full cost recovery) considers a 10.5% increase in the assessed contributions; in it, all inflationary and statutory costs for both FTP and non-FTP components would be compensated, representing an overall budget of $301.7 million.

Table 3. Scenario A: Full Cost Recovery
(In thousands of US dollars)

	2010−2011		2010−2011 adjusted		2012−2013		
	Approved Program Budget	Cost increase	Total	% increase	Cost increase	Total	% increase
FTP	194,300	11,900	206,200	6.1%	16,000	210,300	8.2%
Non-FTP	92,800	3,600	96,400	3.9%	3,600	96,400	3.9%
Total	**287,100**	**15,500**	**302,600**	**5.4%**	**19,600**	**306,700**	6.8%
					Miscellaneous income reduction	(5,000)	
					Proposed 2012−2013 Budget	301,700	

18. With this level of increase in the assessed contributions, the non-FTP budget (cost of program and operational activities of the Organization, including personnel hired through any mechanism other than FTP) would be decreased by 15.5% overall, compared to the 2010−2011 biennium.

Table 4. Regular Budget Proposal for 2012-2013
Scenario A
(In thousands of US dollars)

	2010-2011 $	Change $	2012-2013 $	Percentage %
To be financed from:				
Assessed Contributions	**186,400**	19,600	**206,000**	**10.5%**
Miscellaneous Income	20,000	(5,000)	15,000	-25.0%
WHO/AMRO (Proposed to WHA)	80,700	-	80,700	0.0%
Total	**287,100**	**14,600**	**301,700**	**5.1%**
By Major Cost type:				
FTP				
Statutory Costs	194,300	16,000	210,300	
Post Occupancy Charges	-	12,200	12,200	
Total FTP	194,300	28,200	222,500	14.5%
Non-FTP (incl. ctry variable)	87,800	(13,600)	74,200	-15.5%
Retirees' Health Insurance	5,000	-	5,000	0.0%
Total	**287,100**	**14,600**	**301,700**	**5.1%**

19. **Scenario B** (partial cost recovery) considers an increase of 6.7% in the assessed contributions. In it costs are recovered for PAHO-funded FTPs only; inflationary costs on the non-FTP budget are absorbed. This scenario represents an overall budget of $294.5 million.

Table 5. Scenario B: Partial Cost Recovery
(In thousands of US dollars)

	2010–2011		2010–2011 adjusted		2012–2013		
	Approved Program Budget	Cost increase	Total	% increase	Cost increase	Total	% increase
FTP	194,300	8,300	202,600	4.3%	12,400	206,700	6.4%
Non FTP	92,800	3,600	96,400	3.9%	-	92,800	0.0%
Total	**287,100**	**11,900**	**299,000**	**4.1%**	**12,400**	**299,500**	4.3%
					Miscellaneous income reduction	(5,000)	
					Proposed 2012–2013 Budget	294,500	

20. With this level of increase in the assessed contributions, the non-FTP budget (cost of program and operational activities of the Organization, including personnel hired through any type of mechanism other than FTP) would decrease by 23.7%, overall, compared to the 2010–2011 biennium.

Table 6. Regular Budget Proposal for 2012-2013
Scenario B
(In thousands of US dollars)

	2010-2011 $	Change $	2012-2013 $	Percentage %
To be financed from:				
Assessed Contributions	**186,400**	12,400	**198,800**	**6.7%**
Miscellaneous Income	20,000	(5,000)	15,000	-25.0%
WHO/AMRO (Proposed to WHA)	80,700	-	80,700	0.0%
Total	**287,100**	**7,400**	**294,500**	**2.6%**
By Major Cost type:				
FTP				
Statutory Costs	194,300	16,000	210,300	
Post Occupancy Charges	-	12,200	12,200	
Total FTP	194,300	28,200	222,500	14.5%
Non-FTP (incl. ctry variable)	87,800	(20,800)	67,000	-23.7%
Retirees' Health Insurance	5,000	-	5,000	0.0%
Total	**287,100**	**7,400**	**294,500**	**2.6%**

21. **Scenario C** (zero nominal growth) considers no increase in the assessed contributions; in it, neither inflationary nor statutory cost compensation is included.

Table 7. Scenario C: Zero Nominal Growth
(In thousands of US dollars)

	2010–2011		2010–2011 adjusted		2012–2013		
	Approved Program Budget	**Cost increase**	**Total**	**% increase**	**Cost increase**	**Total**	**% increase**
FTP	194,300	12,400	206,700	6.4%	-	194,300	0.0%
Non FTP	92,800	3,600	96,400	3.9%	-	92,800	0.0%
Total	**287,100**	**16,000**	**303,100**	**5.6%**	**-**	**287,100**	0.0%
					Miscellaneous income reduction	(5,000)	
					Proposed 2012–2013 Budget	282,100	

22. If there were to be no increase in the assessed contributions, the non-FTP budget (cost of program and operational activities of the Organization, including personnel hired through any mechanism other than FTP) would decrease by 37.8% overall, compared to the 2010–2011 biennium.

Table 8. Regular Budget Proposal for 2012-2013
Scenario C
(In thousands of US dollars)

	2010-2011	Change	2012-2013	Percentage
	$	$	$	%
To be financed from:				
Assessed Contributions	**186,400**	-	**186,400**	**0.0%**
Miscellaneous Income	20,000	(5,000)	15,000	-25.0%
WHO/AMRO (Proposed to WHA)	80,700	-	80,700	0.0%
Total	**287,100**	**(5,000)**	**282,100**	**-1.7%**
By Major Cost type:				
FTP				
Statutory Costs	194,300	16,000	210,300	
Post Occupancy Charges	-	12,200	12,200	
Total FTP	194,300	28,200	222,500	14.5%
Non-FTP (incl. ctry variable)	87,800	(33,200)	54,600	-37.8%
Retirees' Health Insurance	5,000	-	5,000	0.0%
Total	**287,100**	**(5,000)**	**282,100**	**-1.7%**

23. These tables clearly show that a decrease of the non-FTP budget impacts the level of PASB technical cooperation delivery.

Illustration of the Net Effect of the Proposed Assessed Contributions and the Regular Budget Allocations by Country

24. This section illustrates the country-specific impact of the proposed assessed contributions, as compared with the regular budget allocation to countries due to the overall regular budget increase. The percentage allocation distribution of the Regular budget ceilings for 2012-2013 would essentially remain unchanged from those of 2010-2011.

25. Annexes 1 through 3 present three tables showing this comparison in terms of the three different scenarios: Annex 1 shows Scenario A, with a 10.5% increase in the assessed contribution; Annex 2 shows Scenario B, with a 6.7% increase in the assessed contribution; and Annex 3 shows Scenario C, with no increase to the assessed contributions.

II. EXPECTED NEGATIVE IMPACT ON PAHO'S TECHNICAL COOPERATION PROGRAM

Details on the expected negative impact for each scenario will be presented to the 148th Session of the Executive Committee.

III. PASB'S EFFORTS TO IMPROVE EFFICIENCY AND PRODUCTIVITY

The PASB Workforce and Regular Budget Trends

26. PASB's workforce is the critical element in achieving the Strategic Objectives (SOs) and Region-wide Expected Results (RERs) as set out in the Strategic Plan.

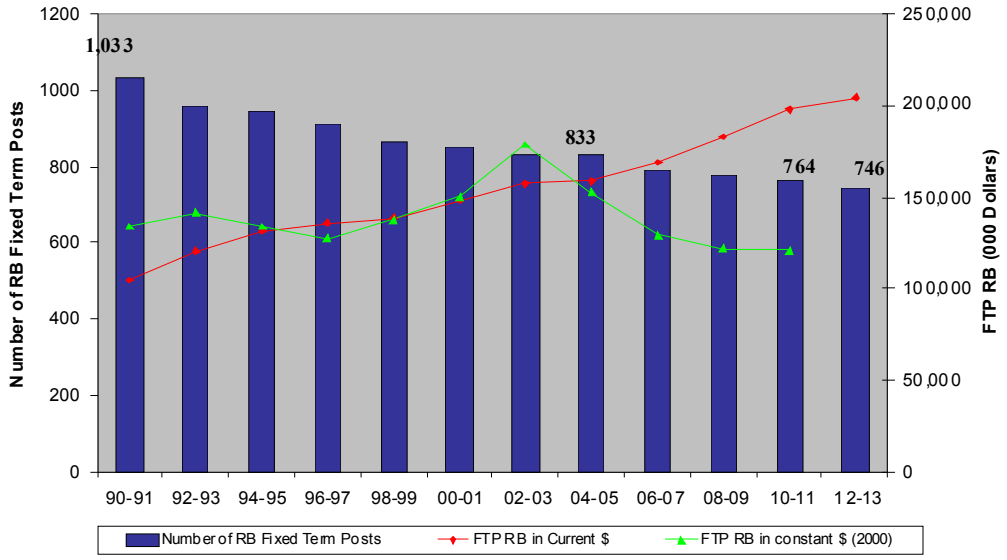
27. As shown in Figure 1, Fixed Term Posts (FTPs) funded through PAHO/WHO's regular budget have been steadily decreasing for the last two decades (blue bars), dropping from 1,033 posts in 1990–1991 to 764 in 2010–2011. As part of an ongoing effort to adhere to budgetary discipline, a further reduction of 18 posts has been proposed in the Program and Budget 2012–2013, leaving a total of 746 posts. Although the fixed-term post budget curve in current dollars[2] (red curve) has steadily increased, the FTP budget in constant dollars[3] reached a peak in the 2002–2003 biennium, and has now declined to a level below that of the 1990–1991 biennium.

28. Despite PASB's efforts to contain staff expenditures, as shown by the constant decline in the number of FTPs funded through PAHO/WHO's regular budget, in the past two decades the budget, in current dollars, has continued to increase for the past two decades (red curve). Figure 1 shows that the budget for FTPs in the current biennium (2010–2011,) in constant dollars, is at the same level as that in 1996-1997, but it funds fewer fixed-term posts.

29. The Economic Commission for Latin America and the Caribbean's (ECLAC) deflator for the Region as a whole was used in this calculation. This statistic is based on a macro "basket" view of the behavior of Latin American economies versus the US dollar. However, the mix of locations and currencies involved in PAHO's operations, suggests that the effect of the loss of purchasing power of the Organization's budget is even more dramatic, given that individual country inflation rates range from 1.5% to 30%. In order to use referenced evidence, however, it was decided to keep the ECLAC deflator.

[2] Refers to the use of actual prices and costs.
[3] The term constant dollars refer to a metric for valuing the price in dollars of something over time, with adjustment for inflation or deflation.

