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ADDENDUM TO THE PAHO PROGRAM AND BUDGET 2016-2017

Program Budget Scenarios

1. At the 156th Session of the Executive Committee, the Pan American Sanitary Bureau (PASB) was asked to present three scenarios for the 2016-2017 Program and Budget (PB) proposal. During the discussions, the Executive Committee requested that the Bureau provide: *a*) details regarding the budget reductions for each of the categories and program areas; *b*) the programmatic impact of the budget reduction, indicating what the Bureau would not be able to deliver as a consequence; and *c*) the financial impact on Member States of the application of the revised scale of assessments. This addendum provides the requested information for items *a* and *b*; item *c* is covered under a different agenda item (Document CD54/5).

2. **Scenario I:** proposes a total budget of US\$ 612.8 million,¹ to be financed with \$199.1 million from assessed contributions with a proposed 3% increase in gross assessments; \$25.0 million from miscellaneous revenue; \$210.6 million from other sources, primarily voluntary contributions, with a proposed increase of 5.5% of resources to be mobilized with respect to the previous biennium; and \$178.1 million from the WHO allocation to the Region of the Americas, representing an 8% increase over the previous biennium. This scenario anticipates full delivery of the needs and priorities identified by Member States as reflected in the Strategic Plan 2014-2019, and in the bottom-up planning for the PB 2016 2017.

3. **Scenario II:** proposes a total budget of \$612.8 million to be financed with \$192.7 million from assessed contributions, with no increase in gross assessments; \$25.0 million from miscellaneous revenue; \$217.0 million from other sources, with a proposed 8.6% increase over previous biennium; and \$178.1 million from the WHO allocation to the Region of the Americas. While this scenario would ensure full delivery of the needs and priorities identified, it requires that additional voluntary contributions be mobilized in a challenging and competitive fund raising environment.

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

4. **Scenario III:** proposes a total budget of \$607.0 million to be financed with \$192.7 million from assessed contributions, with no increase in gross assessments; \$25.0 million from miscellaneous revenue; \$211.2 million from other sources, with a 5.7% proposed increase over the previous biennium; and \$178.1 million from the WHO allocation to the Region of the Americas. The programmatic impacts resulting from a reduced budget from \$612.8 million to \$607.0 million are shown in Table 2 below. It should be noted that this reduction could result in lowered output indicator targets within those program areas directly affected, as well as possibly indirectly affecting other program areas or outcomes that are closely interlinked and that have a limited capacity to mobilize flexible funding. Hence, this scenario will require close monitoring and communication with Member States during the implementation of the Program and Budget 2016-2017, in order to inform of any adverse effects to the Program.

5. The share of the \$5.8 million budget reduction among the categories and program areas contemplated in Scenario III, as well as the programmatic impact of the budget cut are a result of consultations among the categories and program area networks. Members of the Executive Committee have been informed about the impact resulting from the budget reduction in Scenario III and the application of the revised scale of assessments for each scenario, showing the variance between approved assessments for the 2014-2015 biennium and proposed assessments for 2016-2017 budgetary period.

