

*executive committee of  
the directing council*



PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



111<sup>th</sup> Meeting  
Washington, D.C.  
June-July 1993

Provisional Agenda Item 4.8

CE111/15 (Eng.)  
27 May 1993  
ORIGINAL: SPANISH

FINANCIAL STUDY OF THE PAN AMERICAN INSTITUTE FOR FOOD  
PROTECTION AND ZOOSES (INPPAZ) AND REPORT ON BUDGETARY  
DISCUSSIONS

Pursuant to Resolution V of the XXXVI Meeting of the Directing Council of the Pan American Health Organization, the Pan American Institute for Food Protection and Zoonoses (INPPAZ) prepared a financial study for its development, also taking into account Document CD36/18 from that meeting.

The Subcommittee on Programming and Planning of the Executive Committee analyzed the study of operating costs and the proposed funding for INPPAZ at its 20th Meeting in April 1993. The budget for 1994-1995 is estimated at US\$9,224,800 and the total projection for 1996-1997 is \$10,191,400.

This document is presented to the Executive Committee as a basis for discussion on this subject, and to allow the Committee to make the necessary recommendations on the progress and future of the Institute to the Directing Council.

CONTENTS

	<u>Page</u>
1. Background . . . . .	1
2. Financial Study . . . . .	1
3. Proposed Funding . . . . .	3
4. Report on the Discussion of the Budget and the Proposed Funding . . . . .	4
Appendix I. Document SPP20/7. Study of Operating Costs of the Pan American Institute for Food Protection and Zoonoses (INPPAZ) and Proposed Funding for the Biennium 1994-1995 (N.B. Annexes not included)	
Appendix II. Proposal for the Financing of INPPAZ (Annex 4 of Document CE109/9)	

## **1. Background**

The Directing Council of the Organization, at its XXXVI Meeting held on 23 September 1992, adopted Resolution V, which requests the Director of the Pan American Sanitary Bureau:

- a) To complete the financial study of INPPAZ in the terms specified in Document CD36/18, in order that it may be presented for consideration by the XXXVII Meeting of the Directing Council in 1993;
- b) To continue the development of INPPAZ, with the resources available, with a view to achieving the objectives approved by the Governing Bodies of PAHO, taking into account the new forms of technical cooperation required in the context of the initiatives for subregional integration;
- c) To advise the Directing Council at its XXXVII Meeting on the outcome of budgetary discussions as specified in transitory article 2.B of the agreement between PAHO and the Government of the Republic of Argentina.

The financial study was carried out pursuant to the above mandates. A summary is presented below. The methodology for the study was approved at the XXXVI Meeting of the Directing Council (Annex 4 of Document CE109/9; Annex II of this document).

The study has already been analyzed at the IV Meeting of the Program Committee for Argentina and the I Meeting of the International Coordination Council of INPPAZ, and then presented to the Subcommittee on Programming and Planning of the Executive Committee at its 20<sup>th</sup> Meeting in April 1993.

## **2. Financial Study**

The financial study of INPPAZ was completed, taking into account:

- a) The mission of INPPAZ to provide the Member Countries of the Organization, as well as their initiatives for integration, with services in the form of technical cooperation, reference, and research for the solution of problems related to food protection, control of zoonoses, and strengthening of health laboratories.
- b) The functions of INPPAZ:
  - International reference, including, inter alia, analysis of chemical residues; food microbiology and toxicology; production and supply of immunogens, reagents, and strains; diagnostic and quality control services; selective production of laboratory animals; standardization of health standards; and strengthening of services for epidemiological surveillance of food-borne diseases and zoonoses.

