



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



SECOND SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 10-12 March 2008

Provisional Agenda Item 4.5

SPBA2/7 (Eng.)
25 February 2008
ORIGINAL: ENGLISH

PROGRAMMATIC PRIORITIZATION AND RESOURCE ALLOCATION CRITERIA

Introduction

1. A programmatic prioritization exercise was conducted during the preparation of the Strategic Plan 2008-2012 (*Official Document 328*) and Program Budget 2008-2009 (*Official Document 327*). This exercise helped determine the allocation of resources among the Strategic Objectives (SOs) contained in these documents. Furthermore, the resultant ranking of Strategic Objectives will be used in the allocation and coordination of resources during the 2008-2009 biennium. The establishment of priorities among the many worthy causes in public health in the Region is challenging but unavoidable given that available resources are limited.

2. During the elaboration of the 2006-2007 and 2008-2009 Program Budgets, PAHO's Governing Bodies have requested the Bureau to establish priorities among programmatic objectives in order to strategically allocate resources. For the 2006-2007 biennium, the highest level programmatic objectives were "Areas of Work"; and for 2008-2009 they were "Strategic Objectives". The Bureau included the results of these exercises in the respective documents¹, which were approved by the 46th Directing Council and the 27th Pan American Sanitary Conference. Annex 1 shows the section of the Strategic Plan regarding prioritization, including the criteria and weighting used for the exercise. The purpose of this paper is to document the evolution of the process, and request suggestions for its continuing improvement.

¹ For 2006-2007, *Official Document 317*—Proposed Program Budget of the Pan American Health Organization for the Financial Period 2006-2007; for 2008-2009, both *Official Document 328*—Proposed Strategic Plan 2008-2012 and *Official Document 327*— Proposed Program Budget 2008-2009

Rationale for Prioritization

3. In a world of limited resources and virtually unlimited needs, it is impossible to fully address all public health problems of concern to PAHO. Prioritization entails determining which strategic objectives should receive more resources, with a view to orient efforts for resource mobilization. Prior to the 2004-2005 biennium, resource distribution was done by managerial unit rather than by programmatic objective. This resulted in *de facto* prioritization—typically based on historical allocation or other implicit criterion—often without considering strategic priorities. In order to ensure alignment among programmatic priorities and resources, and foster transparency, a prioritization exercise was conducted mid 2007; the results are described in Annex 1. Based on the results of the exercise, resource levels were adjusted to support the priorities established, bearing in mind that other factors also affect the allocation of resources (see the 2008-2012 Strategic Plan section entitled *Funding the Strategic Plan*). Furthermore, depending on performance during implementation, the prioritized Strategic Objectives provide a basis for managing resources and allocating voluntary contributions. The Bureau refers to the ongoing process of determining how to allocate and shift resources during a biennium as “resource coordination”. This function is being strengthened during 2008.

4. Resources assigned to each SO are comprised of both regular budget and voluntary contributions. The prioritization order affects the total resource package. The regular budget amounts alone may not reflect this order, since it is influenced by the forecasted availability of voluntary contributions.

The Prioritization Exercise

5. Given the myriad of factors, both internal and external to PAHO stakeholders, that contribute to the determination of what the Organization’s programmatic priorities are, it was not feasible to produce an “objective” set of criteria and apply a mathematical formula to achieve a ranking of SOs. The Bureau has to take into consideration several different mandates during the allocation of resources to the Strategic Objectives. For example, some SOs relate to diseases, and can be associated with indicators such as Disability Adjusted Life Years (DALYs). However, others such as those related to health systems and services are not linked to such measures. Given the complexity of the factors involved, public health experts within the PASB were asked to provide their admittedly subjective, but collectively valid inputs.

6. The prioritization exercise was limited to the 14 public health related SOs. SOs 15 and 16, which cover the functioning of the Bureau, were not included. The criteria used for the other SOs do not apply to SOs 15 and 16.

7. The approach adopted relied on a modified Delphi method. A more comprehensive exercise would have required several rounds of consultation, which were not possible in the timeframe available. The shortened exercise comprised two steps: (1) collective agreement on criteria and their weighting; and (2) rating of each SO by each group member on a scale of 1 to 5 (5 being the highest priority) for each of the criteria. A composite ranking of the SOs was then produced, including all inputs from each expert.

8. The exercise comprised three crucial elements:

- a) ***Selection of participants:*** The participants in the exercise included PAHO/WHO Representatives, HQ Area Managers, Center Directors, and Executive Management.
- b) ***Selection of criteria:*** The set of criteria and weights was agreed upon by all participants and is included in Annex 1.
- c) ***Rating:*** Participants were requested to rate each SO between 1 (lowest) and 5 (highest) within each criterion. An average was then obtained for each SO and criterion, and then an index obtained for each SO by averaging the different criteria values based on their respective weights. This process produced a ranking of the SOs.