Table 1. Budget Scenarios, 2016-2017

Category/Program Area	Budget Scenarios I and II	Budget Scenario III	Budget Reduction
	[a]	[b]	[c]=[b]-[a]
1. Communicable Diseases	102,389,000	101,186,000	(1,203,000)
1.1 HIV/AIDS and STIs	15,511,000	15,314,000	(197,000)
1.2 Tuberculosis	7,266,000	7,266,000	0
1.3 Malaria and other vector-borne diseases (including dengue and Chagas)	19,452,000	19,075,000	(377,000)
1.4 Neglected tropical and zoonotic diseases	13,428,000	13,428,000	0
1.5 Vaccine-preventable diseases (including maintenance of polio eradication)	46,732,000	46,103,000	(629,000)
2. Noncommunicable Diseases	58,028,000	57,428,000	(600,000)
2.1 Noncommunicable diseases and risk actors	29,944,000	29,944,000	0
2.2 Mental health and psychoactive substance use disorders	7,260,000	7,260,000	0
2.3 Violence and injuries	6,183,000	5,883,000	(300,000)
2.4 Disabilities and rehabilitation	5,432,000	5,432,000	0
2.5 Nutrition	9,209,000	8,909,000	(300,000)
3. Determinants of Health and Promoting Health throughout the Life Course	81,242,000	80,783,000	(459,000)
3.1 Women, maternal, newborn, child, and adolescent and adult health and sexual and reproductive health	44,854,000	44,642,000	(212,000)
3.2 Aging and health	2,671,000	2,671,000	0
3.3 Gender, equity, human rights and ethnicity	9,204,000	9,204,000	0
3.4 Social determinants of health	12,034,000	11,912,000	(122,000)
3.5 Health and the environment	12,479,000	12,354,000	(125,000)

Category/Program Area	Budget Scenarios I and II	Budget Scenario III	Budget Reduction
	[a]	[b]	[c]=[b]-[a]
4 Health Systems	109,196,000	107,986,000	(1,210,000)
4.1 Health governance and financing, national health policies, strategies and plans	17,401,000	16,901,000	(500,000)
4.2 People-centered integrated health services	13,661,000	13,661,000	0
4.3 Access to medical products and strengthening regulatory capacity	24,725,000	24,725,000	0
4.4 Health systems information and evidence	33,267,000	32,767,000	(500,000)
4.5 Human resources for health	20,142,000	19,932,000	(210,000)
5. Preparedness, Surveillance, and Response	59,811,000	59,211,000	(600,000)
5.1 Alert and response capacities	9,887,000	9,887,000	0
5.2 Epidemic and pandemic prone diseases	14,565,000	14,565,000	0
5.3 Emergency risk and crisis management	30,337,000	30,137,000	(200,000)
5.4 Food safety	5,022,000	4,622,000	(400,000)
6. Corporate Services/Enabling Functions	202,134,000	200,434,000	(1,700,000)
6.1 Leadership and governance	46,500,000	46,500,000	0
6.2 Transparency, accountability, and risk management	8,252,000	8,252,000	0
6.3 Strategic planning, resource coordination, and reporting	24,034,000	24,034,000	0
6.4 Management and administration	110,837,000	109,137,000	(1,700,000)
6.5 Strategic communications	12,511,000	12,511,000	0
TOTAL BUDGET	612,800,000	607,028,000	(5,772,000)

Table 2. Programmatic Impact of Budget Adjustments in Scenario III

Category/Program Area	Budget Adjustment	Programmatic Impact of Budget Adjustment
1. Communicable Diseases	(1,203,000)	
1.1 HIV/AIDS and STIs	(197,000)	Limits the full implementation of the Plan of Action for the Prevention and Control of Viral Hepatitis (Document CD54/13 [2015]), including policy development for viral hepatitis diagnosis and treatment at the country level and the incorporation of related activities in national strategies and plans. As a result, the target countries for output indicator 1.1.2 (number of countries that have a structured national strategy or plan related to the prevention, care, and treatment of viral hepatitis) may need to be re-evaluated, focusing only on priority countries.
1.3 Malaria and other vector-borne diseases (including dengue and Chagas)	(377,000)	Limits technical cooperation to countries for monitoring and evaluation, particularly for non-endemic countries that are working to prevent the reintroduction of local malaria transmission. Specifically, this will hinder the support of the implementation of evidence-based strategic plans (as per outcome 1.3) and measuring progress toward achieving and maintaining elimination in the Region by 2019 (in line with impact goal 8.4 Malaria Elimination). Additionally, the reduction could limit the effective and timely response to dengue outbreaks in affected countries.

