

**Addendum to the Proposed
Program and Budget 2010-2011**

**JUSTIFICATION FOR THE PROPOSED INCREASE IN THE ASSESSED
CONTRIBUTIONS**

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EXECUTIVE SUMMARY

The Subcommittee on Program, Budget, and Administration (SPBA) requested the Bureau to present a justification for the requested 4.3% increase in assessed contributions included in the program and budget proposal for 2010-2011. This document presents the justification in four parts: (1) Budget assessment and justification for the increase in assessed contributions; (2) Expected negative programmatic impact on PAHO's technical cooperation; (3) PASB efforts to improve efficiency and productivity; and, (4) PASB efforts to improve corporate programmatic performance.

In recent years, although there has been a growth in PAHO's regular budget (RB) in current dollars, the trend in constant dollars has decreased by 18% in the period 1990-2007 (Exhibit 6). This is true because regular budget increases in the past 10 or more years have been contained to address only the increases in the cost of the core workforce, known in budget terms as the Fixed-term Post (FTP) budget. Thus, inflationary costs for the non-FTP budget that is the part that funds the interventions, have not been considered. As a result, the real value of the budget has declined significantly.

The falling price of the U.S. dollar world-wide 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 U.S. dollar, as well as for professional level posts where significant compensatory increases in the post adjustment have been mandated by the UNICSC for most duty stations in the Region.

As a result of the weakened U.S. dollar, the approved budget increase for the 2008-2009 biennium has proved insufficient to fully fund the cost of FTPs. It is estimated that an increase of 6.3% to the 2008-2009 FTP budget is required just to reflect actual costs projected for the 2008-2009 biennium. This increase equates to US\$ 11.5 million and is equivalent to the increase to the 2010-2011 proposal presented in Scenario A. Two-thirds of this amount, or US\$ 7.75 million, represent the cost increase for FTPs funded from the PAHO regular budget only (one-third of RB-funded FTP are funded with the AMRO Share); this requirement translates to an increase of 4.3% in the PAHO assessed contributions (Scenario B).

The 2010-2011 biennium represents the third and final biennium for the application of the current Regional Program Budget Policy (RPBP). The Policy stipulates that a greater share of the resources will be transferred to country and subregional levels, with offsetting reductions to the regional level. This dynamic creates a "squeeze" on the regional level; hence, for any given budget scenario, the impact on the regional level of the budget will be greater than on the whole of the budget as an average. In scenario C (0% increase to assessed contributions), for example, the negative impact on the non-FTP budget on average is 10.7% compared to 2008-2009; however, the reduction to the regional level is 34% compared with 2008-2009.

A macro analysis of the overall need for the increase in assessed contributions is presented in three scenarios (6.3%, 4.3% and 0% increase) with their respective impact on non-FTP budget. When combining the effect of the assessed contribution scenarios (applying the proposed revised assessment scale) with the effect of the Regional Program Budget Policy, most countries will receive a greater increase in budget allocation compared to the increase in their assessed contributions. The document presents 3 tables with the different scenarios where the net results are shown country by country.

The budget reality with scenario C, and to a lesser extent with scenario B, is that there will be a negative programmatic impact on the delivery of PAHO's technical cooperation, particularly at the regional level. This includes putting at risk the viability and/or continuation of several technical cooperation initiatives that depend largely on regular budget resources, such as: maternal and child health activities in the Latin American Center for Perinatology and Human Development (CLAP) would be limited to intramural work; coverage for implementation of WHO's New Standards for Child Growth would be reduced by half; immunization efforts in strengthening capacity of Member States to improve projections of EPI vaccine requirements would be reduced; the continuity of the International Health Leadership Program would be jeopardized; reduction of Public Health Virtual Campus coverage will be reduced; technical cooperation for National Health Development plans in Central America would be reduced; implementation of recommendations from the Commission on the Social Determinants of Health would be reduced; targets for the Action Plan on Climate Change and Health would be reduced; and support to the implementation of the Framework Convention on Tobacco Control would be reduced, to name a few (please refer to part II for full details). In general, regional level interventions in most programmatic areas would be limited only to supporting priority countries.

Since the early 1990s, given that nominal budget increases have not kept up with actual cost increases, past and current Directors of the PASB have exercised budget discipline by responsibly reducing the Bureau's workforce to strive to maintain a manageable balance between the FTP and the non-FTP budget components. FTPs funded with the regular budget decreased 26.5%, from 1033 in 1990-1991 to 778 in 2008-2009, and in continued efforts to maintain budget discipline, a further reduction of 21 posts in the Program and Budget 2010-2011 is proposed. Despite these staffing reductions, the budget required to fund the reduced level of FTPs has increased from 54% of the total regular budget in 1990-1991 to 65% in 2008-2009. As a consequence, the non-FTP budget has decreased from 46% to 35% in the same period, affecting the delivery of technical cooperation.

In a similar vein, the total workforce, which includes other personnel hiring mechanisms in addition to FTPs and is measured by Full Time Equivalent (FTEs), has also decreased during the period 1990-2009. It is noticeable that this trend parallels the decrease in FTPs funded with RB and Other Sources (OS), demonstrating the effort that PASB has made in decreasing its total workforce. In spite of the reduction of the total workforce, PASB has been able to maintain a fairly stable workforce efficiency rate during the period 1992-2009. However, the workforce efficiency curve shows that it is unlikely that further improvements in efficiency will be gained if the workforce continues decreasing, but rather PASB may have reached the point where no further reduction in the workforce is possible without negatively affecting technical cooperation delivery.

In terms of workforce productivity, over the last two decades this indicator has increased by 79% (from US\$ 342,575 per FTE in 1990-1991 to US\$ 615,288 per FTE in 2006-2007 in 2000 constant dollars), since FTEs have decreased over that same time period. There is a risk, however, that if the trend in workforce reduction continues, that productivity may be compromised, as well as the quality of technical cooperation that is now based on results (Results-based Management - RBM).

The reduction in FTPs (both RB and OS funded) raises an additional concern for the Organization since its core functions cannot be delegated to staff contracted through less permanent mechanisms because of the high staff turnover associated with those types of contracts. This aspect presents a long term risk against the institutional commitments and mission of the PASB. On the other hand, a robust workforce will ensure continued efficiency and productivity in the leadership and work of the PASB in sustaining the commitments made by Member States.

Finally, in keeping with the RBM commitment, several tools are currently in development that is allowing an effective performance monitoring and assessment process to take place. The PAHO results chain goes down to the individual managerial and executing entity where office-specific expected results (OSERs) contribute to the Region-wide expected results approved by PAHO's Governing Bodies, which in turn, contribute to the

Organization-wide expected results approved by the World Health Assembly. At the entity level, the OSERs are measured through the achievement of indicators. Milestones have been established as verifiable events conducive to assess progress towards achievement of OSER indicators targets allowing for periodic monitoring and assessment. For example, the mid-term review (as of 31 December 2008) shows that 88% of milestones were reached, signaling that OSER indicators overall are "on track" for achievement in the biennium. In the upcoming biennium, key performance indicators and dashboard tools are being introduced to enhance corporate efficiency and productivity assessment. These efforts, however, require regular budget funding.

INTRODUCTION

The Subcommittee on Program, Budget, and Administration (SPBA) requested the Pan American Sanitary Bureau (PASB) to present a justification for the 4.3% increase in the budget related to assessments. This document presents the Bureau's justification for the budget increase in four parts: 1) Budget assessment and justification for the increase in assessed contributions; 2) Expected negative programmatic impact on PAHO's technical cooperation; 3) PASB efforts to improve efficiency and productivity; and 4) PASB efforts to improve corporate programmatic performance.

The first part presents the overall need for the increase, illustrating three scenarios and their relative impact on the non-FTP budget. It also shows how the allocation of resources to countries will be affected when combined with the application of the Regional Program Budget Policy (RPBP).

The second part provides an overview of the expected programmatic impact on PAHO's technical cooperation if either scenario B or C is approved. Several important interventions will be put at risk and these are presented within the context of the Strategic Objectives.

The third part presents the systematic, historical effort of the PASB to exercise budget discipline by reducing the number of posts (especially fixed-term posts). While the analysis also shows an increase in productivity, there is indication that continued reductions in the core workforce will affect efficiency and program delivery.

The fourth part, following the Governing Bodies request to measure programmatic as well as financial performance, shows examples of the major efforts the PASB is undertaking to apply the Results Based Management Framework requested by the Member States, especially in ensuring that the targets approved for the Strategic Plan are met.

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

The cost impact of Fixed-term Posts on the Regular Budget:

The regular budget is comprised of two major components: Fixed-term Post (FTP) budget and non fixed-term post (Non-FTP) budget. The FTP budget includes all cost associated with fixed-term positions approved for a particular budget period. The non-FTP budget includes all other costs not related to FTP. This can be: a) cost of non-FTP activities—program and operational activities—(travel, meetings, publications, courses and seminars, general operating expenses, etc.) and b) cost of non-FTP personnel (personnel hired with any type of mechanisms other than the fixed-term posts).

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. An analysis performed for actual costs incurred during 2008 for FTPs funded with the regular budget (RB) revealed that the budget for FTPs is under-budgeted by 6.3%.

The table below compares the amount budgeted for Regular Budget FTPs included in the approved budget for 2008-2009 with the current projection for 2008-2009 based on actual costs for 2008.

2008-2009 FTP Regular Budget	2008-2009* Actual Cost for FTPs	% Change
182,800,000	194,300,000	6.3%

* Calculated with December 2008 payroll data and projected until the end of the biennium 2008-2009

The cost of FTPs is subject to the following:

- Increases due to normal succession patterns (change in staff grade or annual step increment; annual step increases are granted subject to satisfactory performance).
- Cost of living increases in the salary scale approved by the United Nations International Civil Services Commission (UNICSC).
- Increase/decrease due to exchange rate impact, manifested by the conversion to dollars of local currency denominated salaries, or through the post adjustment changes for professional staff salaries.
- Increases/decreases due to absolute FTP number changes at duty stations.

In recent years, the falling price of the U.S. dollar world-wide 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 U.S. dollar, as well as 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.