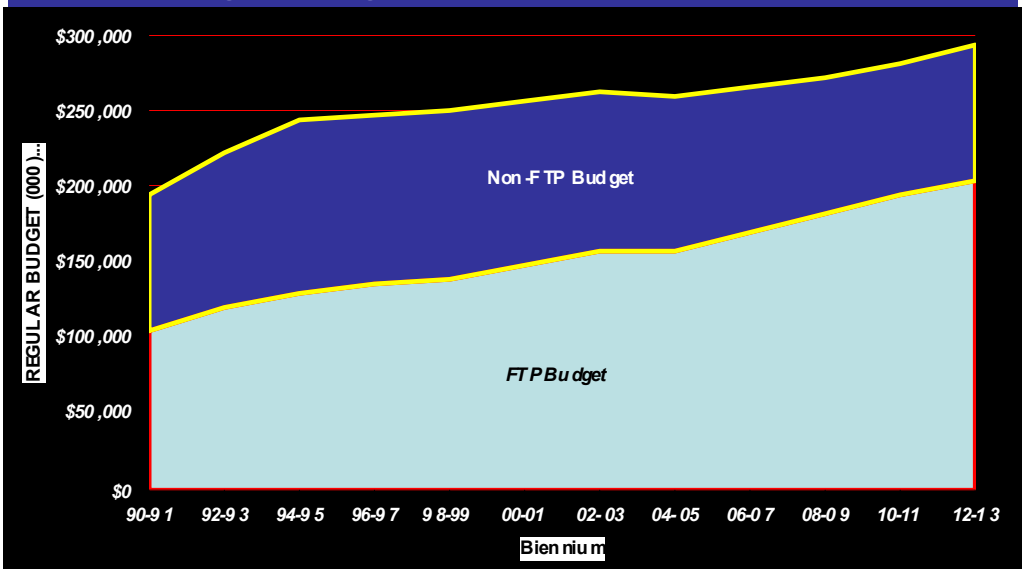
Figure 1
Number of RB FTPs compared with FTP regular budget in current and constant dollars*, from 1990-1991 to 2012-2013



* LAC Implicit Deflator GDP; Constant Market Prices of 2000. – Source: Elaborated with data from ECLAC, UN National Accounts and WEO from the IMF.

30. As shown in Figure 2, the increase in the FTP budget has occurred at the expense of the non-FTP budget.

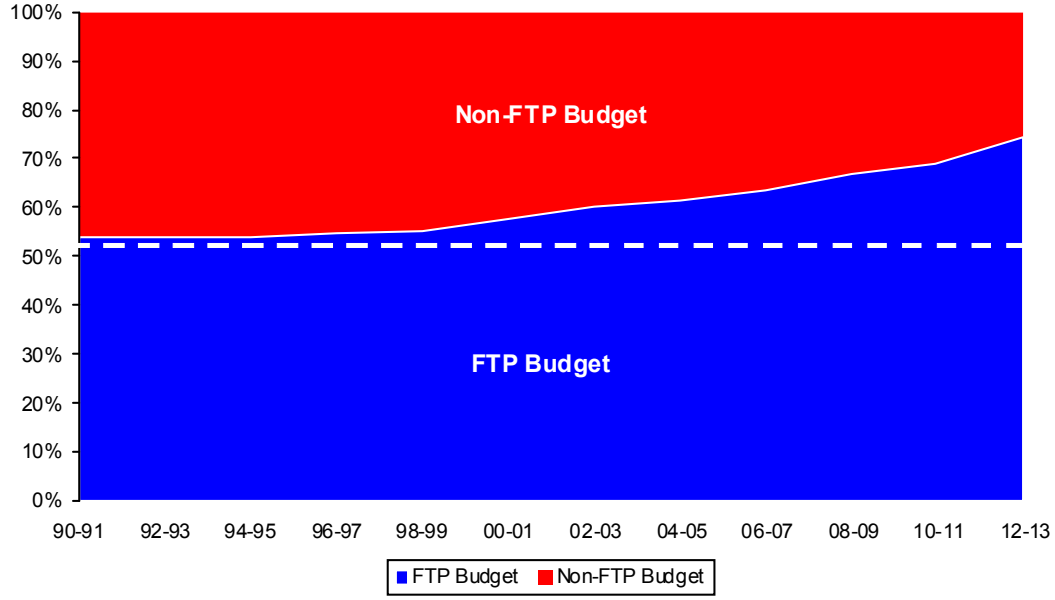
Figure 2
Trends of the FTP and Non-FTP PAHO/WHO Regular budget, from 1990-1991 to 2012-2013



31. Over the last two biennia (2008–2009 and 2010–2011), the non-FTP budget has remained under $92 million in current prices, while the FTP budget has increased by $11.5 million. This trend continues in the proposed amounts for the 2012–2013 biennium.

32. Figure 3[4] shows the same information but expressed in percentages. The non-FTP budget has decreased from 46% in 1990–1991 to 25.7% in 2012–2013, wheras the FTP budget has increased from 54% to 74.3% in the same period. This represents a shift in the allocation of resources in the past two decades, from a ratio of 54/46 of FTP to non-FTP in 1990–1991 to 74/26 in 2012–2013.

Figure 3
Percentage distribution of the FTP and Non-FTP PAHO/WHO regular budget 1990-1991 to 2012-2013

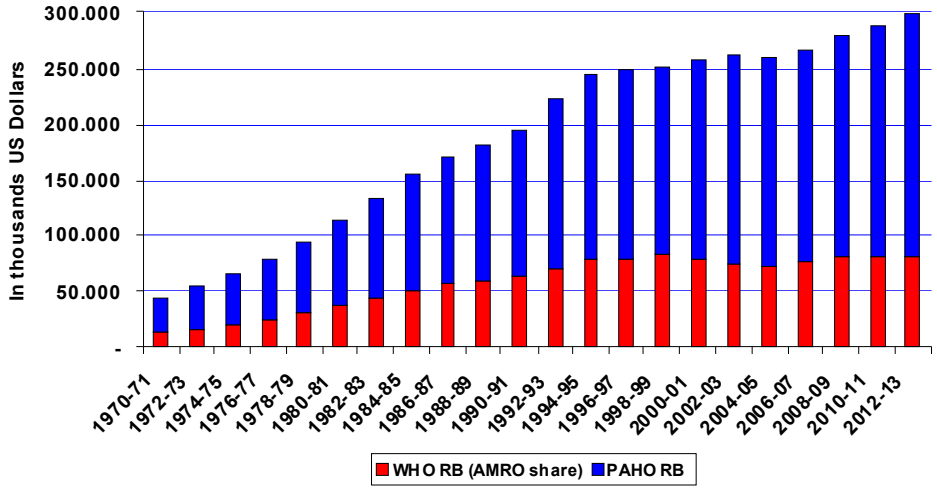


[4] The portion of retirees' health insurance component of the Budget is not included in this calculation

Trends in PAHO/WHO Regular Budget Funding

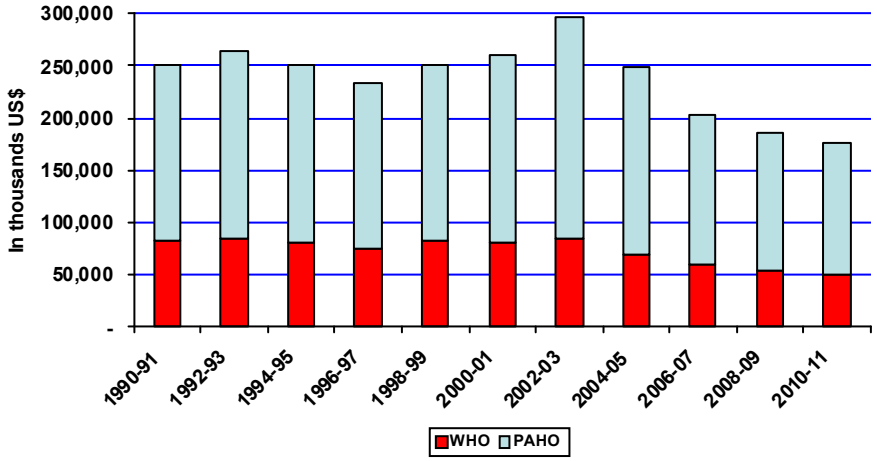
33. Since 1994–1995, increases due to inflation have outpaced nominal budget increases. While FTP costs have continued to increase, the non-FTP budget has been reduced in both constant and current terms. This resulted in a significant loss in purchasing power for technical cooperation during that period. Furthermore, in the past 15 years, the AMRO share has proportionally decreased as a percentage of the total PAHO/WHO regular budget. Figure 4 presents four decades of history in the composition of the regular budget in the approved PAHO/WHO Program and Budget. In the past decade, the AMRO share of total regular budget has decreased from 33% in 1994–1995 to 27% in 2012–2013.

Figure 4
History of the PAHO vs WHO (AMRO Share)
Regular Budgets in Current Dollars
1970-71 / 2012-13 Biennia



34. Although there has been an increase in the PAHO/WHO regular budget in current dollars, in the 1990–2011 period, the regular budget reduced its purchasing power capacity by 29% in constant 2000 US dollars (see Figure 5). WHO (AMRO) funding remained relatively stable from 1990 to 2003, but from 2004 to 2011 there was an ongoing reduction in this component.

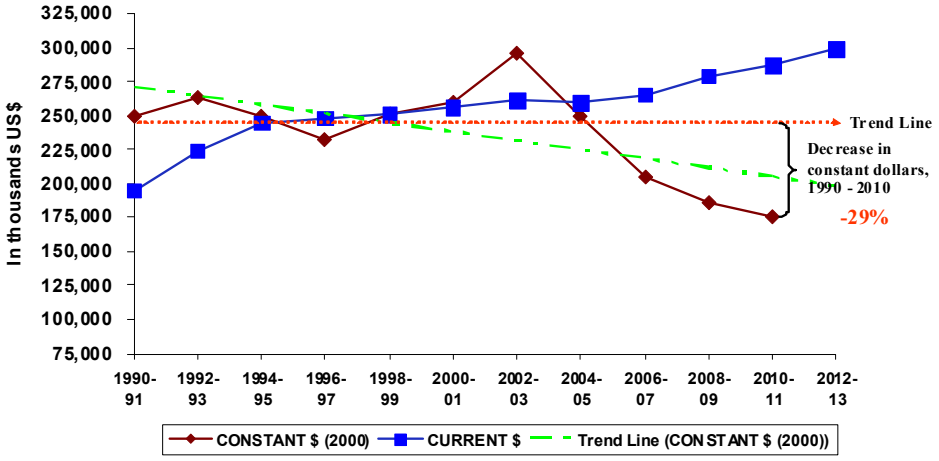
Figure 5
History of the PAHO vs. WHO Regular Budgets
In Constant Dollars *
1990-91 / 2010-11 Biennia



* Using 2000 constant dollars. LAC Implicit Deflator. Implicit Deflator GDP; Constant Market Prices of 2000. – Source: Elaborated with data from ECLAC.