Category/Program Area	Budget Adjustment	Programmatic Impact of Budget Adjustment
1.5 Vaccine-preventable diseases (including maintenance of polio eradication)	(629,000)	Limits the full implementation and monitoring of the Plan of Action on Immunization(Document CD54/7, Rev. 1 [2015]), particularly in regards to monitoring vaccination coverage rates across the Region and country capacity to provide vaccination services to hard-to-reach populations and communities, thus affecting progress toward outcome 1.5 (increased vaccination coverage for hard-to-reach populations and communities and maintenance of control, eradication and elimination of vaccine-preventable diseases).
2. Noncommunicable Diseases	(600,000)	
2.3 Violence and injuries	(300,000)	Diminishes PAHO's ability to capitalize on the momentum generated by the 2015 "Brasilia Declaration on Road Safety" and the 2014 UN General Assembly Resolution (68/269) on "Improving global road safety," to further strengthen national surveillance systems and improve the quality of data on road safety, and to, in turn, bolster PAHO's ability to promote and support road safety policies in Member States (as per outcome 2.3.1). Furthermore, a reduction in funding would hinder the ability to deliver on the commitments in the Strategy and Plan of Action on Strengthening the Health System to Address Violence Against Women (Document CD54/9 [2015]), and diminish support for the implementation of the 2014 WHA resolution to strengthen the role of the health systems in addressing violence, particularly against women, girls, and children (as per outcome 2.3.2).
2.5 Nutrition	(300,000)	Hinders support for the implementation of national plans of action dealing with nutrition (output 2.5.1). Specifically, this would curtail PAHO's efforts to strengthen breastfeeding, school nutrition, fiscal and regulatory policies, multisectoral actions, and surveillance. Further, it would scale back work on the prevention of stunting and anemia (which affect mainly underserved populations, and are still a health problem in many countries), and on the reduction of salt content in food. This limitation could jeopardize the attaining of the targets set out in the Strategic Plan 2014-2019 (outcome indicators 2.5.1 and 2.5.2).
3. Determinants of Health and Promoting Health throughout the Life Course	(459,000)	
3.1 Women, maternal, newborn, child, and adolescent and adult health and sexual and reproductive health	(212,000)	Reduces technical cooperation to countries and hinders the ability to provide subject matter experts for specific country needs in issues related to child, adolescent, maternal and neonatal health. The budget adjustment affects outputs 3.1.1, 3.1.2 and 3.1.3 in particular, as well as the achievement of outcome 3.1, given the slower pace of reduction of maternal and infant mortality.

Category/Program Area	Budget Adjustment	Programmatic Impact of Budget Adjustment
3.4 Social determinants of health	(122,000)	Reduces the health sector's opportunity to provide leadership in the implementation of the forthcoming sustainable development goals (output 3.4.4), with fewer country consultations. The number of country consultations related to developing equity profiles will also be reduced (output 3.4.2).
3.5 Health and the environment	(125,000)	Reduces the support for the implementation of the health-related targets of sustainable development goal 6 "Ensure availability and sustainable management of water and sanitation for all" (output 3.5.1). Support for the implementation of WHO's new indoor air quality guidelines will be scaled back (output 3.5.2). The new agreement to be formalized during the COP 21 meeting in Paris, France in 2015, will bring new opportunities for the health sector, which could be compromised if funds are not available to update national plans on climate change and health (output 3.5.4). Targeted number of country consultations related to solid fuels for cooking will be reduced, focusing instead on priority countries (output 3.5.5).
4. Health Systems	(1,210,000)	
4.1 Health governance and financing, national health policies, strategies and plans	(500,000)	Reductions will hinder the implementation of Resolution CD53.14 (Strategy for Universal Access to Health and Universal Health Coverage). Technical cooperation to countries designed to implement health reforms that will advance towards universal health will be scaled down and, consequently, the targets for outputs will be reduced. This means a reduction in the number of countries that receive technical cooperation for: <i>i</i>) developing and monitoring implementation of national road maps (outputs 4.1.1. and 4.1.4); <i>ii</i>) implementation of financial strategies to increase efficiencies and expand and sustain access and coverage (output 4.1.2); and <i>iii</i>) legislative and regulatory reforms to support universal access (output 4.1.3).
4.4 Health systems information and evidence	(500,000)	<p>Limits technical cooperation for strengthening health information systems and also compromises the ability to generate data and information for the analysis of the health situation (output 4.4.1).</p> <p>Reduces the implementation of the Regional Strategy and Plan of Action on <i>eHealth</i>, causing a revision in the number of target countries (output 4.4.2). Implementation of the Regional Strategy for Knowledge Management would also be affected (output 4.4.3), specifically the Institutional Memory for Information Sharing, the <i>Pan American Journal of Public Health</i>, and activities related to regional coordination of PAHO/WHO Collaborating Centers.</p> <p>Limits the strengthening of ethics research systems and slows progress in the incorporation of ethics in public health (output 4.4.4). It would be difficult to upkeep the ethics review software (ProEthos), and the Bioethical Regional Program would be compromised to meet the demands.</p> <p>Limits the implementation of the regional Policy on Research for Health (output 4.4.5). Specifically, the governance of</p>