As mentioned in the proposed Program and Budget 2010-2011 document presented at the SPBA, the current fiscal outlook for organization budgets that are based on the U.S. dollar is not as severe as it was when the Program and Budget 2008-2009 was presented. This is why the proposed budget increase is based only on current expenditure levels, and does not consider projected cost increases to be incurred during 2010-2011. The recent trend in devaluation of the U.S. dollar, which has played a large part in the excessive cost increases experienced during the last few years, has reversed against most Latin American and Caribbean currencies. As long as this trend holds, it will support the softened projections for cost increases related to FTPs included in the proposal.

In order to bring the FTP budget up to current 2008-2009 levels, an increase of 6.3% to the FTP budget would be required. This equates to US\$ 11.5 million. Of this amount, US\$ 7.75 million represents the cost increase for FTPs funded from PAHO regular budget, or approximately 67% of all RB-funded FTPs. The budget increase, therefore, does not consider the remaining 33% of FTPs that are funded from the WHO regular budget (AMRO share). Thus, the increase proposed for PAHO assessed contributions is US\$ 7.75 million, or 4.3%, compared with the 2008-2009 biennium.

Assessed Contributions:

Given that the cost increase of the proposed reduced level of FTPs is known to be \$11.5 million, the regular budget available for interventions is impacted differently depending on the level of increase to assessed contributions that is accepted. The following three scenarios illustrate this impact using assessed contribution increase rates of 6.3%, 4.3% and 0% increase.

In addition, the added impact of the application of the Regional Program Budget Policy (RPBP) on the regional level is noted in each scenario. The RPBP calls for an increase in the level of funding to countries and subregions, while reducing the regional level. The 2010-2011 biennium is the third consecutive biennium in which this takes place. In all scenarios, the proposed funding from miscellaneous income (\$20 million) and the AMRO share (\$80.7 million) remain constant.

Scenario A presents an increase in the assessed contributions of 6.3%. 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 be increased by 1.8%, overall, compared to the 2008-2009 biennium. With the application of the Regional Program Budget Policy, the regional level would be reduced by approximately 18% on average.

Regular Budget Proposal for 2010-2011				
Scenario A:				
In thousands of U.S. dollars				
	2008-2009	Change	2010-2011	Percentage
	\$	\$	\$	%
<u>To be financed from:</u>				
Assessed Contributions	180,066	11,434	191,500	6.3%
Miscellaneous Income	17,500	2,500	20,000	14.3%
WHO/AMRO (Proposed to WHA)	81,501	(801)	80,700	-1.0%
Total	279,067	13,133	292,200	4.7%
<u>By Major Components:</u>				
FTP budget	182,800	11,500	194,300	6.3%
Non-FTP budget	91,267	1,633	92,900	1.8%
Retirees' Health Insurance	5,000	-	5,000	0.0%
Total	279,067	13,133	292,200	4.7%

Scenario B presents an increase in the assessed contributions of 4.3%. 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 2.2%, overall, compared to the 2008-2009 biennium. With the application of the Regional Program Budget Policy, the regional level would be reduced by approximately 25% on average.

Regular Budget Proposal for 2010-2011				
Scenario B:				
In thousands of U.S. dollars				
	2008-2009	Change	2010-2011	Percentage
	\$	\$	\$	%
<u>To be financed from:</u>				
Assessed Contributions	180,066	7,750	187,816	4.3%
Miscellaneous Income	17,500	2,500	20,000	14.3%
WHO/AMRO (Proposed to WHA)	81,501	(801)	80,700	-1.0%
Total	279,067	9,449	288,516	3.4%
<u>By Major Components:</u>				
FTP budget	182,800	11,500	194,300	6.3%
Non-FTP budget	91,267	(2,051)	89,216	-2.2%
Retirees' Health Insurance	5,000	-	5,000	0.0%
Total	279,067	9,449	288,516	3.4%

Scenario C presents no increase in the assessed contributions. Maintaining the assessed contributions with no increase, 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 10.7%, overall, compared to the 2008-2009 biennium. With the application of the Regional Program Budget Policy, the regional level would be reduced by approximately 34% on average.

Regular Budget Proposal for 2010-2011				
Scenario C:				
In thousand of U.S. dollars				
	2008-2009	Change	2010-2011	Percentage
	\$	\$	\$	%
<u>To be financed from:</u>				
Assessed Contributions	180,066	-	180,066	0.0%
Miscellaneous Income	17,500	2,500	20,000	14.3%
WHO/AMRO (Proposed to WHA)	81,501	(801)	80,700	-1.0%
Total	279,067	1,699	280,766	0.6%
<u>By Major Cost type:</u>				
FTP budget	182,800	11,500	194,300	6.3%
Non-FTP budget	91,267	(9,801)	81,466	-10.7%
Retirees' Health Insurance	5,000	-	5,000	0.0%
Total	279,067	1,699	280,766	0.6%

It is clear from these tables that a decrease of the non-FTP budget impacts the level of PASB technical cooperation delivery.

Illustration of the Combined Effect of Assessment Increases and the Application of the Regional Program Budget Policy in Countries:

At the SPBA, several Member States requested to see the country-specific impact of an assessed contributions increase as compared with the added level of regular budget allocation to countries due to the overall regular budget increase as well as to the increase share of the budget as a result of the RPBP. Three tables have been developed showing this comparison given the three different scenarios presented to the SPBA. Annex 1 presents the scenario with a 6.3% increase in the assessed contribution; Annex 2 presents the scenario with a 4.3% increase in the assessed contribution; and Annex 3 presents the scenario with no assessed contribution increase.

The columns for the Application of the Regional Program Budget Policy represents the comparison of the budget from 2008-2009 and 2010-2011 that will be distributed to the countries once the budget is approved. The difference from 2008-2009 to 2010-2011 is attributable to (1) the increase in the overall level of the Program and Budget, (2) the change in the total share of the budget going to the country level (which for 2010-2011 is 40%) and (3) the change in each country's share of the total country allocation.

The net effect of consolidating the assessed contribution increase and the increased share of the budget to the country level, due to the Regional Program Budget Policy, will result, in most cases, in a net increase in their budget allocations.

As a reference, Annex 4 shows the Phase-in Schedule of the three biennia of the RPBP as approved by the 45th Directing Council with resolution CD45.R6.

II. EXPECTED NEGATIVE PROGRAMMATIC IMPACT IN PAHO'S TECHNICAL COOPERATION

Under either scenario C and to a lesser extent scenario B, there will be a negative programmatic impact on the delivery of PAHO/WHO's technical cooperation. This includes putting at risk the viability or continuation of several technical cooperation initiatives and respective strategic objectives (SOs) that depend largely on regular budget resources at the regional level. Entity managers from the regional level have indicated the possible negative impacts if the non-FTP budget is reduced, as shown in the Table below. If the shortfall occurs a prioritization exercise will be conducted to determine which of them will be suspended.

Prioritization	SO	Expected Programmatic Impact in PAHO Technical Cooperation at the Regional Level
1	SO4	<ul style="list-style-type: none"> The Latin American Center for Perinatology (CLAP), responsible for maternal mortality reduction, would eliminate activities in Policies and Plans, and Networks and Partnerships, and would also drastically reduce its activities in the development of Norms and Standards. This would be accompanied by personnel reductions, including administrative manpower. The Center would only be able to carry out intramural work. Activities in: (i) the Strategy and Action Plan to improve the Health of Adolescents and Young Adults; (ii) prevention of teenage pregnancy; and (iii) Strategy and Neonatal Health Action Plan—projected to be implemented in the Region—would only be implemented in priority countries: El Salvador, Panama, and high-impact countries. Serious restrictions are expected in the provision of technical cooperation for the implementation of WHO's New Standards for Child Growth. The number of countries receiving support would be reduced by half. In addition, technical cooperation to revitalize the regional initiative of friendly hospitals for neonates would be curtailed. Community IMCI activities (within the context of primary health care) and clinical IMCI, including activities with universities, will be seriously affected by this budgetary reduction. The achievement of the RER 4.5.1 and 4.5.2 indicators and milestones in the countries enrolled (17) will be at risk. Reduction by about half of the countries supported by PAHO/WHO to achieve the MDG 4 by 2015.
2	SO1	<ul style="list-style-type: none"> The reduction of RB funds would affect: (i) documentation and dissemination of good practices in Immunization in 3 languages (English, French, and Spanish); (ii) the distribution of the EPI Bulletin to immunization programs at the global level; (iii) the strengthening of the technical capability in Member States to improve projections of vaccine and syringe requirements purchased through the Revolving Fund. These are activities for which the PASB Program on Immunizations does not have the financial support of voluntary contributions. For this reason the Program on Immunizations has identified, as a starting point for this technical cooperation, the use of regular funds so as to show potential donors the importance of supporting this activity.
3	SO2	<ul style="list-style-type: none"> Analysis pending
4	SO3	<ul style="list-style-type: none"> Chronic diseases, injuries and mental health represent some 70%-80% of the burden of ill health in the countries of the region, and most of the avoidable health care expenditure. A reduction in budget would harm the Technical Cooperation programs of surveillance, training, prevention and control of chronic diseases at a time when requests and demands for support from Member States are increasing rapidly.
5	SO7	<ul style="list-style-type: none"> Gender & Ethnicity Analysis and Responsive Action: Lack of budget will compromise mainstreaming efforts at all levels of the organization, especially the needed expansion of technical collaboration to key partners at country and subregional levels. Social Determinants of Health: implementation of the recommendations of the Commission on Social Determinants of Health (CSDH) will slow down. This will affect countries commitment to comply with the three overarching recommendations: <ol style="list-style-type: none"> 1. Improve daily living conditions;