Lessons Learned and Proposals

9. Lessons learned include:

- As previously stated, although the exercise is positively recognized by all staff, there is a general reluctance among managers to prioritize SOs. Internal awareness and education of PAHO senior staff on the need for and consequences of prioritization should be increased.
- Area Managers tend to prioritize the SOs with which they are most involved. This is expected, but points to the need of ensuring neutral points of view. PWRs were considered as neutral in-house parties, and their voting reflected this. In the past, informal outside consultations have been conducted to assess strategic direction. Nevertheless, individuals outside the Bureau were not incorporated in the prioritization exercises described here. While outside consultation may be desirable, it introduces more complexity and cost in the process.
- A very high proportion (over 80% in some cases) of the regular budget is assigned to personnel costs. In practice, the implications are that major budget shifts are

difficult to be adopted in the short-term. Therefore, adjustments to the distribution of resources have been made largely through allocation of voluntary contributions. As a result, the prioritization exercise informs the resource mobilization and resource coordination processes, both of which are being strengthened within the PASB.

Action by the Subcommittee on Program, Budget, and Administration

10. In the context of the ongoing need to allocate and manage resources to achieve the greatest possible impact on public health in the Americas, the Bureau submits this document for the consideration of the Subcommittee. Specifically, the Bureau would welcome input of Member States regarding (a) whether the prioritization exercises for future biennia should follow the methodology described above; (b) whether or not external participants should be incorporated; and, if so, provide the qualifications that should be met; and (c) other proposals to improve the exercise based on their available national practices.

Annex

PRIORITIZATION SECTION OF THE 2008-2012 STRATEGIC PLAN

PROGRAMMATIC PRIORITIZATION WITHIN THE PASB

1. The Bureau conducted two prioritization exercises during the elaboration of this Plan, in order to determine the ranking of the Strategic Objectives. The findings from the first exercise (limited to PASB headquarters) were used to inform the budget allocations in the draft Strategic Plan presented to the Executive Committee. The results of the second exercise, where all the managers of the Organizations were invited to participate, have been used in establishing the budget priorities in this final version of the Plan. Although a similar methodology was applied to both exercises, the specific criteria and results described below apply to the second exercise.

Methodology

2. The prioritization exercise was designed to obtain a ranking of the Strategic Objectives by a variety of PASB managers, per agreed-upon criteria, using a modified Delphi methodology.

3. First, a draft set of criteria were developed (based on those used in the first exercise, plus input received after that exercise), with weighting to reflect the relative importance of the criteria. These were vetted among all PASB managers, including country representatives, center directors, headquarters Area Managers and Executive Management. There was a high level of participation, and changes to the criteria and their weighting were made based on the feedback received.

4. Second, each Strategic Objective was rated on a scale of 1 to 5 (5 being the highest priority) for each of the agreed-upon criteria. All managers were given the opportunity to rate the SOs via email. Their responses were collated and analyzed, providing a ranking of the SOs.

Criteria

5. The following were the criteria used in the exercise, reflecting inputs received from throughout the Bureau. The weights given in parentheses reflect the relative importance of each criterion.

- a. Supports the Health Agenda for the Americas and other regional mandates (x4)
- b. Addresses the burden of disease in the Region (x2)
- c. Supports vulnerable population groups or key countries, promoting equity (x3)
- d. Contributes to global health security (x2)
- e. Supports achievement of the health-related MDGs (x2)
- f. PAHO technical cooperation is a cost-effective means to improve health outcomes (x2)
- g. Supports universal access to health related goods and services (x2)
- h. Countries have low access to non-PAHO resources and difficulty in replacing PAHO technical cooperation (x1)
- i. Has potential for successful cross-cutting collaboration: inter-programmatic, inter-country, inter-sectoral, inter-regional or inter-agency (x1)
- j. Difficult to access voluntary contributions (x1) (additional criterion, used only for assignment of regular budget amounts with respect to the total budget)

Results

6. The results of the second exercise were analyzed along with those from the first (more limited) exercise, considering comments made by Member Countries in the Governing Bodies. The resultant ranking of the Strategic Objectives follows, with the first SO listed being the highest priority for the Bureau.

Ranking	SO#	Strategic Objective text
1	SO4	To reduce morbidity and mortality and improve health during key stages of life, including pregnancy, childbirth, the neonatal period, childhood and adolescence, and improve sexual and reproductive health and promote active and healthy aging for all individuals
2	SO1	To reduce the health, social and economic burden of communicable diseases
3	SO2	To combat HIV/AIDS, tuberculosis and malaria
4	SO3	To prevent and reduce disease, disability and premature death from chronic noncommunicable conditions, mental disorders, violence and injuries
5	SO7	To address the underlying social and economic determinants of health through policies and programs that enhance health equity and integrate pro-poor, gender-responsive, and human rights-based approaches
6	SO13	To ensure an available, competent, responsive and productive health workforce to improve health outcomes
7	SO10	To improve the organization, management and delivery of health services
8	SO8	To promote a healthier environment, intensify primary prevention and influence public policies in all sectors so as to address the root causes of environmental threats to health
9	SO6	To promote health and development, and prevent or reduce risk factors such as use of tobacco, alcohol, drugs and other psychoactive substances, unhealthy diets, physical inactivity and unsafe sex, which affect health conditions
10	SO14	To extend social protection through fair, adequate and sustainable financing
11	SO11	To strengthen leadership, governance and the evidence base of health systems
12	SO12	To ensure improved access, quality and use of medical products and technologies
13	SO5	To reduce the health consequences of emergencies, disasters, crises and conflicts, and minimize their social and economic impact
14	SO9	To improve nutrition, food safety and food security throughout the life-course, and in support of public health and sustainable development

7. This ranking has been used to inform budgetary priorities for the 2008-2009 biennium, and will be used for subsequent biennia, with possible changes based on changes in internal or external circumstances.