Category/Program Area	Budget Adjustment	Programmatic Impact of Budget Adjustment
		<p>research for health and the momentum gained to enhance the translation of research knowledge that informs prevention, health care and policies. The reinstatement of the grants program for research for health, recommended by the Advisory Committee on Health Research (CAIS) would also be compromised.</p> <p>Limits the strengthening of health programs with evidence and knowledge translation (output 4.4.6); leads to unequal access to evidence and knowledge translation tools, especially among priority countries, and missed opportunities to sustain and revamp the EvipNet program to inform policy with evidence.</p>
4.5 Human resources for health	(210,000)	Limits the scope of technical cooperation in support of countries' efforts to develop human resources for health policies and plans (output 4.5.1), which will be reduced to focus on priority countries. In addition, the deployment of the regional agenda for human resources in the context of the Global Strategy on Human Resources for Health driven by WHO would be affected.
5. Preparedness, Surveillance, and Response	(600,000)	
5.3 Emergency risk and crisis management	(200,000)	Reduces the number of PAHO/WHO country offices that fully comply with the WHO readiness checklist, thus eroding the Organization's ability to provide effective and timely response to all countries during disasters and emergencies. This will result from the scaling down of the following readiness and preparedness activities in up to five PAHO country offices: the number of missions to country offices to assess readiness to respond to emergencies and large outbreaks; the support to develop business continuity plans and disaster plans, training, simulation exercises, and testing; and support to country offices for assessing country capacity to respond to emergencies and large outbreaks.
5.4 Food safety	(400,000)	Reduces the number of studies and risk analyses on the burden of foodborne disease, which will, in turn, affect access to evidence-based information for the design and establishment of adequate and effective mechanisms for reducing foodborne public health risks. In this regard, targets for output indicators 5.4.1 and 5.4.2 may need to be revisited.
6. Corporate Services/Enabling Functions	(1,700,000)	
6.4 Management and administration	(1,700,000)	Reduces the capacity to design and implement modifications and upgrades to core enterprise resource planning (ERP), which could affect the efficiency of the computing infrastructure and the ability to meet expected results of the PAHO information technology strategy, per targets in output 6.4.3.
TOTAL	(5,772,000)	