- Applied research, relating to the requirements of programs for food protection and control of zoonoses in the countries of the Region and oriented mainly toward identification of high-risk groups; development of diagnostic methods; production and quality control of biologicals and reagents; quantification of losses; and development of indicators to evaluate the public health and economic impact of inadequate food protection and zoonosis control.
  - Direct technical cooperation directed toward strengthening of national health and agriculture programs, promoting their formulation, evaluation, and development; multisectoral participation by national institutions and the community; and technical cooperation among the countries of the Region.
  - Training and instruction for human resources in the national programs in the areas of epidemiological surveillance; chemical and microbiological analysis; diagnostic techniques; protection and quality control of biologicals and reagents; and health and agriculture laboratory services.
  - Dissemination of information, including support for the development, establishment, and coordination of national and international information networks on food protection and control of zoonoses, as well as dissemination of scientific information on those subjects.
- c) The volume of activities, based on the actual known requirements for technical cooperation in the countries during 1992 and projections based on these figures.
- d) The number of staff, by category, performing the normal duties and activities of the Institute.
- e) The cost of posts established by the Organization for professionals contracted under the United Nations common system; the cost of national personnel, whose salaries were determined on the basis of a survey of entities doing work similar to that of the Institute; fixed maintenance costs; variable costs for delivery of technical cooperation; and the predicted inflation rate for the next biennium.
- f) Requirements for new equipment.

The above considerations were used to determine the costs that are presented in Table 1, which make up the total operating budget of INPPAZ for the biennium 1994-1995, and the projected budget for the biennium 1996-1997.

**Table 1**

	1994-95 US\$	1996-97 US\$
1. Staff		
United Nations professionals (9)	2,232,800	2,408,700
National professionals (12)	690,729	759,802
Support staff (54) and technical (37) and administrative (17) staff	<u>1,655,071</u>	<u>1,820,586</u>
Subtotal	4,578,600	4,989,088
2. Fixed maintenance costs		
Subtotal	2,218,600	2,502,612
3. Variable costs for technical cooperation		
Subtotal	2,128,037	2,299,700
4. Equipment procurement		
Subtotal	300,000	400,000
<b>TOTAL</b>	<b>9,224,800</b>	<b>10,191,400</b>

### **3. Proposed Funding**

Based on the results of the study of operating costs and pursuant to the mandates set forth in the Agreement for the Establishment of INPPAZ and Resolution V of the XXXVI Meeting of the Directing Council of PAHO, a funding proposal for the budget was drawn up that includes the estimated contributions from other Member Countries and third parties, as well as income from the paid services of INPPAZ, as shown in Table 2.

Table 2

Funding Source	1994-1995	1996-1997
PAHO contribution	3,825,100	4,188,400
Contribution from the Government of Argentina	4,034,700	4,500,000
Voluntary contributions from PAHO Member Countries	485,000	533,000
Voluntary contributions from third parties	580,000	640,000
Estimated income from services	300,000	330,000
<b>TOTAL</b>	<b>9,224,800</b>	<b>10,191,400</b>

#### 4. Report on the Discussion of the Budget and the Proposed Funding

The study of operating costs, the budget, and the proposed funding of the Institute were discussed during the IV Meeting of the Program Committee for Argentina, the I Meeting of the International Coordination Council of INPPAZ, and RIMSA VIII. Each of these forums recommended to the Director that these items be considered and approved by the Governing Bodies of the Organization, within the constraints of the resources available.

At its 20<sup>th</sup> Meeting, the Subcommittee on Programming and Planning of the Executive Committee examined the budget and the funding proposal (Annex I), and prepared them for presentation to the 111<sup>th</sup> Meeting of the Executive Committee.

The recommendations of the Subcommittee to the Director included, inter alia, that of conducting a market survey, with the help of specialists, to determine the countries' requirements for INPPAZ services, as well as the possibility of obtaining funds from the private sector to pay for some of them, especially reference services.

Appendixes

APPENDIX I

DOCUMENT SPP20/7. STUDY OF OPERATING COSTS OF THE PAN  
AMERICAN INSTITUTE FOR FOOD PROTECTION AND ZOOSES (INPPAZ)  
AND PROPOSED FUNDING FOR THE BIENNIUM 1994-1995  
(N.B. ANNEXES NOT INCLUDED)



# PAN AMERICAN HEALTH ORGANIZATION



## EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL

### SUBCOMMITTEE ON PLANNING AND PROGRAMMING

20<sup>th</sup> Meeting

Washington, D.C., 7-9 April 1993

Provisonal Agenda Item 8

SPP20/7 (Eng.)