35. In current dollars, PAHO/WHO's regular budget has increased, but the trend in constant dollars has decreased. The observed reduction in constant dollars is estimated at about 29% ($73.4 million) in the 1990–2010 period, as shown in Figure 6.

Figure 6
PAHO/WHO Regular Budget In Current Dollars
Compared To 2000 Constant Dollars
1990-91 / 2010-11



* Source: Elaborated with data from ECLAC, Statistical Yearbook 2008; pp 88&90.

PAHO/WHO Total Program and Budget Trend

36. The Organization's three main sources of funding are as follows:

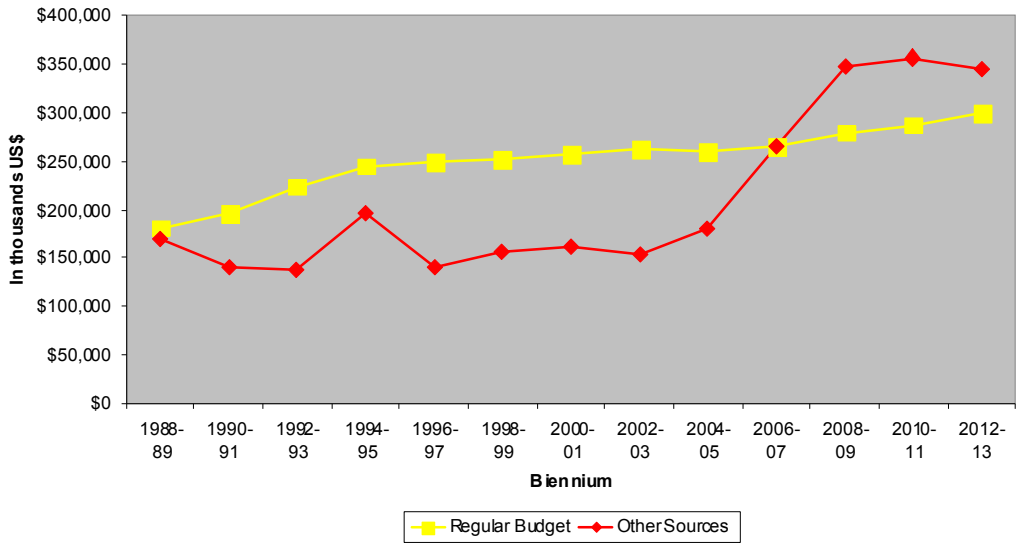
(a) **PAHO Regular Budget (RB)**, which comprises assessed contributions (quotas) from PAHO Member States, plus estimated miscellaneous income;

(b) **AMRO Share**, which is the portion of the WHO regular budget approved for the Region of the Americas by the World Health Assembly;

(c) **Other Sources (OS)**, which mainly comprises voluntary contributions mobilized by PAHO or through WHO, program support-generated funds, and funding from the Master Capital Investment Fund; among other categories.

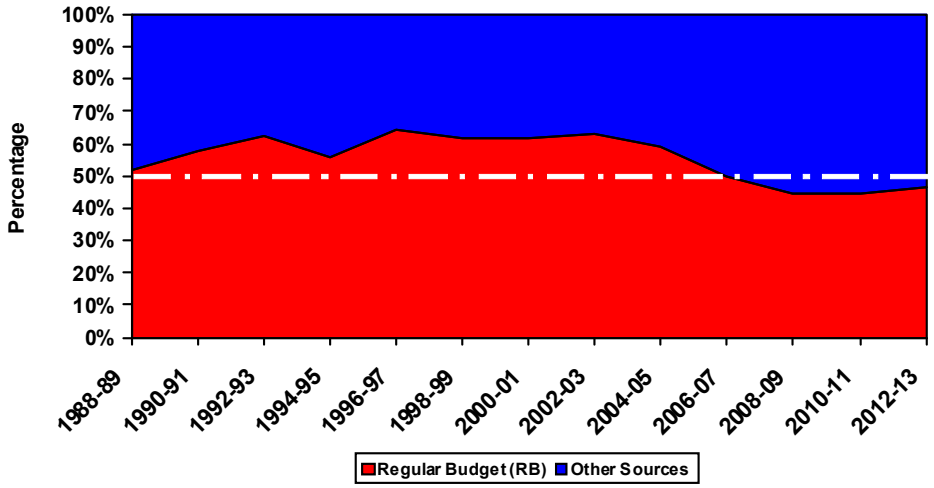
37. Figure 7 shows that for many years resources from OS were lower than those in the Regular Budget. However, since 2002–2003, OS resources (mainly voluntary contributions) have increased steadily. In 2006–2007, OS funds were almost equal to those in the RB, and in 2008–2009, they surpassed them by $67.9 million. Given the global financial climate, the proposed Program and Budget for 2012–2013 considers a reduction in Other Sources, compared to the 2010–2011 level. Efforts to mobilize additional resources will be challenging. However, in the ever-growing role and importance that public health plays in the global development arena, PASB will continue to make every effort to mobilize the needed voluntary contributions required to achieve the Organization's Region-wide Expected Results. Section IV of this addendum, "PASB's efforts to improve corporate programmatic performance," addresses the Bureau's efforts in this regard.

Figure 7
PAHO/WHO Program and Budget History
by Regular Budget (RB) and Other Sources (OS),
1988-89 / 2012-13 Biennia



38. The OS/RB ratio has evolved from 50/50 in 1988–1989 to 54/46 in the 2012–2013 biennium (see Figure 8).

Figure 8
Regular Budget (RB) and Other Sources (OS) as Percentage of the Program and Budget from 1988-89 to 2012-13



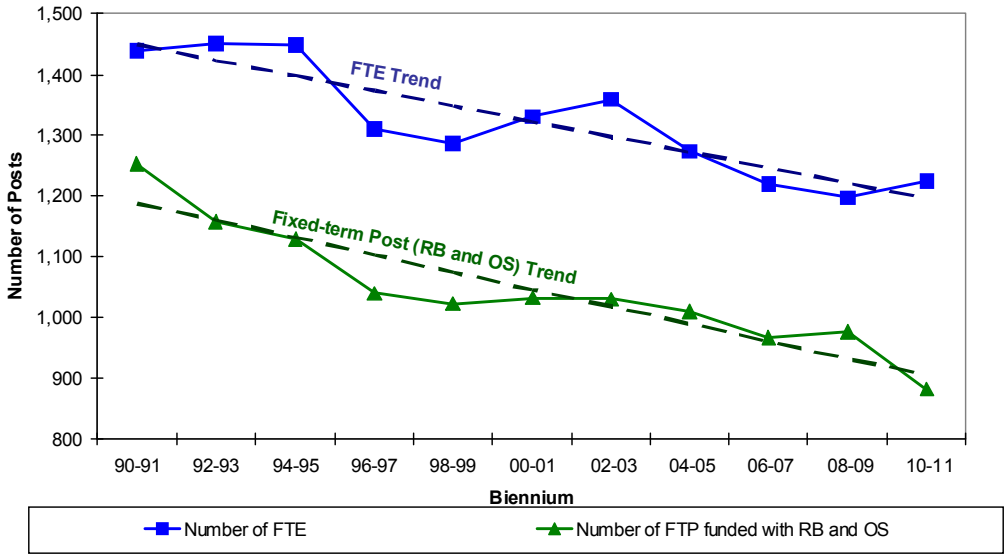
39. As of the second semester of the current biennium (31 December 2010), the overall funding gap is similar to that of the second semester of 2008–2009. During 2008–2009, PAHO received $281 million in voluntary contributions, of which 90% were earmarked. The last Performance Monitoring and Assessment exercise of December 2010 reported $182 million of voluntary contributions, of which $41.5 (77%) were earmarked and $140.5 million, not earmarked (23%).

Workforce: Efficiency and Productivity

40. PASB's total workforce, measured as full-time equivalent (FTE) is composed of fixed-term posts funded with RB and OS resources, and all other personnel hired through other types of mechanisms (e.g., short-term professionals, short-term consultants, personnel assigned by ministries of health, personnel hired through temporary staffing agencies, etc.). The full time equivalent (FTE) concept is useful for establishing comparisons.

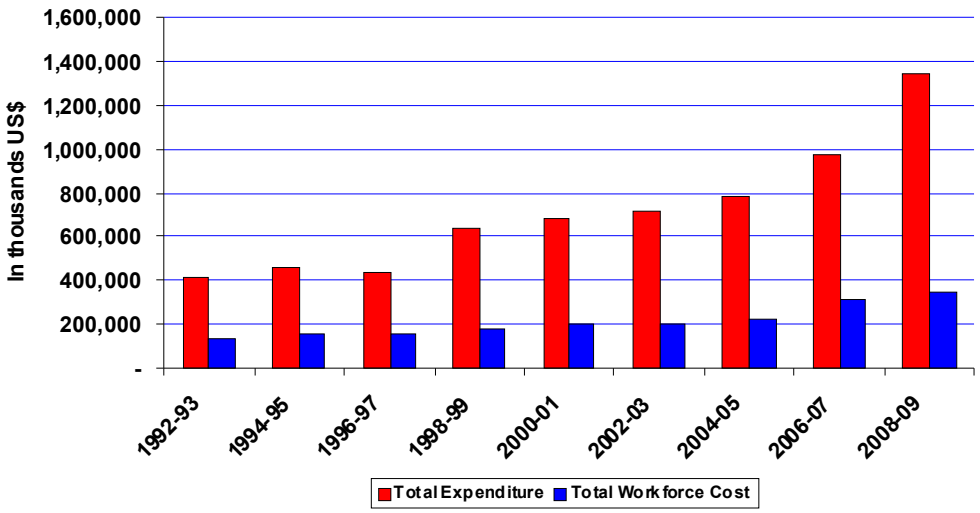
41. Figure 9 shows that the total workforce has been decreasing between 1990 and 2011. It is noteworthy that the FTE trend parallels the decrease in FTPs funded with PAHO/WHO RB and OS, showing the effort that PASB is making in decreasing its workforce. A reduction of 371 FTPs has occurred in FTPs funded by the RB and OS. A total FTE reduction of 216 FTPs occurred in the same period. Thus, the brunt of the reduction is in the FTPs.