Table 3. Scenarios for Financing the PAHO Program and Budget 2016-2017

Scenario I: A 3% increase in assessed contributions			
Source of Financing	2014-2015	2016-2017	Increase (Decrease)
Assessed contributions (3% increase)	210,640,000	216,959,200	6,319,200
Credit from the Tax Equalization Fund	(18,240,000)	(17,905,000)	335,000
Budgeted miscellaneous revenue	6,000,000	25,000,000	19,000,000
Other sources	199,800,000	210,653,800	10,853,800
WHO allocation to the Americas	164,900,000	178,092,000	13,192,000
TOTAL	563,100,000	612,800,000	49,700,000
Scenario II: A 0% increase in assessed contributions, with the difference absorbed by other sources			
Source of Financing	2014-2015	2016-2017	Increase (Decrease)
Assessed contributions (0% increase)	210,640,000	210,640,000	0
Credit from the Tax Equalization Fund	(18,240,000)	(17,905,000)	335,000
Budgeted miscellaneous revenue	6,000,000	25,000,000	19,000,000
Other sources	199,800,000	216,973,000	17,173,000
WHO allocation to the Americas	164,900,000	178,092,000	13,192,000
TOTAL	563,100,000	612,800,000	49,700,000
Scenario III: A 0% increase in assessed contributions, with the total budget reduced to \$607 million			
Source of Financing	2014-2015	2016-2017	Increase (Decrease)
Assessed contributions (0% increase)	210,640,000	210,640,000	0
Credit from the Tax Equalization Fund	(18,240,000)	(17,905,000)	335,000
Budgeted miscellaneous revenue	6,000,000	25,000,000	19,000,000
Other sources	199,800,000	211,201,000	11,401,000
WHO allocation to the Americas	164,900,000	178,092,000	13,192,000
TOTAL	563,100,000	607,028,000	43,928,000

Table 4. Scenario III: Resource requirements by budget segment (in US\$ millions)²

Budget segment	Approved Budget 2014-2015	Proposed Budget 2016-2017	Increase (Decrease)
Base programs	563.1	607.0	43.9
Special programs and response to emergencies	22.0	35.0	13.0
Government-sponsored initiatives	300.0	990.0	690.0

² This table corresponds to Table 1 in the PAHO Program and Budget 2016-2017 (Document CD54/21, Rev. 1), and reflects the Scenario III budget.

Table 5. Scenario III: Budget by Category and Program Area (in US\$)³

Category/Program Area	Approved Budget 2014-2015	Proposed Budget 2016-2017	Increase (Decrease)
1. Communicable Diseases	86,812,000	101,186,000	14,374,000
1.1 HIV/AIDS and STIs	15,732,000	15,314,000	(418,000)
1.2 Tuberculosis	3,864,000	7,266,000	3,402,000
1.3 Malaria and other vector-borne diseases (including dengue and Chagas)	7,543,000	19,075,000	11,532,000
1.4 Neglected tropical and zoonotic diseases	11,480,000	13,428,000	1,948,000
1.5 Vaccine-preventable diseases (including maintenance of polio eradication)	48,193,000	46,103,000	(2,090,000)
2. Noncommunicable Diseases and Risk Factors	48,288,000	57,428,000	9,140,000
2.1 Noncommunicable diseases and risk factors	20,963,000	29,944,000	8,981,000
2.2 Mental health and psychoactive substance use disorders	3,259,000	7,260,000	4,001,000
2.3 Violence and injuries	7,585,000	5,883,000	(1,702,000)
2.4 Disabilities and rehabilitation	2,164,000	5,432,000	3,268,000
2.5 Nutrition	14,317,000	8,909,000	(5,408,000)
3. Determinants of Health and Promoting Health throughout the Life Course	80,783,000	80,783,000	0
3.1 Women, maternal, newborn, child, and adolescent and adult health and sexual and reproductive health	42,739,000	44,656,000	1,917,000
3.2 Aging and health	1,681,000	2,657,000	976,000
3.3 Gender, equity, human rights, and ethnicity	8,610,000	9,204,000	594,000
3.4 Social determinants of health	11,555,000	11,912,000	357,000
3.5 Health and the environment	16,198,000	12,354,000	(3,844,000)
4. Health Systems	97,474,000	107,986,000	10,512,000
4.1 Health governance and financing, national health policies, strategies and plans	11,947,000	16,901,000	4,954,000
4.2 People-centered integrated health services, quality health systems	13,580,000	13,661,000	81,000
4.3 Access to medical products and strengthening regulatory capacity	22,901,000	24,725,000	1,824,000
4.4 Health systems information and evidence	32,857,000	32,767,000	(90,000)
4.5 Human resources for health	16,189,000	19,932,000	3,743,000