Prioritization	SO	Expected Programmatic Impact in PAHO Technical Cooperation at the Regional Level
		<p>2. Tackle the inequitable distribution of power, money, and resources; and 3. Measure and understand the problem and assess the impact of action.</p> <ul style="list-style-type: none"> • Millennium Development Goals: Technical cooperation of the MDGs will slow down, in particular the progress of the Faces, Places and Voices initiative which addresses the needs of the most marginalized communities.
6	SO13	<ul style="list-style-type: none"> • Continuity of the Leaders in International Health Program would be compromised. • The Virtual Campus in Public Health would reduce current coverage. • Technical cooperation for National Health Development Plans in Central America would be reduced.
7	SO10	<ul style="list-style-type: none"> • Countries technical cooperation for the implementation of productive management of the health services (PERC) will be compromised.
8	SO8	<ul style="list-style-type: none"> • Workers Health: Will affect technical cooperation in the area of workers' health and protection in their work place, including hospitals and health centers. This will jeopardize the effective response by health workers in future epidemics, as evidence demonstrates. • Climate Change: There will be a need to reduce targets of regional plan. • Water and Sanitation: The promotion of health safety plans as well as the strategy on water quality will be slowed down.
9	SO6	<ul style="list-style-type: none"> • Health Promotion & Healthy Schools: Slow down in the community work that is currently addressing prevention, which in turn will have a long-term impact on populations in terms of their health. • Tobacco: Decrease in the work currently being carried out to strengthen the implementation of the Framework Convention on Tobacco Control (WHO FCTC). This will affect the countries' current plan of action and continue to harm the health of the people in the Americas. • Risk Factors and Chronic Diseases: Technical cooperation on risk factor surveillance would be reduced from its already very limited level. • Alcohol and Substance Abuse: Technical cooperation activities in this area are already very limited due to shortage of funds, particularly in substance abuse. In response to this situation, other organizations have taken PAHO's role. Considering that additional technical personnel are needed in this area, the lack of funding will further slow down PAHO's technical cooperation.
10	SO14	<ul style="list-style-type: none"> • Continuity of the National Health Accounts (NHA) program would be affected as there will be difficulties in providing technical cooperation for their implementation. • Technical cooperation in the strengthening of Health Economic Units will be negatively affected.
11	SO11	<ul style="list-style-type: none"> • The Regional and Country Health Core Data Initiative and the Country Profiles will suffer as there will be severe limitation in the technical cooperation that can be provided to countries. While it is expected that the Research Policy of the Organization will be approved by the Governing Bodies, there will be less capacity of implementation.
12	SO12	<ul style="list-style-type: none"> • Technical cooperation on the fundamental topics of introduction and access to health technologies will have to be reduced. • Activities on rational use and pharmacovigilance of medicines will have to be reduced.
13	SO5	<ul style="list-style-type: none"> • Emergency Preparedness and Disaster Relief activities readily attract voluntary contributions. Consequently, a small core regular budget for essential managerial and operating expenses is assigned to SO5. Any reduction in regular budget funding to SO5 will negatively impact the effective management of the program.

Prioritization	SO	Expected Programmatic Impact in PAHO Technical Cooperation at the Regional Level
14	SO9	<ul style="list-style-type: none">• The implementation of the Pan American Partnership for Nutrition and Development for the Achievement of MDGs would be affected.• Support to Member States concerning the strengthening of prevention and control of micronutrient deficiency programs would only be provided to 4 out of 8 countries.

III. PASB EFFORTS TO IMPROVE EFFICIENCY AND PRODUCTIVITY

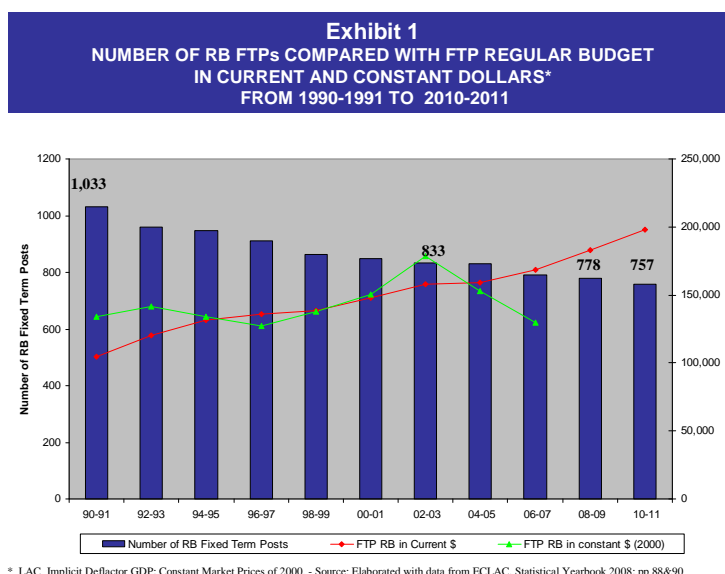
The PASB Workforce and Regular Budget Trends

The PASB workforce is the most critical element to respond effectively to PAHO's Member States to the achievement of Strategic Objectives (SOs) and Region-wide Expected Results (RERs) as set out in the Strategic Plan.

As shown in Exhibit 1, Fixed Term Posts (FTP) funded with PAHO/WHO regular budget decreased 24.7% during the last two decades (blue bars), from 1,033 posts in 1990-1991 to 778 for 2008-2009. In continued efforts to maintain budget discipline, a further reduction of 21 posts in the Program and Budget 2010-2011 is proposed, for a total of 757 posts. Although the fixed-term post budget curve in current dollars¹ (red curve) shows a steady increasing trend, the FTP budget in constant dollars² reached a peak in the 2002-2003 biennium and has now declined to the same level of the 1990-1991 biennium. The decrease between the years 2002-2007 is of 17.5%. If this trend continues, additional funds will be needed in the incoming biennia to maintain the minimum required workforce.

In spite of PASB's efforts in containing staff expenditures, as shown by the constant decline in the number of FTPs funded with PAHO/WHO regular budget, in the past two decades the budget in current dollars continues increasing (red curve). See Exhibit 1.

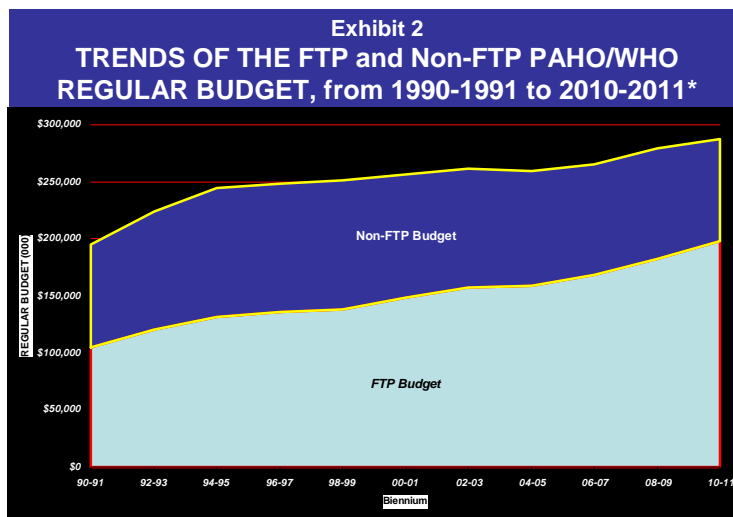
It should be noted that the Economic Commission for Latin America and the Caribbean (ECLAC) deflator for the Region as a whole was used in the calculation. This statistic is based on a macro "basket" view of the behavior of Latin America economies versus the U.S. dollar. However, the mix of locations and currencies of PAHO's operations, suggests that the effect of the loss of purchasing power of the Organization's budget is even more dramatic, but in order to use referenced evidence, it was decided to keep the ECLAC deflator.



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

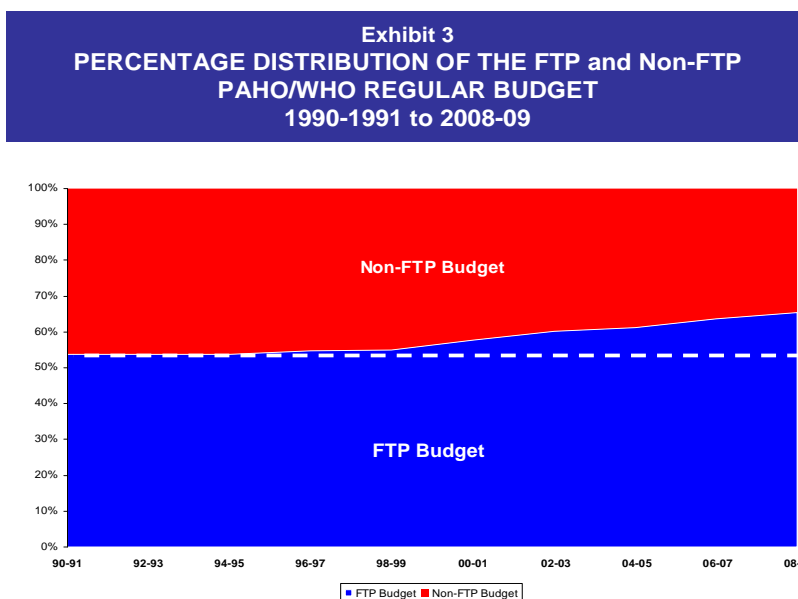
¹ Refers to the use of actual prices and costs.

² The term Constant dollars refer to a metric for valuing the price in dollars of something over time, with adjustment for inflation or deflation.



The non-FTP budget in the last two biennia (2006-2007/2008-2009) has remained under US\$ 97 million in current prices while the FTP budget increased by US\$ 14 million dollars. This trend continues in the proposed amounts for the biennium 2010-2011.

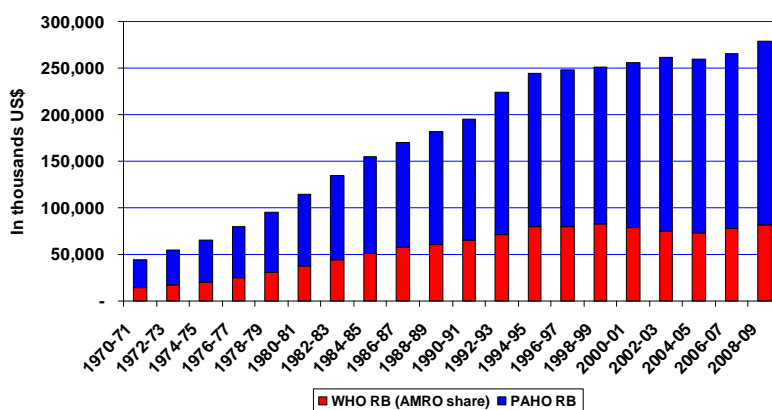
Exhibit 3 shows the same information but expressed in percentages. Non-FTP budget has decreased from 46% in 1990-1991 to 35% in 2008-2009, and the FTP budget has increased from 54% to 65% in the same period. This represents a shift in the allocation of resources in the past two decades, from a ratio of 54/46 of FTP to non-FTP in 1990-1991 to 65/35 in 2008-2009 (FTP budget/non-FTP budget).