Figure 9
Number of full time equivalent (FTE) compared with fixed-term posts funded with PAHO/WHO RB and OS, 1990-91 / 2010-2011



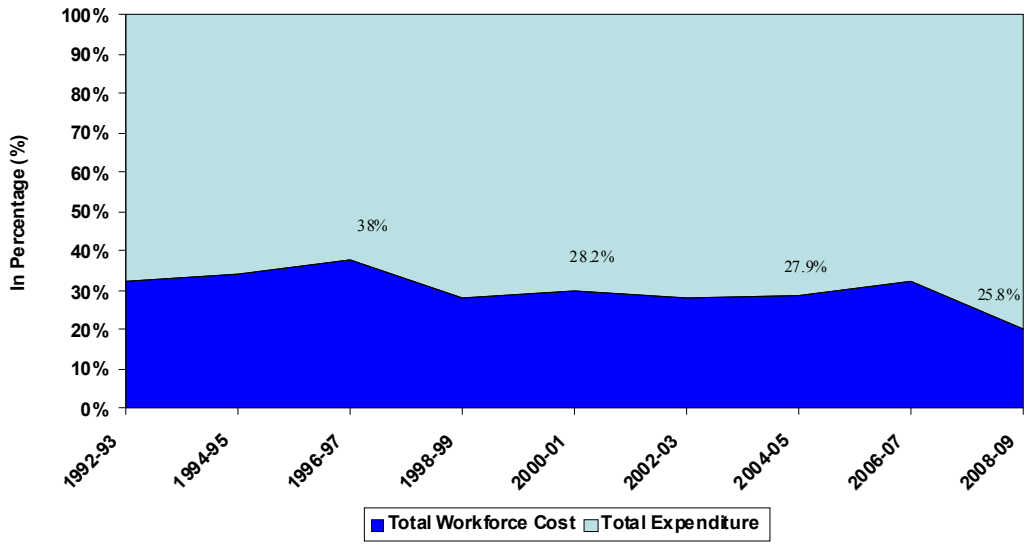
42. Figure 10 compares workforce expenditures with total PAHO/WHO expenditures during 1992–2009.

Figure 10
Total PAHO/WHO Expenditure History (1992 – 2009) Compared with Total Workforce Cost



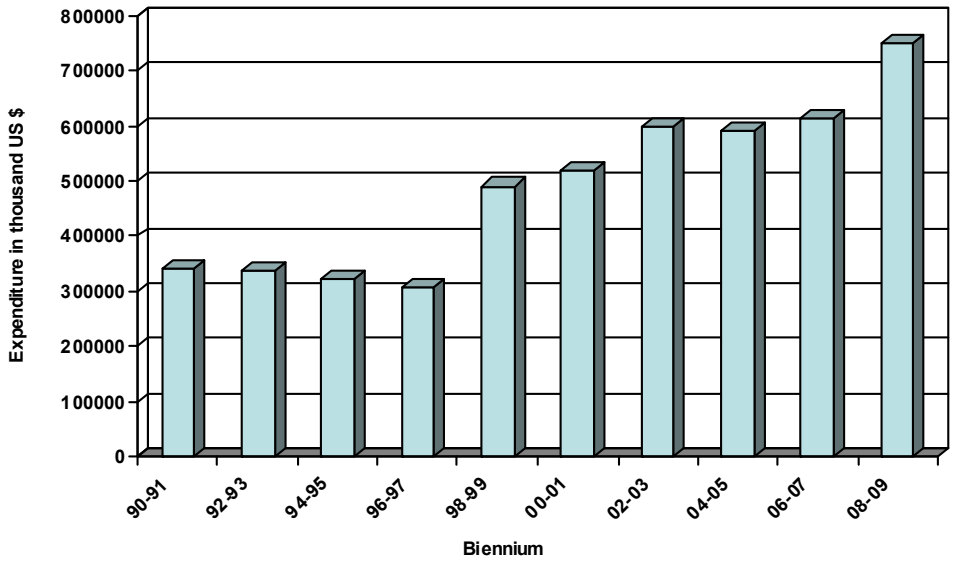
43. Despite the reduction of the total workforce, PASB has been able to maintain a fairly stable *efficiency rate* (workforce expenditure expressed as a percentage of total expenditures), as shown in Figure 11. In the 2004–2005 biennium, the efficiency rate was 27.9. During 2006–2007, the curve increases slightly, indicating a moderate reduction in the efficiency gains. Data from 2008–2009, however, shows an improvement in the efficiency rate (25.8), outperforming the 2004–2005 biennium. This indicator continues to improve, despite the reduction in the number of posts.

Figure 11
PAHO/WHO Workforce Efficiency Rate
1992-93 / 2008-09



44. *Workforce productivity* (measured here as PAHO/WHO's total expenditure per year [gross output] in constant dollars per full-time equivalent person)[5] has increased, despite a decreasing FTE overtime. Figure 12 shows that staff productivity increased from $342,575 per FTE in 1990–1991 to $750,237 per FTE in 2008–2009, in 2000 constant dollars. This represents a 118% increase in productivity in nearly two decades. A significant increase in productivity can be seen since 1998–1999, reflecting the significant level of non-project expenditure (all other expenditures not included in the Program and Budget) managed by PASB.

Figure 12
Productivity: PAHO/WHO total expenditure in constant dollars per full time equivalent *
1990-91 / 2008-09



* Value added per FTE in dollars at constant 2000 prices.

[5] This is based on the OECD definition of labor productivity measured as the deflated (volume) of gross output divided by labor inputs (Source: The OECD Productivity Manual. A Guide to the Measurement of Industry-Level and Aggregate Productivity).

IV. PASB'S EFFORTS TO IMPROVE CORPORATE PROGRAMMATIC PERFORMANCE

45. Performance monitoring and assessment (PMA) are essential for the proper management of the Program and Budget; they also constitute an important component of the Results-based Management (RBM) framework. With this in mind, the Bureau has institutionalized a systematic PMA process since 2008. As part of this process, PMA exercises are conducted every six months to assess progress of the implementation of the Biennial Workplans and, consequently, progress towards achieving the targets established in the Strategic Plan, which is implemented through the biennial Program and Budgets.

46. The PMA exercises provide information about the results chain and the targets at PASB's corporate and entity level, as established in the Strategic Plan 2008–2012, Program and Budgets, and the respective biennial workplans (BWPs). The system allows for corporate and entity analysis to be made, combines programmatic and budgetary implementation assessments, and examines resource mobilization efforts. Progress is measured by a combination of system-generated data (such as number of milestones achieved) and technical and managerial analyses of the rate of programmatic and budgetary implementation. As such, the PMA documents progress and challenges and points to necessary corrective actions to ensure that the Strategic Plan targets are met.

47. PASB presented the first interim PAHO Strategic Plan 2008–2012 progress report, covering the 2008–2009 biennium, to the 50th Directing Council (September 2010). According to this assessment, the Organization was well positioned to achieve the Strategic Plan targets in 2013—of the 16 SOs, 12 were on track and 4 were at risk; 67 (76%) of the 88 RERs were on track and 21 (24%) were at risk; and 275 (85%) of the 324 RER indicator targets had been met. The report noted the need to improve alignment between the mobilization and allocation of resources and the programmatic priorities (of the SOs) as established in the Strategic Plan. It also recommended directing interventions to those RER indicators that lagged behind, particularly the "number of countries" indicators that had not met their targets. The assessment also revealed an overall budgetary implementation for 2008–2009 of 94% ($525 million of $559 million) and stated that the Organization was able to mobilize financial resources to cover 81% of the initial funding gap in voluntary contributions ($281 million of $347 million).

48. The following section and its accompanying figure illustrates the main results of PMA exercises for the past biennium and the 2010–2011 mid-term assessment. During the PMA exercises, the 69[6] PASB entities and the 16 SOs, 90 RERs, and 256 RER indicators of the Strategic Plan were assessed.

Progress towards achieving Strategic Objectives (SOs)

49. Table 7 shows the SOs performance since the beginning of the Strategic Plan (2008–2009) up until the second semester of the current 2010-2011 biennium. The table shows that at the end of the second semester of the current biennium 6 SOs (38%) were rated as being on track (green) and 10 (62%) as being at risk (yellow). No SOs were rated as being in trouble (red). While there is a trend towards increasing the number of SOs rated as at risk, a detailed analysis of the RER and RER indicators reveals an improvement of the implementation rate during 2010 (Figures 13 and 14).

[6] Since December 2008 the number of Entities has been reduced from 79 to 69 by merging some of them.

Table 7. Progress towards achieving Strategic Objectives, 2008–2009 up to December 2010

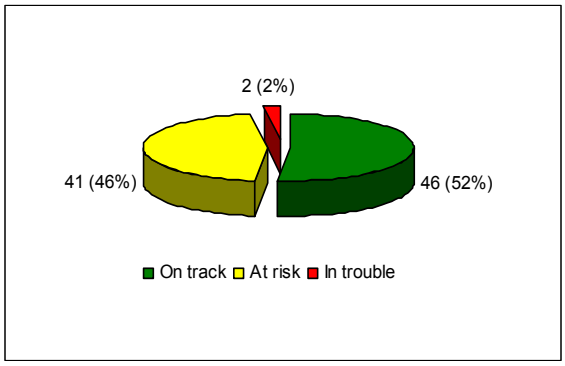
	2008–2009				2010–2011	
	First semester	Second semester	Third semester	Fourth semester	First semester	Second semester
SO1						
S02						
S03						
S04						
S05						
S06						
S07						
S08						
S09						
S010						
S011						
S012						
S013						
S014						
S015						
S016						
PAHO	44% on track	50% on track	44% on track	69% on track	38% on track	38% on track

Strategic Objective Number

Percentage on Track

On track At risk

Figure 13. Progress toward achieving RERs, 2010–2011 PMAs, first and second semesters



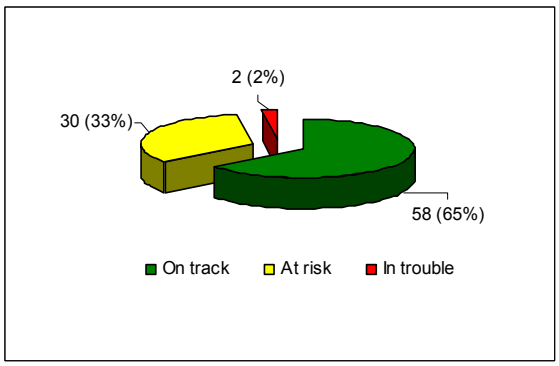
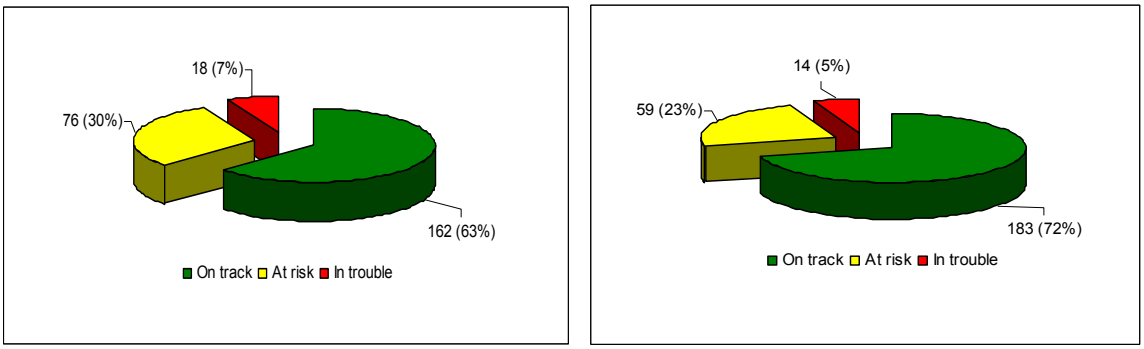


Figure 14. Progress toward achieving the RER indicator targets, 2010–2011 PMAs, first and second semesters



Budgetary Implementation

50. The Organization's overall budgetary implementation rate (disbursed funds divided by available funds) at the end of the 2010–2011 biennium's second semester (December 2010) was 46% ($183.5 million of $395 million), which indicates that PASB is implementing its funds at an appropriate pace (Table 8). If this implementation rate continues, the average biennial implementation rate is expected to be achieved at the end of the biennium.

