



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



**46th DIRECTING COUNCIL**  
**57th SESSION OF THE REGIONAL COMMITTEE**

*Washington, D.C., USA, 26-30 September 2005*

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***RESOLUTION***

***CD46.R8***

**PROPOSED PROGRAM BUDGET  
OF THE PAN AMERICAN HEALTH ORGANIZATION  
FOR THE FINANCIAL PERIOD 2006-2007**

***THE 46th DIRECTING COUNCIL,***

Having considered the Final Report of the 136th Session of the Executive Committee (Document CE136/FR);

Having examined the Proposed Program Budget of the Pan American Health Organization for the financial period 2006-2007 contained in *Official Document 317*;

Noting the significant mandatory cost increase in posts for 2006-2007, due primarily to currency adjustments in the international financial market with respect to the United States dollar, despite an unprecedented proposed reduction in the Secretariat's work force;

Mindful of the initiative of the Director to establish a priority-driven program budget process and to respond to the comments and recommendations received from Member States after the 136th Session of the Executive Committee;

Noting the efforts of the Director to propose a program budget that takes into account both the economic concerns of Member States and the Organization's public health mandates;

Mindful of the impact that the timely payment of assessments has on the Organization's ability to plan for and deliver appropriately funded programs; and

Bearing in mind Article 14.C of the Constitution of the Pan American Health Organization and Article III, paragraphs 3.5 and 3.6, of the PAHO Financial Regulations,

***RESOLVES:***

1. To thank the Executive Committee for its preliminary review of and report on the proposed program budget.
2. To express appreciation to the Director for the attention given to cost savings and priority setting in the development of the program budget.
3. To approve the Program of Work for the Secretariat with a zero increase in net assessments as outlined in the proposed Biennial Program Budget 2006-2007, *Official Document 317*, recognizing that this is not intended to signal a sustained zero growth policy for future program budget exercises presented to the Directing Council.
4. To encourage all countries to make voluntary contributions to support priorities as identified in the 2% scenario contained in *Official Document 317*, and ask the Secretariat to report on these efforts.
5. To encourage countries to pay their arrears and to provide timely payments of their assessments.
6. To appropriate an amount of \$288,781,638 for the financial period 2006-2007, as follows:

<u>SECTION</u>	<u>TITLE</u>	<u>AMOUNT</u>
1	Communicable Diseases	24,346,900
2	Noncommunicable Diseases and Reduction of Risk Factors	17,165,100
3	Sustainable Development and Environmental Health	30,236,800
4	Family and Community Health	15,759,700
5	Health Technologies	5,610,800
6	Health Systems Development	47,787,100
7	Knowledge Management and Information Technology	19,072,100
8	Managerial and Administrative Processes	49,260,900
9	Core Presence in Countries	46,378,600
10	Country Variable	4,950,000
11	Retirees' Health Insurance	5,000,000
	<u>Effective Working Budget for 2006-2007 (Parts 1-11)</u>	<u>265,568,000</u>
12	Staff Assessment (Transfer to Tax Equalization Fund)	23,213,638
	<u>Total – All Sections</u>	<u>288,781,638</u>

7. That the appropriation shall be financed from:

(a) Assessments in respect to:

Member Governments, Participating Governments, and Associate Members assessed under the scale adopted by the Organization of American States in accordance with Article 60 of the Pan American Sanitary Code or in accordance with Directing Council and Pan American Sanitary Conference resolutions .....196,513,638

(b) Miscellaneous Income .....14,500,000

(c) AMR share approved in Resolution WHA58.4 .....77,768,000

TOTAL .....288,781,638

8. In establishing the contributions of Member Governments, Participating Governments, and Associate Members, their assessments shall be reduced further by the amount standing to their credit in the Tax Equalization Fund, except that credits of those which levy taxes on the emoluments received from the Pan American Sanitary Bureau (PASB) by their nationals and residents shall be reduced by the amounts of such tax reimbursements by PASB.

9. That, in accordance with the Financial Regulations of PAHO, amounts not exceeding the appropriations noted under paragraph 4 shall be available for the payment of obligations incurred during the period 1 January 2006 to 31 December 2007, inclusive. Notwithstanding the provision of this paragraph, obligations during the financial period 2006-2007 shall be limited to the effective working budget, i.e., Sections 1-11.

10. That the Director shall be authorized to transfer credits between the programmatic sections 1-9 of the effective working budget, provided that such transfer of credits between sections does not exceed 10% of the section from which the credit is transferred, exclusive of the provision made for transfers from the Regional Director's Development Program in Section 8. Except for the provision made for the Regional Director's Development Program in Section 8, transfers of credits between sections of the budget in excess of 10% of the section from which the credit is transferred may be made with the concurrence of the Executive Committee. The Director is authorized to apply amounts not exceeding the provision for the Director's Development Program to

those sections of the effective working budget under which the program obligation will be incurred. All transfers of budget credits shall be reported to the Directing Council or the Pan American Sanitary Conference.

11. Expenditure in Section 10 will be made in accordance with the criteria approved by the 39th Subcommittee on Planning and Programming, and as presented to the 46th Directing Council in *Official Document 317*. Expenditure from Section 10 will be added to the corresponding programmatic appropriation section at the time of reporting.

12. Expenditure in Section 11 is a statutory expenditure and will be apportioned proportionately across appropriation sections 1-9 at the time of reporting.

*(Eighth meeting, 29 September 2005)*