Trends in PAHO/WHO Regular Budget Funding

Since 1994-1995, increases due to inflation have outpaced nominal budget increases. While FTP costs have continued to increase, non-FTP budget have been reduced in both constant and current terms, resulting in a significant loss in purchasing power for technical cooperation during that period. Furthermore, in the past 15 years, the AMRO share³ has proportionally decreased as a percentage of the total PAHO/WHO regular budget. Exhibit 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 AMRO/WHO share of total regular budget has decreased from 33% in 1994-1995 to 29.2% in 2008-2009.

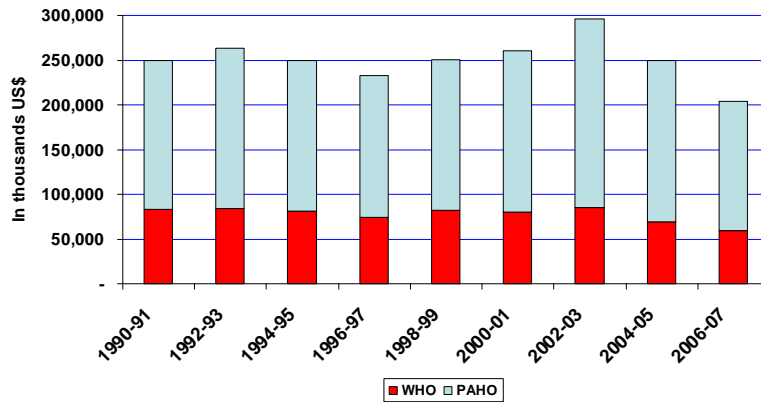
Exhibit 4
HISTORY OF THE PAHO VS. WHO (AMRO share) REGULAR BUDGETS
IN CURRENT DOLLARS
1970-1971 / 2008-2009 BIENNIA



Although there has been an increase in the PAHO/WHO regular budget in current dollars, Exhibit 5 shows how the regular budget has reduced its purchasing power capacity by 18% in constant 2000 U.S. dollars prices (equivalent to 45.5 million). WHO funding remained relatively unchanged during the period 1990-2003, and shows a steady decrease in the biennia 2004-2005 and 2006-2007.

³ Portion of the WHO regular budget approved by the World Health Assembly for the Region of the Americas.

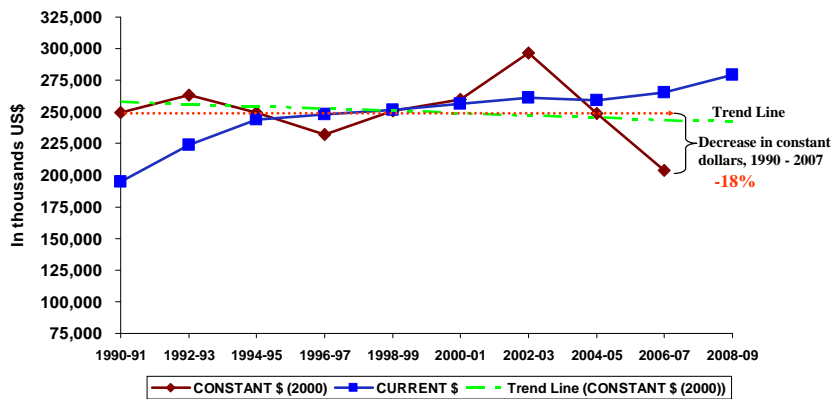
Exhibit 5
HISTORY OF THE PAHO vs. WHO REGULAR BUDGETS IN CONSTANT DOLLARS *
1990-1991 / 2006-2007 BIENNIA



* Using 2000 constant dollars. LAC Implicit Deflator. Implicit Deflator GDP; Constant Market Prices of 2000. - Source: Elaborated with data from ECLAC. Statistical Yearbook 2008; pp 88&90

There has been a growth in PAHO/WHO's regular budget in current dollars, however the trend in constant dollars has decreased. The observed reduction in constant dollars is estimated in about 18% in the period 1990-2007 as shown in Exhibit 6.

Exhibit 6
PAHO/WHO REGULAR BUDGET IN CURRENT DOLLARS COMPARED TO 2000 CONSTANT DOLLARS
1990-1991 / 2008-2009



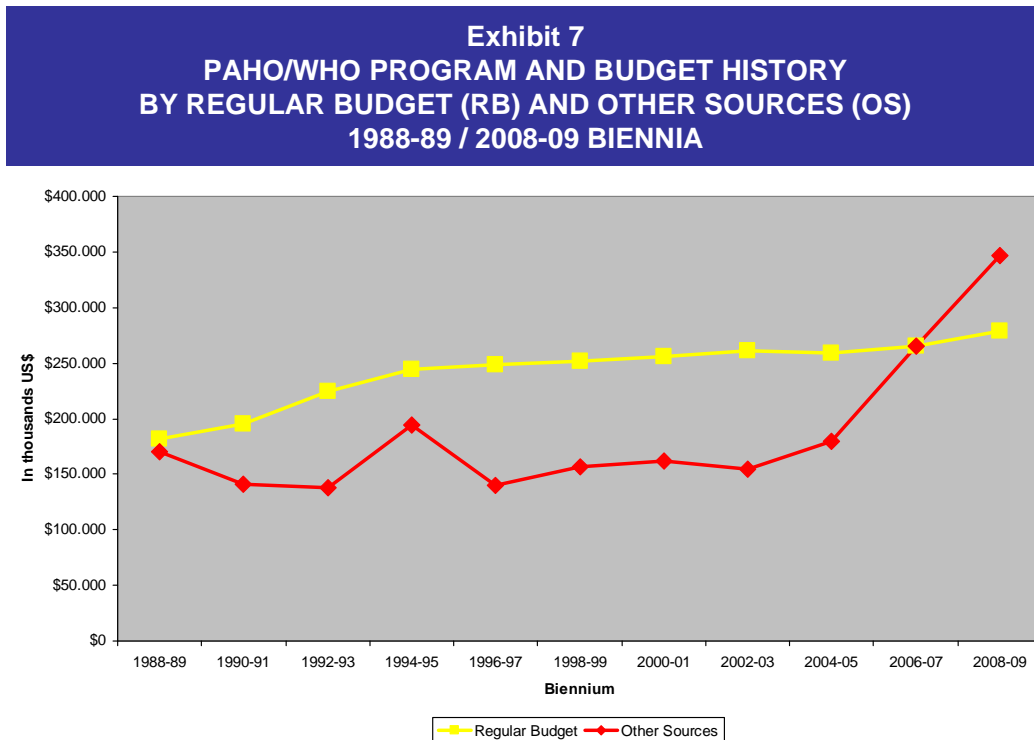
Source: Elaborated with data from ECLAC, Statistical Yearbook 2008; pp 88&90

PAHO/WHO Total Program and Budget Trend

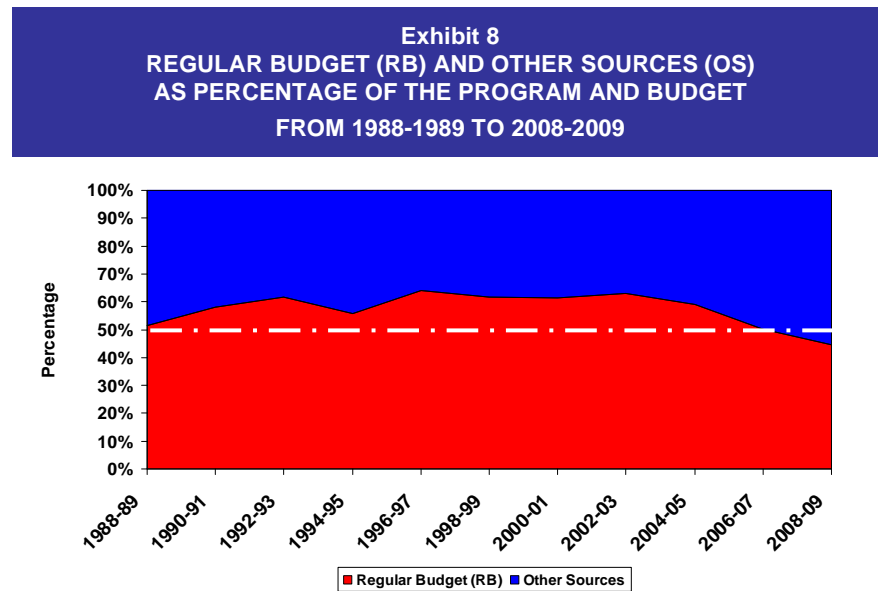
The three main sources of funding of the Organization are as follows:

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

In this respect, Exhibit 7 shows that for many years Other Sources (OS) were lower than RB resources. However, since 2002-2003 OS (mainly voluntary contributions) have increased steadily. In 2006-2007, OS was almost equal to RB and in 2008-2009 they surpassed RB by US\$ 67.9 million. While the additional resources are needed, the high proportion of OS poses a challenge to ensure that these funds are used following PAHO Member States defined priorities. Part IV, "PASB efforts to improve corporate programmatic performance" addresses PASB efforts in this regard.



The OS/RB ratio has evolved from 50/50% in 1988-1989 to 55/45% in the biennium 2008-2009 as shown in Exhibit 8.



Workforce: Efficiency and Productivity

The total workforce of PASB measured as Full Time Equivalent (FTE) is composed of both fixed-term posts funded with RB and OS, and all other personnel hired through different types of mechanisms (e.g., short-term professionals, short term consultants, personnel assigned by ministries of health, personnel hired through temporary staffing agencies, etc.). For comparison purposes, the full time equivalent (FTE) concept is useful.