Table 8. Budgetary Implementation, by source of funds, as of 31 December 2010.

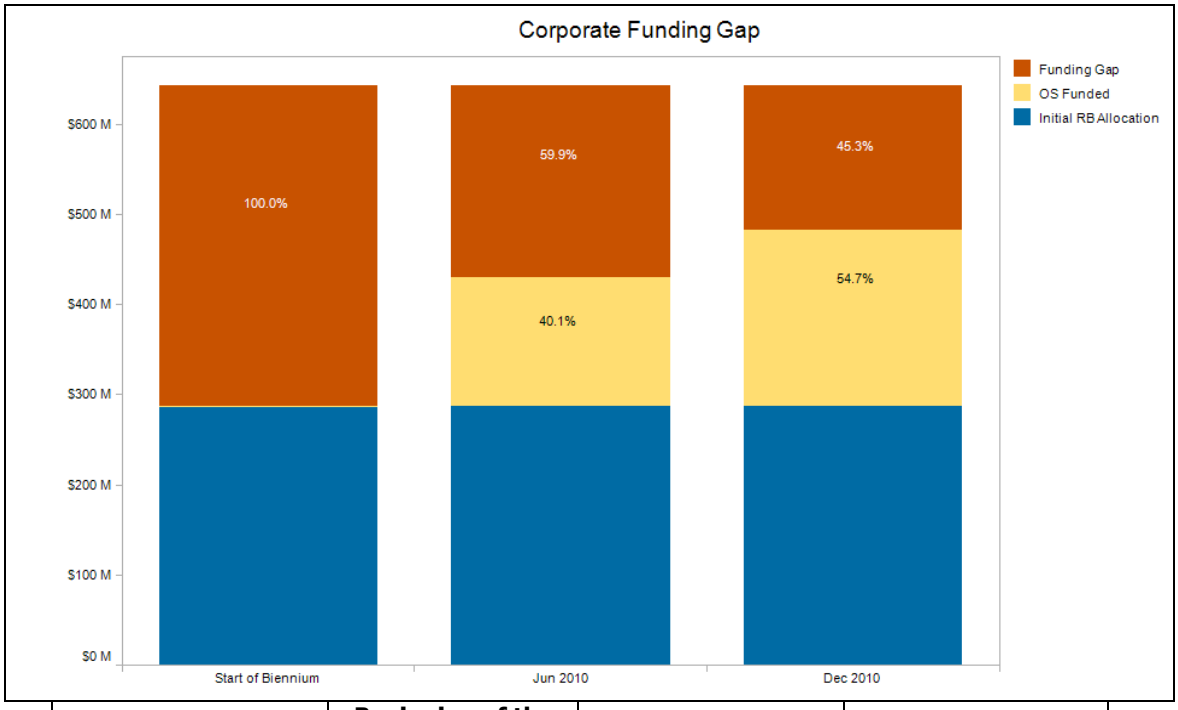
Type of funding	Total funds available	% Implemented
Regular Budget	$212,846,002	45%
Other Sources	$182,176,743	48%
Total	$395,022,745	46%

Status of the Funding Gap

51. The funding gap is the difference between the planned cost and the total funds allocated (Regular Budget funds and funds form Other Sources) at any given point in time of the planning period. This analysis can be performed to determine the resource requirements of a given entity's BWP, PASB as a whole, or for a given Strategic Objective. This funding gap, then, becomes the focus of resource mobilization for the Organization.

52. Figure 15 shows how the PAHO corporate funding gap has been reduced during the first two semesters of the 2010-2011 biennium. As of December 2010, 55% ($194.8 million) of the funding gap ($355.85 million) had been covered.

Figure 15.
Status of the PAHO corporate funding gap, expressed as a percentage of the initial funding gap, as of December 2010.
Biennium 2010-2011



	Beginning of the biennium	First semester	Second semester
Regular Budget	287,100,000	287,100,000	287,100,000
Resources mobilized[a]	0	142,817,000	194,761,974
Funding gap	355,851,000	213,033,569	161,089,026
Total planned cost	**642,951,000**	**642,951,000**	**642,951,000**

[a] Excludes government-financed internal projects and outbreak, crisis and response funds.

ACRONYMS

AMRO	Regional Office for the Americas of the World Health Organization
BWP	Biennial Work Plan
FTE	Full-time equivalent
FTP	Fixed-term post
PAHO	Pan American Health Organization
PASB	Pan American Sanitary Bureau
RB	Regular Budget
RBM	Result-based Management
RER	Region-wide Expected Results
RPBP	Regional Program Budget Policy
SO	Strategic Objective
SPBA	Subcommittee on Program, Budget, and Administration
UNICSC	United Nations International Civil Service Commission
OS	Other Sources
OSER	Office-Specific Expected Result
VC	Voluntary Contributions
WHA	World Health Assembly
WHO	World Health Organization

GLOSSARY

AMRO Share
Portion of the WHO Regular Budget approved by the World Health Assembly for the Region of the Americas.

Current dollars
Value of a dollar without adjustment for the effect of inflation or deflation.

Constant dollars
A metric for valuing the price in dollars of something over time, with adjustment for *inflation* or *deflation*.

Financial Implementation Rate
Total disbursements divided by total allocation of financial resources.

Full-time equivalent (FTE)
A measurement of workforce effort equivalent to one person working a full-time work schedule for one year—a way to measure the total PASB workforce, including fixed-term posts (FTP) funded with regular budget (RB) and other sources, as well as all other personnel contracted through different mechanisms other than FTP.

Fixed-term posts (FTP)
PASB positions for a determined length of time subject to United Nations human resources regulations. FTPs can be funded either by regular budget or other sources.

Fixed-term post budget
The cost associated with the funding of the fixed-term posts within the PAHO/AMRO regular budget.

Funding gap
The funding gap is the difference between the planned cost and the total funds allocated (both Regular Budget and funds from Other Sources) at any given point in time of the planning period. This analysis can be performed to determine the resource requirements of an entity's BWP, the PASB as a whole or for a Strategic Objective. This funding gap becomes the focus of resource mobilization for the Organization.

Initial unfunded gap
Difference between planned costs to implement a BWP and the initial allocation (both regular budget and other sources) for a given entity or Strategic Objective (SO) at the beginning of the planning period.

Resources mobilized
Funds from Other Sources destined to fill the unfunded gap for a given entity or SO at any point in time. This may include voluntary contributions that PAHO receives as a result of direct negotiations with donor partners or any other type of funds mobilized for the implementation of workplans, such as program support generated funds, or funds from the Master Capital Investment Fund.

Non-fixed−term posts

PASB personnel hired through any mechanism other than fixed-term posts.

Non-fixed−term post budget

The non-FTP budget includes all other costs not related to fixed-term posts. These can be:

(a) Non-FTP budget *activities*: Cost of program and operational activities, such as expenses for travel, meetings, publications, courses and seminars, and general operations.

(b) Non-FTP budget *personnel*: Cost of PASB personnel hired through any of mechanism other than fixed-term posts.

Workforce Efficiency

Workforce expenditure expressed as percentage of total expenditures.

Workforce Productivity

The total PAHO/WHO expenditure per year (gross output) in constant dollars per full-time equivalent person.

ANNEXES

ANNEXES: 1–3

Net Effect of Proposed Assessed Contribution and the Regular Budget Allocations by Country

ANNEX 4

Programmatic and Budgetary Analysis by Strategic Objective End of 2010 Assessment

Annex 1
Scenario A (10.5% assessed contribution increase)
Net effect of the proposed assessed contributions
and the Regular Budget Allocation by Country

Member States	Assessed Contributions			Country Allocations			Net Effect
	2010-2011	2012-2013	Difference	2010-2011	2012-2013	Difference	
Antigua and Barbuda	41,008	45,320	4,312	519,000	546,000	27,000	22,688
Argentina	5,985,304	6,614,660	629,356	3,645,000	3,833,000	188,000	(441,356)
Bahamas	143,528	158,620	15,092	937,000	985,000	48,000	32,908
Barbados	111,840	123,600	11,760	632,000	665,000	33,000	21,240
Belize	41,008	45,320	4,312	790,000	831,000	41,000	36,688
Bolivia	85,744	94,760	9,016	5,529,000	5,815,000	286,000	276,984
Brazil	14,824,392	16,383,180	1,558,788	11,397,000	11,987,000	590,000	(968,788)
Canada	25,650,504	28,347,660	2,697,156	553,000	582,000	29,000	(2,668,156)
Chile	2,000,072	2,210,380	210,308	2,471,000	2,599,000	128,000	(82,308)
Colombia	1,563,896	1,728,340	164,444	4,593,000	4,830,000	237,000	72,556
Costa Rica	348,568	385,220	36,652	2,065,000	2,172,000	107,000	70,348
Cuba	449,224	496,460	47,236	4,232,000	4,451,000	219,000	171,764
Dominica	41,008	45,320	4,312	575,000	605,000	30,000	25,688
Dominican Republic	383,984	424,360	40,376	3,780,000	3,976,000	196,000	155,624
Ecuador	383,984	424,360	40,376	6,624,000	6,967,000	343,000	302,624
El Salvador	195,720	216,300	20,580	3,317,000	3,489,000	172,000	151,420
France	538,696	595,340	56,644	361,000	380,000	19,000	(37,644)
Grenada	41,008	45,320	4,312	700,000	736,000	36,000	31,688
Guatemala	348,568	385,220	36,652	6,500,000	6,836,000	336,000	299,348
Guyana	41,008	45,320	4,312	2,155,000	2,267,000	112,000	107,688
Haiti	83,880	92,700	8,820	5,619,000	5,910,000	291,000	282,180
Honduras	83,880	92,700	8,820	4,954,000	5,210,000	256,000	247,180
Jamaica	229,272	253,380	24,108	2,099,000	2,207,000	108,000	83,892
Mexico	15,174,824	16,770,460	1,595,636	6,827,000	7,180,000	353,000	(1,242,636)
Netherlands	167,760	185,400	17,640	361,000	380,000	19,000	1,360
Nicaragua	83,880	92,700	8,820	4,435,000	4,664,000	229,000	220,180
Panama	303,832	335,780	31,948	1,602,000	1,685,000	83,000	51,052
Paraguay	231,136	255,440	24,304	3,182,000	3,347,000	165,000	140,696
Peru	1,030,792	1,139,180	108,388	6,398,000	6,729,000	331,000	222,612
Puerto Rico	206,904	228,660	21,756	181,000	190,000	9,000	(12,756)
Saint Kitts and Nevis	41,008	45,320	4,312	463,000	487,000	24,000	19,688
Saint Lucia	41,008	45,320	4,312	677,000	712,000	35,000	30,688
Saint Vincent and the Grenadines	41,008	45,320	4,312	643,000	676,000	33,000	28,688
Suriname	83,880	92,700	8,820	1,117,000	1,175,000	58,000	49,180
Trinidad and Tobago	283,328	313,120	29,792	1,614,000	1,697,000	83,000	53,208
United Kingdom	111,840	123,600	11,760	372,000	391,000	19,000	7,240
United States	110,805,480	122,456,700	11,651,220	361,000	380,000	19,000	(11,632,220)
Uruguay	337,384	372,860	35,476	1,332,000	1,400,000	68,000	32,524
Venezuela	3,839,840	4,243,600	403,760	3,588,000	3,774,000	186,000	(217,760)
Country Variable	0	0	0	5,640,000	5,934,000	294,000	294,000
	186,400,000	206,000,000	19,600,000	112,840,000	118,680,000	5,840,000	(13,760,000)

