



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



50th DIRECTING COUNCIL

62nd SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., USA, 27 September-1 October 2010

Provisional Agenda Item 4.2

CD50/6 (Eng.)

27 July 2010

ORIGINAL: ENGLISH

EVALUATION OF THE REGIONAL PROGRAM BUDGET POLICY

Background

1. In 2003, the 44th Directing Council called for an in-depth discussion of the distribution of the Pan American Health Organization's (PAHO) resources, which led to a general revision of the Regional Program Budget Policy (RPBP) and its allocation methodology. This revision emphasized country-centered orientations and subregional integration considerations. The revision also considered the effect of several global and regional mandates and initiatives, such as the Millennium Development Goals (MDGs). In September 2004, the 45th Directing Council adopted Resolution CD45.R6 requesting the Director of the Pan American Sanitary Bureau (the Director) to "present to the Directing Council or the Pan American Sanitary Conference a thorough evaluation of the Regional Program Budget Policy..."
2. Given this mandate, the Director instructed the Office of Internal Oversight and Evaluation Services (IES) to undertake an evaluation of the RPBP in the third biennium of its implementation.
3. In addition, in the upcoming 12 to 18 months the Organization will undertake the elaboration of the next Regional Budget Policy. A working group will be formed comprising Member States, Secretariat and external experts to lead the discussions. The results and recommendations from the evaluation of the current Policy, as well as guidance from the 146th Session of the Executive Committee and the 50th Directing Council, will serve as vital inputs for these discussions. A preliminary report on the forthcoming budget policy will be presented to the Subcommittee on Program, Budget, and Administration in March 2011. This will provide further guidance for a proposal to be reviewed and recommended by the 148th Session of the Executive Committee (June 2011) for approval by the 51st Directing Council (September 2011).

Terms of Reference

4. The evaluation was guided by the above-mentioned Resolution CD45.R6 (2004) with the following Terms of Reference, to verify that:

- (a) in reallocating resources among countries, no country's core allocation has been reduced by more than 40% of its proportional allocation, as approved in the Biennial Program Budget, 2004-2005;
- (b) the allocation to Key Countries (Bolivia, Guyana, Haiti, Honduras, and Nicaragua) has been protected, so that they do not experience a reduction of their proportional share;
- (c) the minimum level for the subregional component of the program budget has been increased to 7%; and
- (d) the policy is cognizant of the attainment of the health-related goals of the United Nations Millennium Declaration.

5. The evaluation also had, among its objectives, to:

- (a) assess the architecture of the RPBP and the decisions made in the formulation of the Policy;
- (b) identify achievements, problems, and constraints in the Policy's management;
- (c) gather the lessons learned from its implementation;
- (d) assess whether the RPBP defining criteria need to be updated for a more equitable budgetary allocation among countries; and
- (e) suggest recommendations that can optimize funding allocation policy at the level of PAHO's overall funding.

6. Qualitative and quantitative analyses were used. The evaluation has included, but has not been limited to, the following sources of information:

- (a) desk review of materials available at PAHO Headquarters;
- (b) personal interviews with PAHO Managers, PAHO/WHO Country Representatives and Administrators, and concerned stakeholders external to the Secretariat;
- (c) comparisons with practices in other international organizations;
- (d) questionnaires to PAHO staff, PAHO/WHO Country Representatives, and Center Directors; and
- (e) external academic expertise for the evaluation of the statistical aspects of the Policy.

7. IES found that the Policy has been correctly implemented to date, in line with the criteria set out in Resolution CD45.R6 (2004). In IES' view, the Policy has been a

significant success for the Secretariat and the Member States. The experience demonstrates that this Policy has brought clarity, transparency and consistency to the allocations of the regular budget. However, the transparency gained through the strictly formula-based policy has been at the cost of flexibility. IES shall recommend the introduction of more qualitative criteria into the Policy, to increase its flexibility. IES also has a number of suggestions regarding the details of the country allocation formula, which the Secretariat and Member States may wish to consider. IES shall brief the 50th Directing Council on the findings and recommendations of the evaluation.

Action by the Directing Council

8. The Directing Council is invited to take note of and comment on the findings of the evaluation.

Annex



PAN AMERICAN HEALTH ORGANIZATION
Pan American Sanitary Bureau, Regional Office of the
WORLD HEALTH ORGANIZATION

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 Annex

ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES

1. Agenda item: 4.2. Evaluation of the Regional Program Budget Policy

2. Responsible unit: Office of Internal Oversight and Evaluation Services (IES)

3. Preparing officer: David O'Regan, Auditor-General

4. List of collaborating centers and national institutions linked to this Agenda item:

Not applicable.

5. Link between Agenda item and Health Agenda for the Americas 2008-2017:

As a funding allocating tool for the regular budget, the Regional Program Budget Policy (RPBP) does not directly address the strategic aspects of the Health Agenda, except for the first part of the area of action "Diminishing Health Inequalities among Countries, and Inequities within Them", as it aims for an equitable, needs-based country allocation of the regular budget.

6. Link between Agenda item and Strategic Plan 2008-2012:

As a funding allocating tool for the regular budget, the Regional Program Budget Policy does not directly address strategic objectives, which may change without having any impact on the RPBP. However, the RPBP includes among its stated aims a contribution to the achievement of the Millennium Development Goals.

7. Best practices in this area and examples from countries within the Region of the Americas:

PAHO appears to be unique in having a strictly formulaic budget allocation tool like the RPBP.

8. Financial implications of this Agenda item:

None. The costs of the evaluation fall under the IES regular budget.