Exhibit 9 shows that the total workforce has been decreasing during the period from 1990 to 2009. It is noticeable 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 275 FTPs has occurred in FTPs funded by the RB and OS. A total FTEs reduction of 254 occurred in the same period. Thus, the brunt of the reduction is in the FTPs.

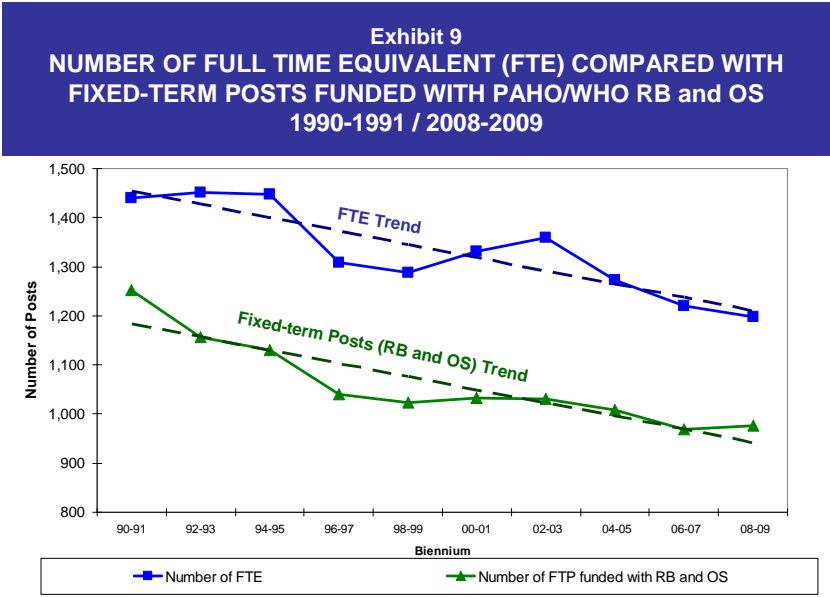
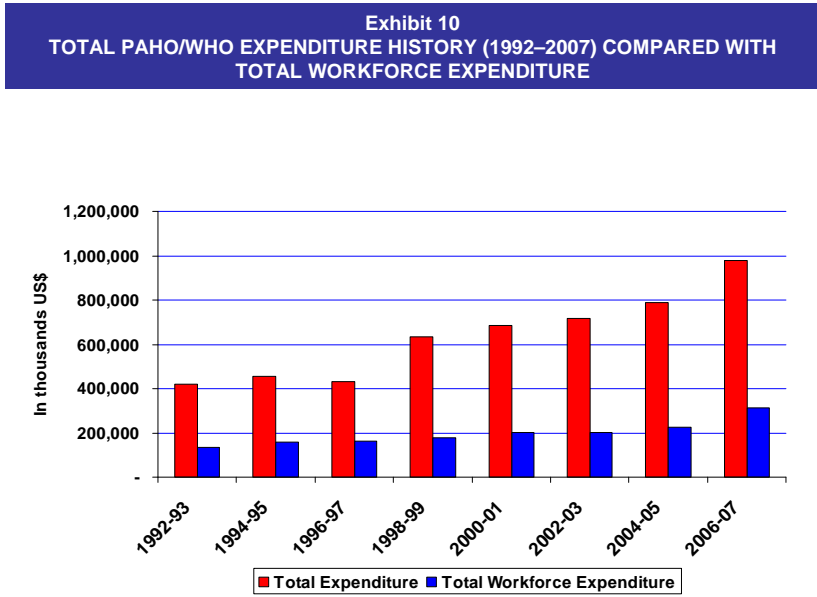
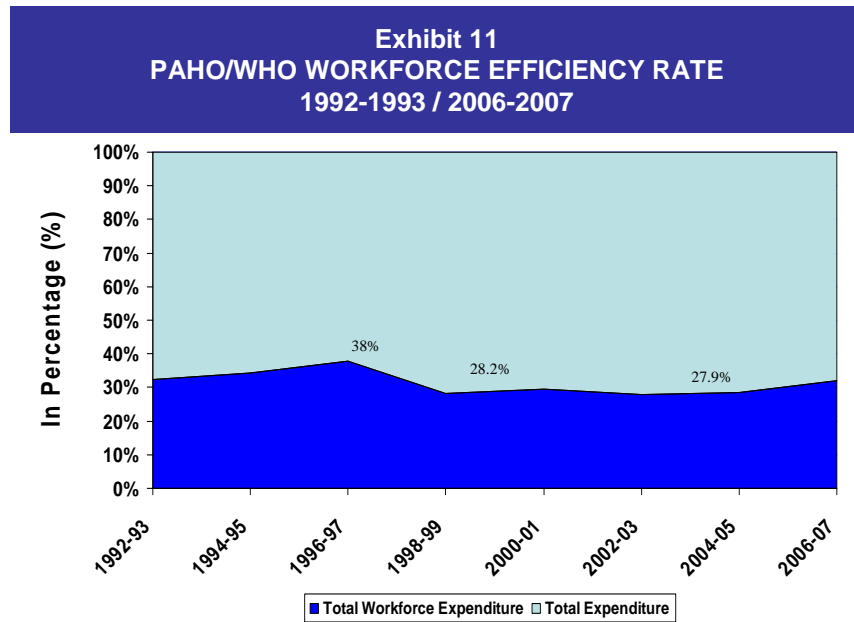


Exhibit 10 compares the workforce expenditures with the total PAHO/WHO expenditures during the period 1992-2007.



In spite of the reduction of the total workforce, PASB has been able to maintain a fairly stable **efficiency** rate (workforce expenditure expressed as percentage of total expenditures) during the period 1992-2009, as

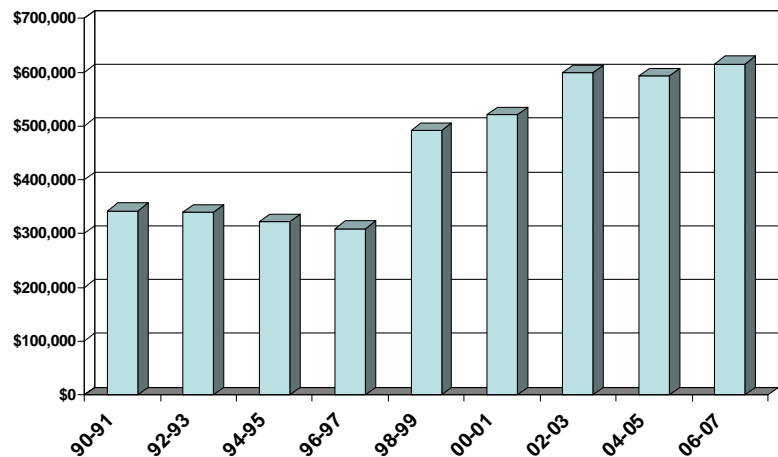
observed in Exhibit 11 reaching the lowest point (27.9%) in the 2004-2005 biennium. However, starting in 2006-2007, the curve shows a slight increase, which indicates a moderate reduction in the efficiency gains obtained from 1996-1997 to date. This may indicate that further reductions in the fixed term post may not result in overall efficiency improvements.



Workforce **productivity** (measured here, as the total PAHO/WHO expenditure per year (gross output) in constant dollars per full-time equivalent person)⁴ has increased (Exhibit 12). Although FTEs have been decreasing overtime (Exhibit 9), staff productivity has increased from US\$ 342,575 per FTE in 1990-1991 to US\$ 615,288 per FTE in 2006-2007 in 2000 constant dollars; this is a 79% increase in productivity in nearly two decades. A significant increase in productivity can be seen since 1998-1999 biennium, reflecting the significant level of non-project expenditure (all other expenditures not included in the Program and Budget) managed by the PASB.

⁴ 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).

**Exhibit 12
PRODUCTIVITY
PAHO/WHO TOTAL EXPENDITURE PER FULL TIME EQUIVALENT *
1990-1991 / 2006-2007**



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

IV. PASB EFFORTS TO IMPROVE CORPORATE PROGRAMMATIC PERFORMANCE

The Governing Bodies of PAHO have requested that resource considerations be centered upon programmatic performance—and not just as a budgetary issue—an important feature in the RBM framework. With this in mind, the Bureau has created a performance and monitoring assessment process (PMA) to be able to measure and assess programmatic progress and related resources utilization. These efforts will be affected if the knowledge base required for analysis is reduced. The knowledge base is provided by stable and full time personnel (FTP) that are also involved in the planning process, as RBM intimately links design, implementation and evaluation with its associated resource needs. It is difficult to envision an alternative approach to this process.

The Performance Monitoring and Assessment (PMA) mechanism provides information about the results chain and targets at the corporate and entity level of the PASB as established in the Strategic Plan 2008-2012, Program and Budget 2008-2009, and the respective biennial workplans (BWPs). The system allows for corporate as well as entity analysis, combines programmatic and resource implementation assessments, and also facilitates special topics reviews. Progress is measured by a combination of system generated data (like number of milestones achieved) and managerial assessments that take into consideration that data, but also rate the overall progress and likelihood of achieving expected results.

Although work is still in progress, the following illustrates the use of the PMA utilizing the assessment exercise of December 2008.

During this exercise, the full 79⁵ PASB entities were assessed. 2,439 OSER and 4,681 OSER indicators and milestones were analyzed by entity managers and teams, as well as peer review teams.

⁵ Since December 2008 the number of Entities has been reduced to 77 by mergers

Progress towards the achievement of SO

Exhibit 13 provides information on the SOs performance for the first and second semester as assessed by the SO Facilitators. The table shows that implementation of the Strategic Plan progressed from six SOs (38%) rated as "on track" (green) to 11 SO (68%) in the second semester. At this stage of the monitoring and assessment, there were no SO rated as "in trouble" (red). Yellow is considered "at risk".