12 March 1993

ORIGINAL: SPANISH

### **STUDY OF OPERATING COSTS OF THE PAN AMERICAN INSTITUTE FOR FOOD PROTECTION AND ZOOSES (INPPAZ) AND PROPOSED FUNDING FOR THE BIENNIUM 1994-1995**

Pursuant to the mandates of the Directing Council of the Organization contained in Resolution XXI of the XXXV Meeting and Resolution V of the XXXVI Meeting, this document reports the results of the study of operating costs of the Pan American Institute for Food Protection and Zoonoses (INPPAZ) and presents a funding proposal for the biennium 1994-1995. The Institute was created through an Agreement between PAHO and the Government of Argentina, and its activities were initiated in 1992.

The document summarizes the activities carried out during 1992 with respect to administration, program development, information and training, and the international reference laboratory. It also indicates the total operating costs for 1992, which amounted to US\$3,221,210, and it describes the factors that caused operating costs to increase. A proposal is presented for a plan of operation to fulfill the mandates of the Organization.

Total operating costs for the biennium 1994-1995 are estimated at \$9,686,467, which will be required to finance expansion of the staff, as well as maintenance, installation, and equipment costs and the direct and indirect variable costs associated with the delivery of technical cooperation. An estimate is presented of the amounts to be contributed by each of the proposed funding sources.



## CONTENTS

		<u>Page</u>
I.	Background . . . . .	1
II	Summary of activities, 1992 . . . . .	2
III.	Total operating costs, 1992 . . . . .	5
IV.	Factors contributing to increased INPPAZ operating costs . . . . .	6
V.	Operational proposal for fulfilling the mandates . . . . .	7
VI.	Proposed funding for 1994-1995 . . . . .	8

### TABLES

Table 1.	Total Operating Costs for 1992 . . . . .	11
Table 2.	Cost of Staff Contracted under the United Nations Common System in December 1992, and Projections for 1993, 1994 and 1995 . . . . .	12
Table 3.	Cost of National Professional Staff for 1992, 1993 and 1994-1995 . . . . .	12
Table 4.	Cost of Support Staff Contracted under the Argentine Labor Laws, for 1992, 1993, and 1994-1995 . . . . .	13
Table 5.	Fixed Maintenance Costs for 1992 and Projections for 1993, and 1994-95 . . . . .	14
Table 6.	Variable Direct and Indirect Costs for Technical Cooperation in 1992. . . . .	15
Table 7.	Total Costs, 1994-1995 . . . . .	17
Table 8.	Variable and Indirect Costs per Standardized Technical Cooperation Unit and Indirect Costs, 1994-1995 . . . . .	18

**CONTENTS (Cont.)**

**ANNEXES**

- Annex 1. Report on the Establishment and Initial Development of INPPAZ (Document CD36/18)
- Annex 2. Resolution V, Final Report of the XXXVI Meeting of the Directing Council of PAHO (Document CD36/FR).
- Annex 3. Activities Carried Out in 1992, Activities Programmed for 1993, and Activities Planned for 1994-1995.
- Annex 4. List of INPPAZ Publications, 1992.
- Annex 5. Criteria for the Costing of Standardized Technical Cooperation Units
- Annex 6. Management Areas, Functions, and Basic Manpower Requirements for Normal Operations.

(Note: The complete annexes of this document will be provided by the Secretariat upon request.)

**STUDY OF OPERATING COSTS OF THE PAN AMERICAN INSTITUTE FOR  
FOOD PROTECTION AND ZOOSES (INPPAZ)  
AND PROPOSED FUNDING FOR THE BIENNIUM 1994-1995**

**I. BACKGROUND**

In April 1991 the Ministers of Health and Agriculture of the Americas requested the Director of PAHO to continue to offer ongoing comprehensive technical cooperation to member countries for the solution of problems in the areas of food protection and zoonosis control.

In compliance with this request, the Directing Council, at its XXXV Meeting, adopted Resolution XXI authorizing to the Director of PAHO to sign an agreement with the Government of Argentina providing for establishment of the Pan American Institute for Food Protection and Zoonoses (INPPAZ). Said agreement was signed on 15 November 1991 (Annex 1, page 8).