Annex 2
Scenario B (6.7% assessed contribution increase)
Net effect of the proposed assessed contributions
and the Regular Budget Allocation by Country

Member States	Assessed Contributions			Country Allocations			Net Effect
	2010-2011	2012-2013	Difference	2010-2011	2012-2013	Difference	
Antigua and Barbuda	41,008	43,736	2,728	519,000	533,000	14,000	11,272
Argentina	5,985,304	6,383,468	398,164	3,645,000	3,740,000	95,000	(303,164)
Bahamas	143,528	153,076	9,548	937,000	961,000	24,000	14,452
Barbados	111,840	119,280	7,440	632,000	648,000	16,000	8,560
Belize	41,008	43,736	2,728	790,000	811,000	21,000	18,272
Bolivia	85,744	91,448	5,704	5,529,000	5,674,000	145,000	139,296
Brazil	14,824,392	15,810,564	986,172	11,397,000	11,696,000	299,000	(687,172)
Canada	25,650,504	27,356,868	1,706,364	553,000	567,000	14,000	(1,692,364)
Chile	2,000,072	2,133,124	133,052	2,471,000	2,536,000	65,000	(68,052)
Colombia	1,563,896	1,667,932	104,036	4,593,000	4,713,000	120,000	15,964
Costa Rica	348,568	371,756	23,188	2,065,000	2,119,000	54,000	30,812
Cuba	449,224	479,108	29,884	4,232,000	4,343,000	111,000	81,116
Dominica	41,008	43,736	2,728	575,000	591,000	16,000	13,272
Dominican Republic	383,984	409,528	25,544	3,780,000	3,879,000	99,000	73,456
Ecuador	383,984	409,528	25,544	6,624,000	6,797,000	173,000	147,456
El Salvador	195,720	208,740	13,020	3,317,000	3,405,000	88,000	74,980
France	538,696	574,532	35,836	361,000	371,000	10,000	(25,836)
Grenada	41,008	43,736	2,728	700,000	718,000	18,000	15,272
Guatemala	348,568	371,756	23,188	6,500,000	6,670,000	170,000	146,812
Guyana	41,008	43,736	2,728	2,155,000	2,212,000	57,000	54,272
Haiti	83,880	89,460	5,580	5,619,000	5,767,000	148,000	142,420
Honduras	83,880	89,460	5,580	4,954,000	5,084,000	130,000	124,420
Jamaica	229,272	244,524	15,252	2,099,000	2,154,000	55,000	39,748
Mexico	15,174,824	16,184,308	1,009,484	6,827,000	7,006,000	179,000	(830,484)
Netherlands	167,760	178,920	11,160	361,000	371,000	10,000	(1,160)
Nicaragua	83,880	89,460	5,580	4,435,000	4,551,000	116,000	110,420
Panama	303,832	324,044	20,212	1,602,000	1,644,000	42,000	21,788
Paraguay	231,136	246,512	15,376	3,182,000	3,266,000	84,000	68,624
Peru	1,030,792	1,099,364	68,572	6,398,000	6,566,000	168,000	99,428
Puerto Rico	206,904	220,668	13,764	181,000	185,000	4,000	(9,764)
Saint Kitts and Nevis	41,008	43,736	2,728	463,000	475,000	12,000	9,272
Saint Lucia	41,008	43,736	2,728	677,000	695,000	18,000	15,272
Saint Vincent and the Grenadines	41,008	43,736	2,728	643,000	660,000	17,000	14,272
Suriname	83,880	89,460	5,580	1,117,000	1,146,000	29,000	23,420
Trinidad and Tobago	283,328	302,176	18,848	1,614,000	1,656,000	42,000	23,152
United Kingdom	111,840	119,280	7,440	372,000	382,000	10,000	2,560
United States	110,805,480	118,176,660	7,371,180	361,000	371,000	10,000	(7,361,180)
Uruguay	337,384	359,828	22,444	1,332,000	1,366,000	34,000	11,556
Venezuela	3,839,840	4,095,280	255,440	3,588,000	3,682,000	94,000	(161,440)
Country Variable	0	0	0	5,640,000	5,790,000	150,000	150,000
	186,400,000	198,800,000	12,400,000	112,840,000	115,800,000	2,961,000	(9,439,000)

Annex 3
Scenario C (0% assessed contribution increase)
Net effect of the proposed assessed contributions
and the Regular Budget Allocation by Country

Member States	Assessed Contributions			Country Allocations			Net Effect
	2010-2011	2012-2013	Difference	2010-2011	2012-2013	Difference	
Antigua and Barbuda	41,008	41,008	0	519,000	510,000	(9,000)	(9,000)
Argentina	5,985,304	5,985,304	0	3,645,000	3,580,000	(65,000)	(65,000)
Bahamas	143,528	143,528	0	937,000	920,000	(17,000)	(17,000)
Barbados	111,840	111,840	0	632,000	621,000	(11,000)	(11,000)
Belize	41,008	41,008	0	790,000	776,000	(14,000)	(14,000)
Bolivia	85,744	85,744	0	5,529,000	5,431,000	(98,000)	(98,000)
Brazil	14,824,392	14,824,392	0	11,397,000	11,195,000	(202,000)	(202,000)
Canada	25,650,504	25,650,504	0	553,000	543,000	(10,000)	(10,000)
Chile	2,000,072	2,000,072	0	2,471,000	2,427,000	(44,000)	(44,000)
Colombia	1,563,896	1,563,896	0	4,593,000	4,511,000	(82,000)	(82,000)
Costa Rica	348,568	348,568	0	2,065,000	2,028,000	(37,000)	(37,000)
Cuba	449,224	449,224	0	4,232,000	4,157,000	(75,000)	(75,000)
Dominica	41,008	41,008	0	575,000	565,000	(10,000)	(10,000)
Dominican Republic	383,984	383,984	0	3,780,000	3,713,000	(67,000)	(67,000)
Ecuador	383,984	383,984	0	6,624,000	6,506,000	(118,000)	(118,000)
El Salvador	195,720	195,720	0	3,317,000	3,259,000	(58,000)	(58,000)
France	538,696	538,696	0	361,000	355,000	(6,000)	(6,000)
Grenada	41,008	41,008	0	700,000	687,000	(13,000)	(13,000)
Guatemala	348,568	348,568	0	6,500,000	6,384,000	(116,000)	(116,000)
Guyana	41,008	41,008	0	2,155,000	2,117,000	(38,000)	(38,000)
Haiti	83,880	83,880	0	5,619,000	5,520,000	(99,000)	(99,000)
Honduras	83,880	83,880	0	4,954,000	4,866,000	(88,000)	(88,000)
Jamaica	229,272	229,272	0	2,099,000	2,062,000	(37,000)	(37,000)
Mexico	15,174,824	15,174,824	0	6,827,000	6,706,000	(121,000)	(121,000)
Netherlands	167,760	167,760	0	361,000	355,000	(6,000)	(6,000)
Nicaragua	83,880	83,880	0	4,435,000	4,356,000	(79,000)	(79,000)
Panama	303,832	303,832	0	1,602,000	1,574,000	(28,000)	(28,000)
Paraguay	231,136	231,136	0	3,182,000	3,126,000	(56,000)	(56,000)
Peru	1,030,792	1,030,792	0	6,398,000	6,285,000	(113,000)	(113,000)
Puerto Rico	206,904	206,904	0	181,000	177,000	(4,000)	(4,000)
Saint Kitts and Nevis	41,008	41,008	0	463,000	454,000	(9,000)	(9,000)
Saint Lucia	41,008	41,008	0	677,000	665,000	(12,000)	(12,000)
Saint Vincent and the Grenadines	41,008	41,008	0	643,000	632,000	(11,000)	(11,000)
Suriname	83,880	83,880	0	1,117,000	1,097,000	(20,000)	(20,000)
Trinidad and Tobago	283,328	283,328	0	1,614,000	1,585,000	(29,000)	(29,000)
United Kingdom	111,840	111,840	0	372,000	366,000	(6,000)	(6,000)
United States	110,805,480	110,805,480	0	361,000	355,000	(6,000)	(6,000)
Uruguay	337,384	337,384	0	1,332,000	1,308,000	(24,000)	(24,000)
Venezuela	3,839,840	3,839,840	0	3,588,000	3,525,000	(63,000)	(63,000)
Country Variable	0	0	0	5,640,000	5,542,000	(98,000)	(98,000)
	186,400,000	186,400,000	0	112,840,000	110,841,000	(1,999,000)	(1,999,000)

Annex 4.