Exhibit 13		
Performance Monitoring and Assessment as Rated by SO Facilitator, Nov 24, 2008		
SO	Semester	
	First	Second
S01	Yellow	Yellow
S02	Yellow	Yellow
S03	Yellow	Yellow
S04	Green	Green
S05	Green	Green
S06	Yellow	Yellow
S07	Green	Green
S08	Green	Green
S09	Yellow	Green
S010	Green	Green
S011	Yellow	Green
S012	Yellow	Yellow
S013	Yellow	Green
S014	Yellow	Green
S015	Green	Green
S016	Yellow	Green
PAHO	Yellow	Green

Milestones Performance Assessment

Milestones are verifiable events conducive to assess progress towards achievement of Office-Specific Expected Results (OSER) indicators. As shown on Exhibit 14, 4,681 milestones were assessed during the second semester of 2008, of which 88% were achieved, an 18% increase over the previous semester (4,553 and only 70% achieved).⁶

Exhibit 14		
Milestone Performance Assessment by Semester in 2008		
	Semester	
	First (June 30)	Second (November 24)
Milestones Assessed	4,553	4,681
Percentage achieved	70%	88%

Financial Implementation

Based on the last two biennia, the average historical biennial implementation rate (disbursements divided by total allocation of resources) of the Organization has been 79% at the end of the biennium. At the end of the second semester of the 2008-2009 biennium, a total implementation rate of 49% has been achieved which indicates that the PASB is implementing at an appropriate pace (Exhibit 15). If this implementation rate continues, the average biennial implementation rate is expected to be achieved. The lag in the biennial implementation rate of other sources is to be expected particularly for voluntary contributions, as the timing of these resources seldom coincides with the fiscal year.

Exhibit 15		
Financial Implementation*		
Type of Funding	2008-2009 Mid-Term Implementation Rate	Historical end-of- Term Average Implementation Rate **
Regular Budget	49.9	94.9
Other Sources	42.7	69.4
Total	49.1	79.0

* As of 31 December 2008

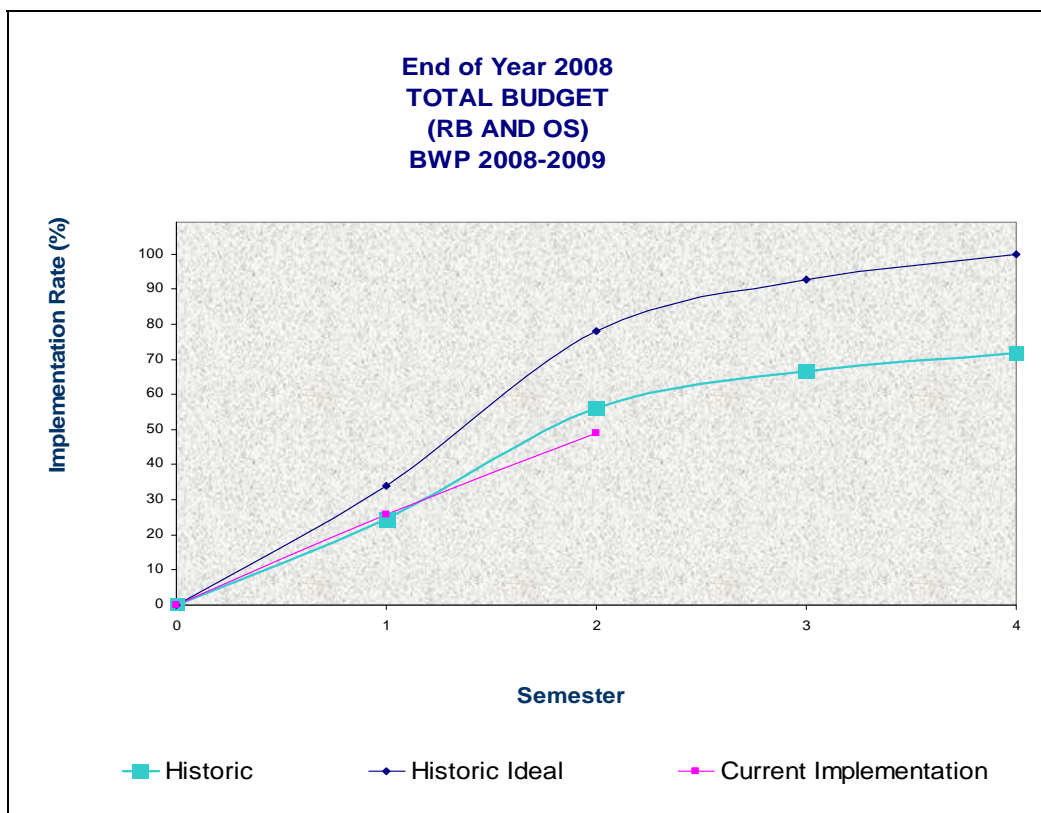
** Includes biennia 2004-2005 and 2006-2007

⁶ The rating used in the PASB is as follows: Red=In Trouble (less than 75% of milestones achieved). Yellow=At risk (between 75-89% of milestones achieved) and Green=On Track (more than 90% of milestones achieved)

PAHO's Total Financial Implementation Rate

As shown in Exhibit 1 below, PAHO's total implementation rate by December 2008, at the mid-term of the 2008-2009 biennium, reached approximately 50%. Although slightly behind the historical implementation rate (average of the last two biennia implementation rate (light blue curve) and the ideal historical implementation rate, dark blue curve), as shown in Exhibit 16, current implementation rate seems to be on track to reach historical implementation rate.

Exhibit 16

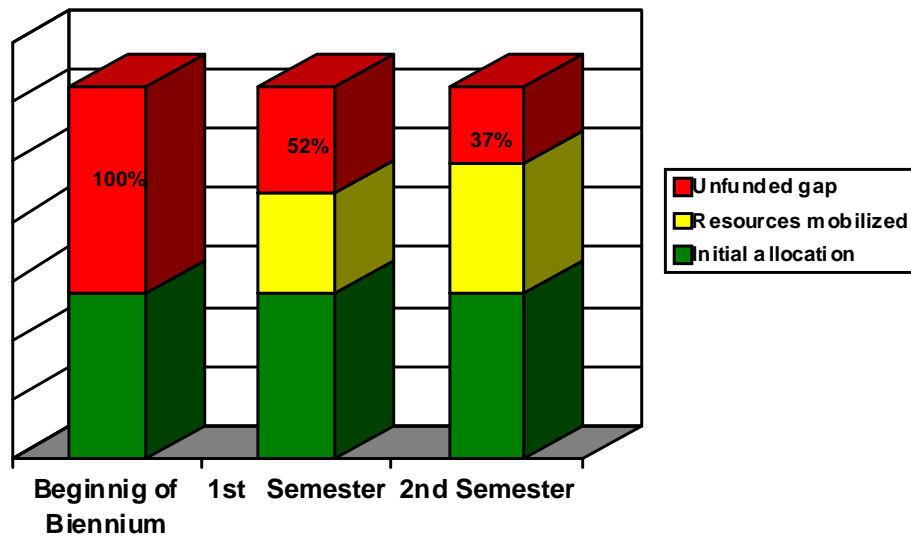


Status of the Unfunded Gap

The unfunded gap is the difference between the planned cost and the total funds allocated (both RB and OS) 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 to a Strategic Objective. This unfunded gap becomes the focus of resource mobilization for the Organization. The precise measurement of the unfunded gap is a work in progress and needs to be reviewed on a regular basis in order to adjust it to the needs and priorities of the PASB, entity or SO.

Exhibit 17 shows how the unfunded gap for the PASB as a whole (corporate level) has evolved through resource mobilization efforts from the beginning of the biennium to the past two semesters. As of December 2008, 43.3% (\$319 Million) remained unfunded.

Exhibit 17
Status of the Unfunded Gap in the PASB as of December 2008
(as a percentage of the initial unfunded gap)



	Beginning of Biennium	1 st Semester	2 nd Semester
Regular Budget:	279,067,000	279,067,000	279,067,000
Resources Mobilized*:	0	167,000,400	218,027,500
Unfunded Gap:	347,000,000	179,999,600	128,972,500
Total Planned Cost:	626,067,000	626,067,000	626,067,000

*Excludes government financed internal projects

The assessments were conducted by peer review teams prior to presentation to the PASB Executive Management at the end of the first and second semesters of the 2008-2009 biennium. During the second semester, several entities showed improvement in the quality of their milestones and made adjustments to their modus operandi to improve their level of achievement of milestones, based on the results and recommendations of the first semester assessment exercise.

CONCLUSIONS

PASB's continued effort to "do more with less" may affect programmatic implementation, possibly compromising the quality of its services which could lead to a detriment of institutional knowledge base quality of technical cooperation, appropriate controls, and accountability.

The total workforce measured by full time equivalents (FTE) has been decreasing during the period from 1990 to 2009. The analysis of the efficiency curve shows that it is unlikely that further improvements in efficiency will be gained if the workforce continues decreasing, but rather the PASB may have reached the point where no further reduction in the workforce is possible without affecting technical cooperation delivery.

The analysis also shows that productivity of the workforce has increased. However, if the trend in the reduction of the workforce continues, there is a risk that productivity may also be compromised as well as the quality of technical cooperation that is based on results (RBM).

The reduction in FTPs raises an additional concern for the Organization since its core functions cannot be delegated to personnel contracted through less permanent mechanisms because of the high personnel turnover associated with those types of contracts. This aspect presents a long term risk against the institutional commitments and mission of the PASB. On the other hand, a robust core workforce will ensure integrity in the work of the Organization and the management of its resources.

The analysis on financial and programmatic implementation rates observed at the mid-term point of the 2008-2009 biennium indicates that historical implementation rates will be reached and expected results will be achieved.

Based on these analyses, the best scenario for the Organization to ensure continued efficiency and productivity is Scenario A, calling for a 6.3% increase in the assessed contributions. However, in light of the current economic situation, the PASB recommends Scenario B, calling for a 4.3% increase as an acceptable compromise.

Scenario C, maintaining the assessed contributions with no increase, is not recommended. Under this scenario, the Organization's operating budget for non-FTP activities will be decreased by 10.7%, overall, compared to the 2008-2009 biennium. With the application of the Regional Program Budget Policy, the regional level would be reduced by 34% on average.