The Agreement includes a transitory article that specifies US\$1,627,500 as the contribution of the Government of Argentina (Annex 1, page 1) for each year of the biennium 1992-1993 of INPPAZ operations and requests that a financial study be undertaken to serve as a basis for establishing the contributions of the Government and the Organization for the subsequent biennium.

The PAHO contribution was set at \$1,667,350 for 1992 and \$1,753,300 for 1993, for startup of the functions and activities established in the Agreement.

The Institute initiated its activities on 1 January 1992, as described in the report (Annex 1, page 1) on the establishment and initial development of INPPAZ presented at the XXXVI Meeting of the Directing Council held on 23 October 1992. Consequently, the Council adopted Resolution V (Annex 2), in which it requested the Director of PASB:

- a) To complete the financial study of INPPAZ in the terms specified in Document CD36/18, in order that it may be presented for consideration by the XXXVII Meeting of the Directing Council in 1993;
- b) To continue the development of INPPAZ, with the resources available, with a view to achieving the objectives approved by the Governing Bodies of PAHO, taking into account the new forms of technical cooperation required in the context of the initiatives for subregional integration;
- c) To report to the Directing Council at its XXXVII Meeting on the outcome of budgetary discussions as specified in transitory article 2.B of the agreement

between PAHO and the Government of the Republic of Argentina. The methodology for the study, shown in Annex 4, was approved by the XXXVI Meeting of the Directing Council.

The present financial study has been prepared in fulfillment of the foregoing mandates, based on the methodology approved by the Directing Council (Annex 1, page 24).

## **II. SUMMARY OF ACTIVITIES, 1992**

The Director of PASB decided on a core staff of United Nations professionals, national professionals, and support personnel (Annex 1, page 20) to organize and start up the activities of INPPAZ taking into account its functions as set forth in the Agreement—namely, international reference, applied research, training, direct technical cooperation, and dissemination of information.

The foregoing functions are reflected in the organizational chart shown in Figure 1 (Annex 1, page 5).

The activities of the new Institute were focused in large part on institutional development. Technical cooperation was provided at a minimum level based on the APB for 1992 and the most urgent needs of the countries.

The principal activities carried out, by functional area, are described below. Further details are given Annex 3.

### **1. Direction and Administration**

- The Institute's technical and administrative organizational structure was established and the first steps were taken to get the Institute's operations under way, including, inter alia, the selection and contracting of personnel, the contracting of maintenance services, and the selection of an accounting and financial system.
- A computerized system and data base were developed for inventories, finances, supplies, personnel, and programming (AMPES).
- Technical cooperation agreements were signed with Colombia and Paraguay and with the Province of Santa Fé, Argentina.
- The Program Committee for Argentina was established, and it held three meetings.
- The Commission for the Sanitary Protection of Foods (COPSAL) was established, and INPPAZ was designated to serve as its secretariat.

## 2. Program Development

- The unit's technical and administrative structure was established.
- A rabies information and epidemiological surveillance system for the Americas was implemented.
- Direct technical advisory services were provided to 11 countries (total 134 consultant/days) to help develop and strengthen national programs for food protection and the control and elimination of zoonoses (rabies, tuberculosis, and hydatidosis).
- Guidelines were developed for the epidemiological surveillance of food-borne diseases.
- Plans for activities with other technical cooperation agencies were developed through the Inter-American Group for Cooperation in Animal Health, the International Office of Epizootics, and the Regional Committee on Animal Health.
- Phase I of a regional plan for the eradication of bovine tuberculosis was developed.

## 3. Information and Training

- The library service was started up based on a collection of more than 9,000 volumes and 200 subscriptions to periodic journals.
- A total of 52 weekly bulletins on the subject of human and canine rabies were published and distributed, together with the 1991 edition of the *Annual Bulletin on the Epidemiological Surveillance of Rabies* (in English and Spanish).
- A total of 426 requests for scientific and technical information, from 10 countries, were handled.
- An on-line CD net server with a 14 data base capacity (CD-ROM) was acquired and installed, to be used to provide remote controlled on-line consultation service.
- Work began on the development of a CD-ROM data base on legislation and standards in the area of food protection.
- A total of 137 people received in-service training or intra- or extramural courses in the detection and identification of *Vibrio cholerae* in food, the methodological development of hazard analysis and critical point control for food inspection, and other areas.