Programmatic and Budgetary Analysis by Strategic Objective

End of 2010 Assessment (Rating by SO, RER and RER Indicator[7])

SO	RER	RER Ind.	Observations and Recommendations [8]
SO 1	1.1	1.1.1	This SO has a total of 22 indicators, of which 19 are "number-of-countries" type (NOCT) indicators. It has two maintenance indicators. The 2013 targets for two indicators had been achieved at the end of 2009, but two countries dropped from the 2007 baseline in one indicator (1.3.2- rabies). It is worth noting the reemergence of communicable diseases such as dengue, the impact of natural disasters and related climate change effects. In 2008–2009, this SO obtained $75.1 million (86%) of its PB ($86.6 million), of which 72% were from Other Sources. The budgetary implementation was 96%, and 75% of the RER indicators were achieved. As of December 2010, the SO had been awarded 86% of its PB ($79 million of $87.9 million); had 58% budgetary implementation, and 73% of the RER indicators were rated on track. Based on the assessment of this SO (both programmatic and budgetary), resources mobilized, and the priority of this SO in the SP (#2), it is reasonable to recommend an increase in the PB for 2012–2013 to slightly above the 2010–2011 levels, to ensure that 2013 targets are met. **Resources amounting to $90.5 million are suggested, in accordance with the planned amount for 2010–2011.**
To reduce the health, social, and economic burden of communicable diseases.		1.1.2	
		1.1.3	
		1.1.4	
	1.2	1.2.1	
		1.2.2	
	1.3	1.3.1	
		1.3.2	
		1.3.3	
		1.3.4	
		1.3.5	
	1.4	1.4.1	
		1.4.2	
		1.4.3	
	1.5	1.5.1	
	1.6	1.6.1	
		1.6.2	
	1.7	1.7.1	
		1.7.2	
		1.7.3	
	1.8	1.8.1	
	1.9	1.9.1	

[7] Color code: green, on track; yellow, at risk; red, in trouble.

[8] Criteria: implementation rate (budgetary and programmatic in 2008–2009 and 2010–2011, per PMA), prioritization in the Strategic Plan, contribution to the MDGs and to the Health Agenda for the Americas, and other commitments (i.e. regional and global commitments), and importance in the Country Cooperation Strategies (CCS).

Programmatic and Budgetary Analysis by Strategic Objective **End of 2010 Assessment** *(cont.)*			
SO	**RER**	**RER Ind.**	**Observations and Recommendations**
SO 2 To combat HIV/AIDS, tuberculosis, and malaria.	2.1	2.1.1	This SO has 24 indicators, of which 22 are "number-of-countries" type (NOCT) indicators. It has five maintenance indicators. In 2008–2009, this SO obtained $34.9 million (46%) of its PB ($75.1 million), of which 76% was from Other Sources. The budgetary implementation was 93%, and 89% of the RER indicator targets were achieved. As of December 2010, the SO had been awarded $19.7 million (26.2%) of its PB ($75.1 million); had 47% budgetary implementation and 96% of RER indicators were rated on track. Based on the assessment of this SO (both programmatic and budgetary), and resources mobilized in the previous and current biennium, it appears that the budget for this SO was overestimated since the 2008–2009 biennium. Furthermore, the rate of resource mobilization for this SO has been low. The funding available to countries from other mechanisms (i.e. the Global Fund) and partnerships established should also be taken into consideration. Based on the above, it is reasonable to decrease the PB for this SO in 2012-13 to a more realistic amount **($56.1 million recommended).** This amount takes into consideration the importance of this SO (priority #3 in the SP), its contribution to MDG #6, and a trend of reduced funds available to countries from other sources in the future (i.e. indications that the withdrawal of the Global Fund). Taking into account this scenario, the Organization will need to assign the necessary resources to maintain the rate of programmatic implementation to achieve the 2013 targets under this SO.
		2.1.2	
		2.1.3	
		2.1.4	
		2.1.5	
		2.1.6	
		2.1.7	
	2.2	2.2.1	
		2.2.2	
	2.3	2.3.1	
		2.3.2	
		2.3.3	
	2.4	2.4.1	
		2.4.2	
		2.4.3	
		2.4.4	
		2.4.5	
		2.4.6	
	2.5	2.5.1	
		2.5.2	
		2.5.3	
		2.5.4	
	2.6	2.6.1	
		2.6.2	

Programmatic and Budgetary Analysis by Strategic Objective
End of 2010 Assessment *(cont.)*

SO	RER	RER Ind.	Observations and Recommendations
SO 3	3.1	3.1.1	This SO has 27 indicators, of which 26 are "number-of-countries" type (NOCT) indicators. This is SO has the most number of RER indicators at risk and in trouble. In 2008–2009, this SO had ($21 million) 75% of its PB ($28 million), of which 40% was from other sources. The budgetary implementation was 90%, and 96% of the 2009 RER indicator targets had been achieved. As of December 2010, this SO had been awarded 54% of its PB ($17.4 million of $31.9 million), had 45% budgetary implementation, and 48% of the RER indicators were on track. Based on the assessment of this SO (both programmatic and budgetary), the challenges in achieving the targets, considering the priority of this SO in the SP (#4), and the fact that chronic noncommunicable diseases represent a major challenge in the Region, the budget for this SO should increase in 2012–2013 **($36 million suggested).** While this SO is not directly related to MDGs, the Member States' recognition of the burden these diseases place in the Region has led to their being addressed at the High-level Meeting of the United Nations General Assembly on the Prevention and Control of Noncommunicable Diseases.
To prevent and reduce disease, disability, and premature death from chronic noncommunicable conditions, mental disorders, violence, and injuries		3.1.2	
		3.1.3	
		3.1.4	
		3.1.5	
	3.2	3.2.1	
		3.2.2	
		3.2.3	
		3.2.4	
		3.2.5	
		3.2.6	
		3.2.7	
	3.3	3.3.1	
		3.3.2	
		3.3.3	
		3.3.4	
		3.3.5	
	3.4	3.4.1	
		3.4.2	
		3.4.3	
		3.4.4	
		3.4.5	
	3.5	3.5.1	
		3.5.2	
		3.5.3	
	3.6	3.6.1	
		3.6.2	

Programmatic and Budgetary Analysis by Strategic Objective
End of 2010 Assessment *(cont.)*

SO	RER	RER Ind.	Observations and Recommendations
SO 4 To reduce morbidity and mortality and improve health during key stages of life, including pregnancy, childbirth, the neonatal period, childhood, and adolescence, and to improve sexual and reproductive health and promote active and healthy aging for all individuals.	4.1	4.1.1	This SO has a total of 15 indicators, of which 13 are "number-of-countries" type (NOCT) indicators. In 2008–2009, this SO obtained $24.7 million (67%) of its PB ($37.2 million), of which 54% were from Other Sources. The budgetary implementation was 85%, and 100% of its RER indicator targets were met. As of December 2010, this SO had been awarded 56% of its PB ($21.35 million of $37.1 million), had achieved 59% budgetary implementation, and 73% of its RER indicators were rated as being on track. Considering the above, and that this SO's priority ranks as #1 in the SP, its contribution to MDGs 4 and 5, and the request from Member States to align the budgetary allocation with the programmatic priorities, the PB for this SO in 2012–2013 should be increased **($42.5 million suggested)**. In light of this increase and of the importance of the public issues addressed in this SO, the Organization will need to increase efforts to improve the rate of implementation in the current and next biennium, in order to ensure that the resources are fully implemented and that the 2013 targets achieved. Given its priority, this SO should have the highest percentage increase.
		4.1.2	
		4.1.3	
	4.2	4.2.1	
		4.2.2	
	4.3	4.3.1	
	4.4	4.4.1	
		4.4.2	
	4.5	4.5.1	
		4.5.2	
	4.6	4.6.1	
		4.6.2	
	4.7	4.7.1	
		4.7.2	
	4.8	4.8.1	
SO 5 To reduce the health consequences of emergencies, disasters, crises, and conflicts, and to minimize their social and economic impact.	5.1	5.1.1	This SO has 17 RER indicators, of which 6 are are "number-of-countries" type (NOCT) indicators; 9 are maintenance indicators. In 2008–2009, this SO obtained $49.3 million, 41% of its PB (from funds mobilized to respond to emergencies in the Region), of which 92% were from Other Sources. It met its budgetary implementation and 100% of its RER indicator targets. As of December 2010, this SO had been awarded 65% of its PB ($22.7 million of $35 million); it had achieved 75% budgetary implementation and 88% of its RER indicators were rated as being on track. An additional $27.1 million were awarded from OCR funds. Based on the above and the fact that this SO benefits from OCR funds, the budget can remain at the same level as in 2010–2011 **($35 million)**.
		5.1.2	
		5.1.3	
	5.2	5.2.1	
		5.2.2	
	5.3	5.3.1	
		5.3.2	
	5.4	5.4.1	
		5.4.2	
	5.5	5.5.1	
		5.5.2	
		5.5.3	
	5.6	5.6.1	
		5.6.2	
		5.6.3	
	5.7	5.7.1	
		5.7.2	

Programmatic and Budgetary Analysis by Strategic Objective
End of 2010 Assessment *(cont.)*

SO	RER	RER Ind.	Observations and Recommendations
SO 6 To promote health and development, and to prevent or reduce risk factors such as use of tobacco, alcohol, drugs and other psychoactive substances, unhealthy diets, physical inactivity and unsafe sex, which affect health conditions	6.1	6.1.1	This SO has 14 RER indicators and all are "number-of-countries" type (NOCT) indicators; 1 indicator already has achieved the 2013 target. In 2008–2009, this SO obtained $14.2 million (89%) of its PB ($16 million), of which 56% was from Other Sources. The budgetary implementation was 93%, and 60% of its RER indicator targets were met. As of December 2010, this SO had been awarded 69% of its PB ($11 million of $15.96 million); it had achieved 53% budgetary implementation, and 57% of its RER indicators were rated as being on track. This SO will face challenges in the current and future BWP in maintaining gains and achieving future targets (especially in the area of tobacco control). In addition, because it compliments SO3 (prevention and control chronic noncommunicable diseases), it is recommended that it be granted a slight increase in 2012–2013 (**$17 million)**.
		6.1.2	
		6.1.3	
	6.2	6.2.1	
		6.2.2	
		6.2.3	
	6.3	6.3.1	
		6.3.2	
		6.3.3	
		6.3.4	
	6.4	6.4.1	
	6.5	6.5.1	
		6.5.2	
	6.6	6.6.1	
SO 7 To address the underlying social and economic determinants of health through policies and programs that enhance health equity and integrate pro-poor, gender-responsive, and human-rights–based approaches.	7.1	7.1.1	This SO has 12 RER indicators, of which 10 are "number-of-countries" type (NOCT) indicators; 1 indicator has already achieved the 2013 target. In 2008–2009, this SO had been awarded $17.4 million (100%) of its PB, of which 58% was from Other Sources. Its budgetary implementation was 95%, and 94% of its RER indicator targets had been met. As of December 2010, this SO had been awarded 61% of its PB ($12.7 million of $20.96 million); it had achieved 70% budgetary implementation, and 83% of its RER indicators were rated as being on track. Notably, two indicators were rated as being in trouble (7.1.1, implementation of strategy to address policy recommendations of the Commission on Social Determinants of Health and 7.6.3, health of ethnic/racial groups). Based on the above, this SO's priority (#5), the fact that it addresses cross-cutting health issues (determinants of health) of the Strategic Plan, and its importance within the Health Agenda for the Americas (area of action #2), it is reasonable to recommend an increase in the PB for 2012-2013 **($22.7 million suggested)**. This SO is considered as one of the top priorities in the Country Cooperation Strategies.
	7.2	7.2.1	
		7.2.2	
		7.2.3	
	7.3	7.3.1	
	7.4	7.4.1	
	7.5	7.5.1	
		7.5.2	
		7.5.3	
	7.6	7.6.1	
		7.6.2	
		7.6.3	