The following tables illustrate the impact of the Regional Program Budget Policy on the distribution of non-FTP budgets to the three organizational levels of the program and budget under the different scenarios:

Scenario A:

Non-FTP budget	2008-2009	Change	2010-2011	Percentage
	\$	\$	\$	%
Regional	28,426	(3,510)	24,916	-12.35%
Subregional	7,473	1,231	8,704	16.47%
Country	55,367	3,913	59,280	7.07%
Total	91,267	1,633	92,900	1.79%

Scenario B:

Non-FTP budget	2008-2009	Change	2010-2011	Percentage
	\$	\$	\$	%
Regional	28,426	(5,463)	22,963	-19.22%
Subregional	7,473	973	8,446	13.01%
Country	55,367	2,439	57,806	4.41%
Total	91,267	(2,051)	89,216	-2.25%

Scenario C:

Non-FTP budget	2008-2009	Change	2010-2011	Percentage
	\$	\$	\$	%
Regional	28,426	(9,570)	18,856	-33.67%
Subregional	7,473	430	7,904	5.76%
Country	55,367	(661)	54,706	-1.19%
Total	91,267	(9,801)	81,466	-10.74%

Under scenario C, and to a lesser extent under scenario B, there will be a negative programmatic impact on the delivery of PAHO's technical cooperation, particularly at the regional level. This includes putting at risk the viability and/or continuation of several technical cooperation initiatives that depend largely on regular budget resources, such as: Maternal and Child Health activities in CLAP would be severely affected as the Center would only be able to carry out intramural work; coverage for implementation of WHO's New Standards for Child Growth would be reduced by half; immunization efforts in strengthening capacity of Member States to improve projections of EPI vaccine requirements would be reduced; the continuity of the International Health Leadership Program would be jeopardized; reduction of Public Health Virtual Campus coverage will be reduced; technical cooperation for national health development plans in Central America would be reduced; implementation of recommendations from the Commission on the Social Determinants of Health would be reduced; targets for the Action Plan on Climate Change and Health would be reduced; and support to the implementation of the Framework Convention on Tobacco Control would be reduced, to name a few (please refer to part II for full details). In general, regional level interventions in most programmatic areas would be limited only to supporting priority countries.

Efforts in monitoring programmatic and financial performance need to be continued and enhanced in order to fully reflect the RBM approach in PAHO.

ACRONYMS

AMRO	Regional Office for the Americas of the WHO
BWP	Biennial Workplan
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 Expect 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. 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

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 dedicated 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 from direct negotiation 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, etc.

Non Fixed-term posts

PASB personnel hired through any type of 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 (travel, meetings, publications, courses and seminars, general operating expenses, etc.)

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

Unfunded gap

Difference between planned costs to implement a BWP and total funds allocated (both regular budget

and other sources) for a given entity or Strategic Objective (SO) at a given point in time of the planning period.

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: 1-4

**Comparative Tables of Assessed Contributions
and the Application of the Regional Program Budget Policy (RPBP)**

Scenario Analysis

Annex 1
Comparative table of assessed contributions
and the application of the Regional Program Budget Policy
Scenario A (6.3% assessed contribution increase)

Member States	Assessment			Application of RBPB			Net Effect
	2008-2009 Current Scale	2010-2011 New Scale	Difference	2008-2009	2010-2011	Difference	
Antigua and Barbuda	36,013	42,130	6,117	385,000	528,000	143,000	136,883
Argentina	8,819,633	6,149,065	(2,670,568)	3,805,000	3,711,000	(94,000)	2,576,568
Bahamas	126,046	147,455	21,409	1,090,000	954,000	(136,000)	(157,409)
Barbados	144,053	114,900	(29,153)	663,000	643,000	(20,000)	9,153
Belize	54,020	42,130	(11,890)	930,000	804,000	(126,000)	(114,110)
Bolivia	126,046	88,090	(37,956)	5,131,000	5,629,000	498,000	535,956
Brazil	15,388,440	15,229,995	(158,445)	10,314,000	11,603,000	1,289,000	1,447,445
Canada	22,247,154	26,352,315	4,105,161	641,000	563,000	(78,000)	(4,183,161)
Chile	972,356	2,054,795	1,082,439	2,373,000	2,516,000	143,000	(939,439)
Colombia	1,692,620	1,606,685	(85,935)	4,446,000	4,676,000	230,000	315,935
Costa Rica	234,086	358,105	124,019	2,416,000	2,102,000	(314,000)	(438,019)
Cuba	1,314,482	461,515	(852,967)	3,495,000	4,308,000	813,000	1,665,967
Dominica	36,013	42,130	6,117	460,000	586,000	126,000	119,883
Dominican Republic	324,119	394,490	70,371	3,538,000	3,848,000	310,000	239,629
Ecuador	324,119	394,490	70,371	5,579,000	6,743,000	1,164,000	1,093,629
El Salvador	126,046	201,075	75,029	3,207,000	3,377,000	170,000	94,971
France	520,391	553,435	33,044	278,000	368,000	90,000	56,956
Grenada	54,020	42,130	(11,890)	502,000	712,000	210,000	221,890
Guatemala	234,086	358,105	124,019	5,804,000	6,617,000	813,000	688,981
Guyana	36,013	42,130	6,117	2,042,000	2,194,000	152,000	145,883
Haiti	126,046	86,175	(39,871)	5,323,000	5,721,000	398,000	437,871
Honduras	126,046	86,175	(39,871)	4,511,000	5,043,000	532,000	571,871
Jamaica	324,119	235,545	(88,574)	2,448,000	2,137,000	(311,000)	(222,426)
Mexico	10,942,611	15,590,015	4,647,404	6,606,000	6,950,000	344,000	(4,303,404)
Netherlands	162,059	172,350	10,291	289,000	368,000	79,000	68,709
Nicaragua	126,046	86,175	(39,871)	3,837,000	4,515,000	678,000	717,871
Panama	234,086	312,145	78,059	1,871,000	1,631,000	(240,000)	(318,059)
Paraguay	324,119	237,460	(86,659)	3,014,000	3,240,000	226,000	312,659
Peru	738,271	1,058,995	320,724	6,039,000	6,514,000	475,000	154,276
Puerto Rico	199,873	212,565	12,692	192,000	184,000	(8,000)	(20,692)
Saint Kitts and Nevis	36,013	42,130	6,117	353,000	471,000	118,000	111,883
Saint Lucia	54,020	42,130	(11,890)	481,000	689,000	208,000	219,890
Saint Vincent and the Grenadines	36,013	42,130	6,117	460,000	655,000	195,000	188,883
Suriname	126,046	86,175	(39,871)	1,208,000	1,137,000	(71,000)	(31,129)
Trinidad and Tobago	324,119	291,080	(33,039)	1,881,000	1,643,000	(238,000)	(204,961)
United Kingdom	108,040	114,900	6,860	396,000	379,000	(17,000)	(23,860)
United States	107,040,234	113,837,175	6,796,941	353,000	368,000	15,000	(6,781,941)
Uruguay	468,172	346,615	(121,557)	1,400,000	1,356,000	(44,000)	77,557
Venezuela	5,760,311	3,944,900	(1,815,411)	3,784,000	3,653,000	(131,000)	1,684,411
Country Variable	0	0	0	5,341,000	5,744,000	403,000	403,000
	<u>180,066,000</u>	<u>191,500,000</u>	<u>11,434,000</u>	<u>106,886,000</u>	<u>114,880,000</u>	<u>7,994,000</u>	<u>(3,440,000)</u>

Annex 2
Comparative table of assessed contributions
and the application of the Regional Program Budget Policy
Scenario B (4.3% assessed contribution increase)

Member States	Assessment			Application of RBPB			Net Effect
	2008-2009 Current Scale	2010-2011 New Scale	Difference	2008-2009	2010-2011	Difference	
Antigua and Barbuda	36,013	41,320	5,306	385,000	522,000	137,000	131,694
Argentina	8,819,633	6,030,772	(2,788,861)	3,805,000	3,663,000	(142,000)	2,646,861
Bahamas	126,046	144,618	18,572	1,090,000	941,000	(149,000)	(167,572)
Barbados	144,053	112,690	(31,363)	663,000	635,000	(28,000)	3,363
Belize	54,020	41,320	(12,700)	930,000	794,000	(136,000)	(123,300)
Bolivia	126,046	86,395	(39,651)	5,131,000	5,557,000	426,000	465,651
Brazil	15,388,440	14,937,006	(451,434)	10,314,000	11,454,000	1,140,000	1,591,434
Canada	22,247,154	25,845,360	3,598,205	641,000	556,000	(85,000)	(3,683,205)
Chile	972,356	2,015,266	1,042,909	2,373,000	2,484,000	111,000	(931,909)
Colombia	1,692,620	1,575,776	(116,844)	4,446,000	4,616,000	170,000	286,844
Costa Rica	234,086	351,216	117,130	2,416,000	2,075,000	(341,000)	(458,130)
Cuba	1,314,482	452,637	(861,845)	3,495,000	4,253,000	758,000	1,619,845
Dominica	36,013	41,320	5,306	460,000	578,000	118,000	112,694
Dominican Republic	324,119	386,901	62,782	3,538,000	3,799,000	261,000	198,218
Ecuador	324,119	386,901	62,782	5,579,000	6,657,000	1,078,000	1,015,218
El Salvador	126,046	197,207	71,161	3,207,000	3,334,000	127,000	55,839
France	520,391	542,788	22,397	278,000	363,000	85,000	62,603
Grenada	54,020	41,320	(12,700)	502,000	703,000	201,000	213,700
Guatemala	234,086	351,216	117,130	5,804,000	6,532,000	728,000	610,870
Guyana	36,013	41,320	5,306	2,042,000	2,166,000	124,000	118,694
Haiti	126,046	84,517	(41,529)	5,323,000	5,648,000	325,000	366,529
Honduras	126,046	84,517	(41,529)	4,511,000	4,979,000	468,000	509,529
Jamaica	324,119	231,014	(93,105)	2,448,000	2,109,000	(339,000)	(245,895)
Mexico	10,942,611	15,290,101	4,347,490	6,606,000	6,861,000	255,000	(4,092,490)
Netherlands	162,059	169,034	6,975	289,000	363,000	74,000	67,025
Nicaragua	126,046	84,517	(41,529)	3,837,000	4,457,000	620,000	661,529
Panama	234,086	306,140	72,054	1,871,000	1,610,000	(261,000)	(333,054)
Paraguay	324,119	232,892	(91,227)	3,014,000	3,198,000	184,000	275,227
Peru	738,271	1,038,622	300,352	6,039,000	6,430,000	391,000	90,648
Puerto Rico	199,873	208,476	8,603	192,000	181,000	(11,000)	(19,603)
Saint Kitts and Nevis	36,013	41,320	5,306	353,000	465,000	112,000	106,694
Saint Lucia	54,020	41,320	(12,700)	481,000	680,000	199,000	211,700
Saint Vincent and the Grenadines	36,013	41,320	5,306	460,000	646,000	186,000	180,694
Suriname	126,046	84,517	(41,529)	1,208,000	1,123,000	(85,000)	(43,471)
Trinidad and Tobago	324,119	285,480	(38,638)	1,881,000	1,622,000	(259,000)	(220,362)
United Kingdom	108,040	112,690	4,650	396,000	374,000	(22,000)	(26,650)
United States	107,040,234	111,647,221	4,606,988	353,000	363,000	10,000	(4,596,988)
Uruguay	468,172	339,947	(128,225)	1,400,000	1,338,000	(62,000)	66,225
Venezuela	5,760,311	3,869,010	(1,891,302)	3,784,000	3,606,000	(178,000)	1,713,302
Country Variable	0	0	0	5,341,000	5,671,000	330,000	330,000
	<u>180,066,000</u>	<u>187,816,000</u>	<u>7,750,000</u>	<u>106,886,000</u>	<u>113,406,000</u>	<u>6,520,000</u>	<u>(1,230,000)</u>