- A group of international experts was convened to develop guidelines on the safety and marketing of food in the context of the cholera epidemic. The guidelines are intended to serve as a technical and political basis for decision-making by national authorities.
- Scientific presentations and papers were given in connection with participation in 18 international and national meetings. This participation served to promote the work of the Regional Veterinary Public Health Program.

Annex 4 gives a selected list of the principal INPPAZ publications.

#### **4. International Reference Laboratory**

- An international reference laboratory was set up to perform microbiological analysis and study certain chemical residues in food (pesticides, antibiotics, heavy metals).
- Laboratory services were implemented in the areas of diagnosis, production of biologicals, and vaccine quality control (rabies, tuberculosis, leptospirosis, brucellosis).
- Distance monitoring was developed to assess the quality of rabies diagnosis in 30 national laboratories.
- Collaboration took place with five countries on the characterization of rabies virus using monoclonal antibodies.
- Four lines of applied research are being developed in the areas of food protection and zoonoses with the collaboration of such institutions as the Rockefeller Foundation, the International Union of Food Science Technology, and the International Office of Epizootics.
- The Institute served as the only WHO reference laboratory for BCG vaccine.
- Collaboration was provided in the organization and development of administrative procedures for national reference laboratories in three countries.
- Institute staff participated in a working group to define lines of research for the surveillance of tuberculosis in HIV immune-compromised individuals.

### **III. TOTAL OPERATING COSTS, 1992**

Operating costs for 1992 amounted to a total of \$ 3,221,210, reported under the headings of personnel, fixed maintenance costs, variable operating costs for the delivery of technical cooperation at the headquarters in Martínez, and the cost of operating and maintaining the Azul field station and animal colony (Table 1).

#### **1. Personnel**

##### **1.1 United Nations Professionals**

The total cost of the nine (9) posts corresponding to professionals contracted under the United Nations common system, calculated in accordance with the salary scale in effect in the Organization in 1992, came to \$884,808. Table 2 shows the breakdown by grade and title of post.

##### **1.2 National Professionals**

The cost of the six national professional posts amounted to \$135,360 (Table 3).

##### **1.3 Support Staff**

The total cost under this heading came to \$273,100 (Table 4).

This category includes secretaries, accountants, statisticians, laboratory technicians, systems analysts, administrative and laboratory assistants, and chauffeurs. These staff are hired under the provisions of Argentine national law.

The salary scales for national professionals and support staff were determined on the basis of a survey of public institutions and private entities in which the work performed was similar to that of the Institute. However in order to maintain the purchasing power and competitiveness of these salaries, it will be necessary to take into account the transitional situation of salaries presently underway. For this reason it is impossible to accurately predict future trends in salaries.

#### **2. Fixed Maintenance Costs**

The total under the heading of fixed maintenance costs was \$718,500.

Table 5 lists the elements included under fixed costs for maintenance and operation of the Institute. The total for the Martínez installation came to \$602,500. For the Azul field station and animal colony the annual fixed costs amounted to \$116,000.

### 3. Variable Direct and Indirect Costs for Delivery of Technical Cooperation

The total of direct variable costs for the delivery of technical cooperation was \$1,219,392, of which \$139,100 corresponded to food protection, \$132,600 to zoonosis control, and \$947,692 to indirect costs, which includes Martínez and Azul (Table 6).

To determine the direct variable costs, standardized cooperation units were established, as shown in Annex 5.

The limited number of standardized technical cooperation units in 1992 reflects the marginal capacity of the core staff and the budget available.

## IV. FACTORS CONTRIBUTING TO INCREASED INPPAZ OPERATING COSTS

Operating costs in 1992 were affected by a series of economic factors, such as: the parity exchange rate between the Argentine peso and the U.S. dollar under its law of convertibility; an inflation rate of 15.7% during 1992; the effect of the privatization (electricity, telephone); the opening up of markets; and a new tax law, with its consequent effect on wage and price adjustments. An annual inflation rate of 6% is predicted for 1994 and 1995.