³ This table corresponds to Table 2 in the PAHO Program and Budget 2016-2017 (Document CD54/21, Rev. 1), and reflects the Scenario III budget.

Category/Program Area	Approved Budget 2014-2015	Proposed Budget 2016-2017	Increase (Decrease)
5. Preparedness, Surveillance and Response	46,385,000	59,211,000	12,826,000
5.1 Alert and response capacities (for IHR)	9,854,000	9,887,000	33,000
5.2 Epidemic and pandemic-prone diseases	8,016,000	14,565,000	6,549,000
5.3 Emergency risk and crisis management	18,980,000	30,137,000	11,157,000
5.4 Food safety	9,535,000	4,622,000	(4,913,000)
6. Corporate Services/Enabling Functions	203,358,000	200,434,000	(2,924,000)
6.1 Leadership and governance	58,467,000	46,500,000	(11,967,000)
6.2 Transparency, accountability, and risk management	4,842,000	8,252,000	3,410,000
6.3 Strategic planning, resource coordination, and reporting	49,544,000	24,034,000	(25,510,000)
6.4 Management and administration	77,432,000	109,137,000	31,705,000
6.5 Strategic communications	13,073,000	12,511,000	(562,000)
Subtotal - Base Programs (Categories 1-6)	563,100,000	607,028,000	43,928,000
Special Programs and Emergencies			
Polio eradication maintenance ⁴		1,200,000	1,200,000
Special program on foot-and-mouth disease eradication ⁴		11,800,000	11,800,000
Outbreak and crisis response ⁴	22,000,000	22,000,000	0
Program and Budget - Total	585,100,000	642,028,000	56,928,000
Government-sponsored initiatives ⁴	300,000,000	990,000,000	690,000,000

Table 6. Scenario III: Proportion of resource requirements of technical programs, compared to leadership and governance and corporate services/enabling functions (US\$ Millions)⁵

Category/Program Area	Resource Requirements	Percent of Total
Technical programs (Categories 1-5)	406.6	67.0
Leadership and Governance (Program area 6.1)	46.5	8.0
Corporate Services/Enabling Functions (Program areas 6.2 to 6.5)	153.9	25.0
TOTAL	607.0	100.0

⁴ These components are excluded from the Program and Budget base programs because of the nature of their funding. The budget for polio eradication maintenance was included in program area 1.5 in 2014-2015.

⁵ This table corresponds to Table 3 in the PAHO Program and Budget 2016-2017 (Document CD54/21, Rev. 1), and reflects the Scenario III budget.

Table 7. Scenario III: Sources of financing the Program and Budget 2016-2017 compared to the 2014-2015 biennium (in US\$)⁶

Source of Financing	2014-2015	2016-2017	Increase (Decrease)	Percent Increase (Decrease)
Assessed contributions (0% increase)	210,640,000	210,640,000	0	0.0
Credit from the Tax Equalization Fund	(18,240,000)	(17,905,000)	335,000	(1.8)
Budgeted miscellaneous revenue	6,000,000	25,000,000	19,000,000	316.7
Other sources	199,800,000	211,201,000	11,401,000	5.7
WHO allocation to the Americas	164,900,000	178,092,000	13,192,000	8.0
TOTAL	563,100,000	607,028,000	43,928,000	7.8

⁶ This table corresponds to Table 4 in the PAHO Program and Budget 2016-2017 (Document CD54/21, Rev. 1), and reflects the Scenario III budget.