Annex 3
Comparative table of assessed contributions
and the application of the Regional Program Budget Policy
Scenario C (0% assessed contribution increase)

Member States	Assessment			Application of RBPB			Net Effect
	2008-2009 Current Scale	2010-2011 New Scale	Difference	2008-2009	2010-2011	Difference	
Antigua and Barbuda	36,013	39,615	3,601	385,000	507,000	122,000	118,399
Argentina	8,819,633	5,781,919	(3,037,713)	3,805,000	3,563,000	(242,000)	2,795,713
Bahamas	126,046	138,651	12,605	1,090,000	916,000	(174,000)	(186,605)
Barbados	144,053	108,040	(36,013)	663,000	618,000	(45,000)	(8,987)
Belize	54,020	39,615	(14,405)	930,000	772,000	(158,000)	(143,595)
Bolivia	126,046	82,830	(43,216)	5,131,000	5,405,000	274,000	317,216
Brazil	15,388,440	14,320,649	(1,067,791)	10,314,000	11,141,000	827,000	1,894,791
Canada	22,247,154	24,778,882	2,531,728	641,000	540,000	(101,000)	(2,632,728)
Chile	972,356	1,932,108	959,752	2,373,000	2,416,000	43,000	(916,752)
Colombia	1,692,620	1,510,754	(181,867)	4,446,000	4,489,000	43,000	224,867
Costa Rica	234,086	336,723	102,638	2,416,000	2,019,000	(397,000)	(499,638)
Cuba	1,314,482	433,959	(880,523)	3,495,000	4,136,000	641,000	1,521,523
Dominica	36,013	39,615	3,601	460,000	563,000	103,000	99,399
Dominican Republic	324,119	370,936	46,817	3,538,000	3,695,000	157,000	110,183
Ecuador	324,119	370,936	46,817	5,579,000	6,475,000	896,000	849,183
El Salvador	126,046	189,069	63,023	3,207,000	3,243,000	36,000	(27,023)
France	520,391	520,391	0	278,000	353,000	75,000	75,000
Grenada	54,020	39,615	(14,405)	502,000	684,000	182,000	196,405
Guatemala	234,086	336,723	102,638	5,804,000	6,354,000	550,000	447,362
Guyana	36,013	39,615	3,601	2,042,000	2,107,000	65,000	61,399
Haiti	126,046	81,030	(45,017)	5,323,000	5,493,000	170,000	215,017
Honduras	126,046	81,030	(45,017)	4,511,000	4,842,000	331,000	376,017
Jamaica	324,119	221,481	(102,638)	2,448,000	2,052,000	(396,000)	(293,362)
Mexico	10,942,611	14,659,173	3,716,562	6,606,000	6,674,000	68,000	(3,648,562)
Netherlands	162,059	162,059	0	289,000	353,000	64,000	64,000
Nicaragua	126,046	81,030	(45,017)	3,837,000	4,335,000	498,000	543,017
Panama	234,086	293,508	59,422	1,871,000	1,566,000	(305,000)	(364,422)
Paraguay	324,119	223,282	(100,837)	3,014,000	3,111,000	97,000	197,837
Peru	738,271	995,765	257,494	6,039,000	6,254,000	215,000	(42,494)
Puerto Rico	199,873	199,873	0	192,000	176,000	(16,000)	(16,000)
Saint Kitts and Nevis	36,013	39,615	3,601	353,000	452,000	99,000	95,399
Saint Lucia	54,020	39,615	(14,405)	481,000	662,000	181,000	195,405
Saint Vincent and the Grenadines	36,013	39,615	3,601	460,000	629,000	169,000	165,399
Suriname	126,046	81,030	(45,017)	1,208,000	1,092,000	(116,000)	(70,984)
Trinidad and Tobago	324,119	273,700	(50,418)	1,881,000	1,577,000	(304,000)	(253,582)
United Kingdom	108,040	108,040	0	396,000	364,000	(32,000)	(32,000)
United States	107,040,234	107,040,234	0	353,000	353,000	0	0
Uruguay	468,172	325,919	(142,252)	1,400,000	1,302,000	(98,000)	44,252
Venezuela	5,760,311	3,709,360	(2,050,952)	3,784,000	3,508,000	(276,000)	1,774,952
Country Variable	0	0	0	5,341,000	5,515,000	174,000	174,000
	<u>180,066,000</u>	<u>180,066,000</u>	<u>0</u>	<u>106,886,000</u>	<u>110,306,000</u>	<u>3,420,000</u>	<u>3,420,000</u>

Annex 4
Regional Program Budget Policy: Phase-in Schedule over three Biennia

**Phase-in schedule for the revision of regular budget core country allocations
in accordance with Resolution CD45.R6 on the Regional Program Budget Policy**

	Phase-in period			Total change over 3 biennia
	1st biennium 2006-2007	2nd biennium 2008-2009	3rd biennium 2010-2011	
Antigua and Barbuda	0.26%	0.36%	0.46%	161.68%
Argentina	3.89%	3.56%	3.23%	-22.78%
Bahamas	1.21%	1.02%	0.83%	-40.02%
Barbados	0.67%	0.62%	0.56%	-21.98%
Belize	1.03%	0.87%	0.70%	-40.00%
Bolivia	4.70%	4.80%	4.90%	6.05%
Brazil	9.19%	9.65%	10.10%	14.78%
Canada	0.72%	0.60%	0.49%	-40.05%
Chile	2.26%	2.22%	2.19%	-4.95%
Colombia	4.25%	4.16%	4.07%	-5.83%
Costa Rica	2.69%	2.26%	1.83%	-39.99%
Cuba	2.79%	3.27%	3.75%	57.88%
Dominica	0.34%	0.43%	0.51%	86.05%
Dominican Republic	3.27%	3.31%	3.35%	3.58%
Ecuador	4.58%	5.22%	5.87%	45.94%
El Salvador	3.05%	3.00%	2.94%	-5.31%
France (French Department in the Americas)	0.20%	0.26%	0.32%	108.33%
Grenada	0.31%	0.47%	0.62%	250.90%
Guatemala	5.10%	5.43%	5.76%	19.63%
Guyana	1.91%	1.91%	1.91%	0.00%
Haiti	4.98%	4.98%	4.98%	0.00%
Honduras	4.05%	4.22%	4.39%	12.62%
Jamaica	2.73%	2.29%	1.86%	-40.00%
Mexico	6.31%	6.18%	6.05%	-5.70%
Netherlands (The Netherlands Antilles)	0.23%	0.27%	0.32%	68.54%
Nicaragua	3.25%	3.59%	3.93%	32.78%
Panama	2.09%	1.75%	1.42%	-39.98%
Paraguay	2.82%	2.82%	2.82%	-0.15%
Peru	5.64%	5.65%	5.67%	0.79%
Puerto Rico	0.20%	0.18%	0.16%	-25.00%
Saint Kitts and Nevis	0.25%	0.33%	0.41%	131.74%
Saint Lucia	0.30%	0.45%	0.60%	238.32%
Saint Vincent and the Grenadines	0.30%	0.43%	0.57%	222.16%
Suriname	1.26%	1.13%	0.99%	-27.80%
Trinidad and Tobago	2.09%	1.76%	1.43%	-40.01%
United Kingdom (United Kingdom Overseas Territories)				
<i>Anguilla, the British Virgin Islands, and Montserrat</i>	0.27%	0.24%	0.22%	-26.83%
<i>Bermuda and the Cayman Islands</i>	0.08%	0.07%	0.06%	-26.83%
<i>Turks and Caicos Islands</i>	0.06%	0.06%	0.05%	-26.83%
United States	0.34%	0.33%	0.32%	-10.4%
Uruguay	1.44%	1.31%	1.18%	-23.9%
Venezuela	3.89%	3.54%	3.18%	-24.04%
Country core total	95.00%	95.00%	95.00%	
Country variable	5.00%	5.00%	5.00%	
Total country regular budget allocation	100.00%	100.00%	100.00%	

a/ The final distribution among countries reflects the terms of the Resolution which limited the reduction of resources for any given country to a maximum of 40% over the three-biennium phase-in period.