Programmatic and Budgetary Analysis by Strategic Objective End of 2010 Assessment *(cont.)*			
SO	**RER**	**RER Ind.**	**Observations and Recommendations**
SO 8 To promote a healthier environment, intensify primary prevention, and influence public policies in all sectors so as to address the root causes of environmental threats to health	8.1	8.1.1	This SO has 13 RER indicators, of which 5 are "number-of-countries" type (NOCT) indicators. This SO had the most RER indicators at risk in December 2010 (per PMA). In 2008–2009, this SO obtained $19.1 million (76%) of its PB ($25 million), of which 31% was from Other Sources. Its budgetary implementation was 91%, and 84% of its RER indicator targets had been met. As of December 2010, this SO had been awarded 79% of its PB ($19.8 million of $24.93 million); it had achieved 53% budgetary implementation, and 31% of its RER indicators were rated as being on track. Considering the challenges involved in maintaining gains and achieving future targets for this SO (as per December 2010 PMA), and in light of the impact of disasters and related climate issues, as well as its contribution to MDG 7 an increase in its PB 2012-2013 is justified **($26.5 million recommended).**
		8.1.2	
		8.1.3	
		8.1.4	
	8.2	8.2.1	
	8.3	8.3.1	
		8.3.2	
	8.4	8.4.1	
		8.4.2	
	8.5	8.5.1	
		8.5.2	
	8.6	8.6.1	
		8.6.2	
SO 9 To improve nutrition, food safety, and food security throughout the life-course, and in support of public health and sustainable development	9.1	9.1.1	This SO has 14 RER indicators; all are number of country. There is 1 maintenance indicator. In 2008-2009, this SO obtained $15.8 million (75%) of its PB ($21 million), of which 35% was from other sources. The budgetary implementation was 97% and 76% of its RER indicator targets were met. As of December 2010, this SO had been awarded $19.3 million (92% of its PB ($20.94 million); had 43% budgetary implementation and 64% of the RER indicators were rated on track. Based on the above, and challenges faced in achieving some of the RER indicator targets, the contribution of this SO to MDG1 (through the establishment of the Pan-American Alliance for Nutrition and Development for the MDGs), and the fact that the Organization is the main actor working in the area of food safety and nutrition, an increase in the PB is recommended for this SO **($22.5 million).**
		9.1.2	
	9.2	9.2.1	
	9.3	9.3.1	
		9.3.2	
		9.3.3	
	9.4	9.4.1	
		9.4.2	
		9.4.3	
		9.4.4	
		9.4.5	
	9.5	9.5.1	
		9.5.2	
	9.6	9.6.1	

Programmatic and Budgetary Analysis by Strategic Objective
End of 2010 Assessment *(cont.)*

SO	RER	RER Ind.	Observations and Recommendations
SO 10 To improve the organization, management, and delivery of health services.	10.1	10.1.1 10.1.2 10.1.3 10.1.4	This SO has seven RER indicators; all are "number-of-countries" type (NOCT) indicators. In 2008–2009, this SO obtained $34.4 million, 7% above its PB ($32 million), of which 63% were from Other Sources. Its budgetary implementation was 85%, and 80% of its RER indicator targets had been met. As of December 2010, this SO had been awarded 42% of its PB ($16.95 million of $40 million);it had achieved 46% budgetary implementation, and 86% of the RER indicators were rated as being on track. Based on the above, it is reasonable to maintain the same level of PB in 2012–2013 **($40 million)** for this SO. While the SO is priority #7 in the Strategic Plan, the countries have identified as one of the main priorities in their Country Cooperation Strategies. Moreover, this SO is directly related to 3 of the 8 areas for action in the Health Agenda for the Americas.
	10.2	10.2.1 10.2.2	
	10.3	10.3.1	
SO 11 To strengthen leadership, governance and the evidence base of health systems.	11.1	11.1.1 11.1.2	This SO has 14 RER indicators, of which 12 are "number-of-countries" type (NOCT) indicators; 1 is a maintenance indicator. In 2008–2009, this SO obtained $31.1 million (89%) of its PB ($35 million), of which 42% was from Other Sources. Its budgetary implementation was 97%, and 71% of its RER indicator targets had been met. As of December 2010, this SO had been awarded 71% of its PB ($30.6 million of $42.84 million); it had achieved 50% budgetary implementation, and 86% of is RER indicators were rated as being on track. Based on the above, it is reasonable to hold the same level of PB for this SO (priority #11) in 2012–2013. This SO also complements SO10 (health services), SO13 (human resources for health), and SO14 (social protection and health financing).
	11.2	11.2.1 11.2.2	
	11.3	11.3.1 11.3.2 11.3.3 11.3.4	
	11.4	11.4.1 11.4.2	
	11.5	11.5.1 11.5.2 11.5.3	

Programmatic and Budgetary Analysis by Strategic Objective
End of 2010 Assessment *(cont.)*

SO	RER	RER Ind.	Observations and Recommendations
SO 12	12.1	12.1.1	This SO has 9 RER indicators; all are "number-of-countries" type (NOCT) indicators. One indicator already has achieved the 2013 target. In 2008–2009, this SO obtained $19.2 million (87%) of its PB ($22 million), of which 69% was from Other Sources. Its budgetary implementation was 90%, and 88% of its RER indicator targets had been met. As of December 2010, this SO had been awarded 103% of its PB ($19.45 million compared to $18.96 million). It had achieved 57% budgetary implementation, and 67% of its RER indicators were rated as being on track. This SO's budget for 2010–2011 was reduced by about 14%, compared to its budget for 2008–2009. Based on the level of resource mobilization and the implementation rate in 2010–2011, it appears that this SO was under-budgeted in 2010–2011. Hence, a slight budgetary increase is recommended for 2012–2013 **($20 million)**. **T**his SO is related to "Harnessing Knowledge, Science and Technology," area for action #7 of the Health Agenda for the Americas.
To ensure improved access, quality and use of medical products and technologies.		12.1.2	
		12.1.3	
		12.1.4	
		12.1.5	
	12.2	12.2.1	
		12.2.2	
	12.3	12.3.1	
		12.3.2	
SO 13	13.1	13.1.1	This SO has 13 RER indicators; all of them number-of-countries" type (NOCT) indicators. In 2008–2009, this SO obtained $14.8 million (64%) of its PB ($23 million), of which 41% was from Other Sources. Its budgetary implementation was 92%, and 68% of its RER indicator targets were met. As of December 2010, this SO had been awarded 61% of its PB ($12.26 million of $19.95 million); it had achieved 57% budgetary implementation, and 69% of the RER indicators were rated as being on track. Considering the challenges this SO has had in meeting its targets (in terms of end-of-biennium 2008–2009 assessment and December 2010 PMA), and its priority in the SP (#6), it is recommended that its PB be increased in 2012–2013 **($21.5 million).** This SO's PB was reduced from $23 million in 2008–2009 to about $20 million in 2010–2011. This SO also is related to "Strengthening the Management and Development of Health Workers," area for action # 6 of the Health Agenda for the Americas.
To ensure an available, competent, responsive, and productive health workforce to improve health outcomes.		13.1.2	
	13.2	13.2.1	
		13.2.2	
	13.3	13.3.1	
		13.3.2	
	13.4	13.4.1	
		13.4.2	
		13.4.3	
		13.4.4	
		13.4.5	
	13.5	13.5.1	
		13.5.2	

End of 2010 Assessment *(cont.)*			
SO	**RER**	**RER Ind.**	**Observations and Recommendations**
SO 14 To extend social protection through fair, adequate, and sustainable financing.	14.1 14.2 14.3 14.4 14.5	14.1.1 14.2.1 14.2.2 14.2.3 14.3.1 14.3.2 14.3.3 14.4.1 14.4.2. 14.5.1	This SO has 10 RER indicators; of which 9 are "number-of-countries" type (NOCT) indicators. As of the December 2010 PMA, this SO had the second largest number of RER indicators at risk. In 2008–2009, this SO obtained $4.9 million (32%) of its PB ($15 million), of which 23% was from Other Sources (the SO relies mainly on Regular Budget funds). Its budgetary implementation was 94%, and 77% of its RER indicator targets were met. As of December 2010, this SO had been awarded 50% of its PB ($5 million of $10.27 million); it had achieved 50% budgetary implementation, and only 20% of its RER indicators were rated as being on track. Considering the challenges this SO has had in meeting its targets, its complementarity to SO10 (health services), and its contribution to the Health Agenda for the Americas (area for action #3, "Increasing Social Protection and Access to Quality Health Services") it is recommended that this SO's PB be increased in 2012–2013 **($10.2 million suggested)**.
SO 15 To provide leadership, strengthen governance, and foster partnership and collaboration with Member States, the United Nations system, and other stakeholders to fulfill PAHO/WHO's mandate to advance the global health agenda, as set out in WHO's Eleventh General Programme of Work and in the Health Agenda for the Americas.	15.1 15.2 15.3 	15.1.1 15.1.2 15.1.3 15.1.4 15.1.5 15.2.1 15.2.2 15.2.3 15.2.4 15.2.5 15.2.6 15.3.1 15.3.2 15.3.3 15.3.4	No changes are proposed in this SO.

Programmatic and Budgetary Analysis by Strategic Objective End of 2010 Assessment *(cont.)*			
SO	**RER**	**RER Ind.**	**Observations and Recommendations**
SO 16 To develop and sustain PAHO/WHO as a flexible, learning organization, enabling it to carry out its mandate more efficiently and effectively	16.1	16.1.1	A reduction in this SO is suggested, in order to decrease the amount of enabling functions, in comparison with the core functions of the Organization.
		16.1.2	
		16.1.3	
		16.1.4	
		16.1.5	
	16.2	16.2.1	
		16.2.2	
		16.2.3	
		16.2.4	
		16.2.5	
		16.2.6	
	16.3	16.3.1	
		16.3.2	
		16.3.3	
		16.3.4	
		16.3.5	
	16.4	16.4.1	
		16.4.2	
		16.4.3	
	16.5	16.5.1	
		16.5.2	
		16.5.3	
		16.5.4	
		16.5.5	
	16.6	16.6.1	
		16.6.2	
		16.6.3	
		16.6.4	
		16.6.5	
		16.6.6	