The percentage change in the Institute's costs for basic goods and services and for the cost of staff employed on national contracts is shown below:

Gas detection service	20%
Cleaning service	71%
Security service	8%
Service for water treatment plant	61%
Air conditioning maintenance service	61%
Transportation	50%
Telephone	52%
Gas	62%
Electricity	62%
National salaries	12.4%

A reflection of the above changes is the 63% cost-of-living adjustment established by the United Nations common system for staff working in Argentina.

To provide for the increases described above, and based on 1992 costs, the following provisions were made:



- a) An increase in salaries of national professionals and support staff of 12.4% for 1993 and 6% for each year of the 1994-1995 biennium; for United Nations Staff, 1992 levels will be maintained for the 1994-1995 biennium.
- b) An increase for fixed and variable costs of 15.7% for 1993 and 6% for each year of the 1994-1995 biennium.
- c) Inclusion of electricity costs for the Martínez installation.
- d) Increases in the number of staff on national contracts.
- e) An increase in the number of technical cooperation units (marginal costs).

## V. OPERATIONAL PROPOSAL FOR FULFILLING THE MANDATES

The proposed plan of operation for the development of technical cooperation activities in the areas of food protection and zoonosis control has been prepared taking into account the mission and functions set forth in the founding Agreement (Annex 1, page 8).

The functions of INPPAZ are as follows:

- International reference
- Applied research
- Training
- Direct technical cooperation
- Dissemination of information

Development of the Institute's functions involves executing the activities described in Annex 3, including those already carried out in 1992, those programmed for 1993, and those planned for the biennium 1994-1995.

The total operating costs of the Institute for 1994-1995 are estimated at \$9,686,467 (Table 7).

The execution of normal activities to fulfill the mandates of the Agreement will call for the following resources and costs:

## **1. Personnel**

The Institute currently has a staff of 35. With this level of staffing it is only possible to partially operate the laboratories, library, and animal colony and offer limited technical cooperation to national programs.

Normal operation of the reference laboratories and response to requests from the countries for technical cooperation requires a staff of 75: 9 United Nations professionals, 12 national professionals, and 54 support staff. The breakdown of manpower requirements by management areas and functions is given in Annex 6.

The total cost of personnel for normal operation of the Institute, projected for the biennium 1994-1995 on the basis of 1993, will be \$4,115,503, as shown in Table 7. The breakdown is given in Tables 2, 3 and 4.

The cost of staff for the Azul field station and animal colony includes one veterinarian and five assistants, for a total of \$246,751, which will be covered by the Ministries of Health and Agriculture (SENASA).

## **2. Maintenance**

The requirements for maintaining the installations and equipment are indicated in Table 5, including adjustments for costs increases and marginal expenditures due to expanded operations in the biennium 1994-1995. Fixed maintenance costs for the Martínez installation amount \$1,825,342, and for the Azul field station and animal colony, \$293,865, for a total of \$2,119,207 (Table 7).

## **3. Installations and equipment**

The activities planned for the normal operation of the Institute can be carried out with the current installations, which have been provided by the Government of Argentina, and the existing equipment, contributed by PAHO. However, it will be necessary to acquire equipment and supplies for implementation of the techniques involved in food analysis, the production and quality control of biologicals and reagents, and diagnostic methodologies for performing the functions of international reference. Moreover, some equipment will need to be replaced because of natural wear and tear. The cost of installations and equipment for the 1994-1995 biennium is \$263,592 (Table 6).

4. Table 7 shows the variable direct and indirect costs for technical cooperation for the biennium 1994-1995, which amounts to \$3,352,767. Table 8 shows the breakdown.

## VI. PROPOSED FUNDING FOR 1994-1995

According to the transitory article of the founding Agreement, the respective contributions of the Government of Argentina and PAHO for the next biennium are to be calculated by mutual agreement based on: the results of a study of operating costs to be carried out by PAHO during the first year of INPPAZ operations; any financial contributions that might be offered by other Member Governments of the Organization; any financial contributions that might be made by third entities; and the estimated demand for the paid services of INPPAZ.

