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Provisional Agenda Item 4

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PROPOSED PROGRAM BUDGET OF THE PAN AMERICAN HEALTH
ORGANIZATION FOR THE BIENNIUM 1994-1995

The original 1994-1995 provisional draft was presented in Official Document 239 of May 1991. At that time, the PAHO Regular funds were projected to increase by 12.3% over 1992-1993, and the WHO Regular funds were projected to increase by 12.6%. The combined regular funds were projected to increase by 12.4%.

These projections, with revised and updated average costs, were used in developing the WHO Regular proposal for 1994-1995 which was presented to the Subcommittee, the Executive Committee, and the Directing Council last year. The WHO Regular proposal for this Region amounts to \$80,070,000, representing an increase of 12.0%. The global WHO proposal will be presented to the World Health Assembly in May of this year.

During the latter half of 1992, countries, centers, and regional program coordinations were requested to make 1994-1995 proposals and 1996-1997 projections related to the combined PAHO/WHO Regular funded programs. These proposals were reviewed by the Director's Advisory Committee during February of this year.

The overall PAHO/WHO Regular proposal is \$250,958,000, which requires an increase of 12.0% on both funds. As mentioned previously, the WHO Regular portion is \$80,070,000, subject to the approval of the World Health Assembly in May. The PAHO Regular portion is \$170,888,000. An increase of 12.0% on PAHO Regular funds will require an overall assessment or quota increase to Member Countries of 17.7%. This increase is due to the composition of the funding for the 1992-1993 budget, consisting of \$136,903,000 from Member Countries, \$9,700,000 in projected Miscellaneous Income, and \$5,973,000 for the Exchange/Inflation Rate Differential, which has been fully utilized. Due to falling interest rates, the estimated level of Miscellaneous Income funding should not increase beyond \$9,700,000. The PAHO Regular proposal of \$170,888,000, funded by \$9,700,000 in estimated Miscellaneous Income, requires assessments of \$161,188,000, compared to \$136,903,000 for 1992-1993.

The various average costs and cost increase factors have been revised and updated based upon information available in late 1992 and early 1993. Post salary averages were calculated for each grade and duty station of a post based upon the actual 1992 payroll. The overall cost increase factors used for elements of the budget other than posts are 4.0% annually for Washington and 6.8% annually for field locations, despite the fact that the regional weighted average for inflation in Latin American and the Caribbean, excluding Brazil, was 22.0% in 1992.

For the Subcommittee's information, attached are several preliminary tables which provide more details.

Table A is an analysis of the budget proposal by the location of the funds, by program increases/decreases, and by cost increases for 1994-1995 compared to 1992-1993. The total increase of 12.0% is composed of cost increases of 12.2% and program decreases of 0.2%. The program increase in Multicountry Programs relates primarily to the establishment of the Executive Secretariat of the Regional Plan for Investment in the Environment and Health. The program increase in Centers is related to the proposed Bioethics Center.

Of the program decreases, over 73.0% were made in Technical and Administrative Direction, which decreased from 15.6% of the total in 1992-1993 to 14.6% in 1994-1995. The largest overall increase is in Country Programs, which increase from 37.2% of the total in 1992-1993 to 38.2% in 1994-1995. Country Programs receive over 46.0% of the increase in the budget proposal.

Table B shows the proposal in the program classification structure. The table also shows the current programs for 1992-1993, as well as the projection for 1996-1997. The proposed Bioethics Center is shown as a new program, Promotion of Bioethics, under Health Policy Development. Table B-1 shows the Country Programs only, and Table B-2 shows all other programs in the program classification structure. Short descriptions of the various programs are shown in Table B-3.

Tables C through C-2 show the budget distributed by object of expenditure, i.e., personnel costs, duty travel, fellowships, etc.

Table D shows the PAHO and WHO Regular budget history since 1970-1971.

More information will be provided to the Subcommittee during the forthcoming meeting, 7-9 April 1993.

TABLES:

TABLE A.1994-95 PAHO/WHO Regular Budget Analysis of Program and Cost
Increases/Decreases by Location

TABLE B. Total Program Budget

TABLE B-1. Country Programs

TABLE B-2. All Other Programs (excluding countries)

TABLE B-3. PAHO Classified List of Programs with Description

TABLE C. Total Allocation by Object of Expenditure

TABLE C-1. Country Programs

TABLE C-2. All Other Programs (excluding countries)

TABLE D. PAHO Regular and WHO Regular Regional Budget History

JR/17/3/93 - 10.30 a.m.