The study of costs for 1992 showed that the total cost for startup of INPPAZ activities came to \$ 3,221,210 (Table 1).

Based on the total costs of \$9,686,467 for the 1994-1995 biennium (Table 7), it is proposed to fund this amount in the following manner:

- a) The PAHO contribution will be \$4,295,620, or 44% of the total (51.2% in 1992-1993).
- b) The contribution of \$4,034,741 from the Government of the Argentine Republic corresponds to 42% of the total (48.8% in 1992-1993).
- c) The contributions of other Member Governments have been estimated at \$484,324, or 5% of the total. The current bilateral technical cooperation agreements entered into with Colombia and Paraguay in 1992 correspond to \$74,755.
- d) The contributions of third parties (e.g. FAO, ILSI, USAID, IICA), including donations, assignment of personnel, or materials and equipment based on interinstitutional agreements for specific activities, have been estimated at \$581,188, or 6% of the total.
- e) Income from the paid services of INPPAZ has been estimated at \$290,594, or 3% of the total budget. Paid services, such as training, supply of biological standards, quality control of vaccines and antigens, etc., will be rendered to entities or private institutions.

Accordingly, the following are the amounts estimated to be funded by each of the foregoing sources for the biennium 1994-1995:

	<u>Amount in \$</u>	<u>%</u>
Government of Argentina	4,034,741	42.0
PAHO	4,295,620	44.0
Other Member Governments	484,324	5.0
Contributions by Third Parties	581,188	6.0
Paid Services	290,594	3.0
TOTAL	<u>9,686,467</u>	<u>100.0</u>

**TABLE 1. Total Operating Costs for 1992, Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

<b>I. MARTINEZ</b>		
<b>Item</b>		<b>Cost in (\$)</b>
<b>1. Staff</b>		
1.1	United Nations professionals (Table 2)	884,808
1.2	National professionals (Table 3)	135,360
1.3	Support staff (Table 4)	273,100
Subtotal		1,293,268
<b>2. Fixed maintenance costs*(Table 5)</b>		602,500
<b>3. Variable direct and indirect costs for delivery of technical cooperation (Table 6)</b>		
<b>3.1. Direct</b>		
3.1.1	Zoonoses	132,600
3.1.2	Food Protection	139,100
<b>3.2 Indirect costs</b>		908,192
Subtotal		1,179,892
Total, Martínez installation		3,075,660
<b>II. AZUL (Table 5)</b>		
<b>1. Fixed maintenance costs</b>		16,000
<b>2. Indirect variable costs</b>		39,500
Total, Azul		155,500
<b>TOTAL OPERATING COSTS</b>		<b>3,221,210</b>

\* Does not include electricity, paid by SENASA

**TABLE 2. Cost of Staff Contracted under the United Nations Common System in December 1992, and Projections for 1993, 1994 and 1995. Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

Post No.	Post Title	Grade	1992	1993	1994-1995
0.5958	Chief, Laboratory Services	P-4	104,904	104,904	104,904
0.5959	Food Analyst	P-4	104,904	104,904	104,904
0 5957	Director of the Center	P-5	118,248	118,248	118,248
0 5960	Chief, Technical Cooperation	P-4	104,904	104,904	104,904
0 5961	Specialist in Biological Stand	P-4	104,904	104,904	104,904
0 5962	Veterinary Public Health Advisor	P-4	104,904	104,904	104,904
0 5963	Quality Control Specialist	P-3	87,396	87,396	87,396
0 5964	Administrative Officer	P-3	87,396	87,396	87,396
0 5965	Laboratory Services Officer	P-2	67,248	67,248	67,248
	<b>TOTAL</b>		<b>884,808</b>	<b>884,808</b>	<b>884,808</b>

**TABLE 3. Cost of National Professional Staff in December 1992, and Projections for 1993, 1994 and 1995. Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

	1992	1993	1994	1995
Food Chemistry Analyst	24,960	27,708	29,370	31,132
Library Technician	20,160	22,320	23,659	25,078
Food Microbiologist	24,960	27,708	29,370	31,132
Maintenance Engineer	10,160	22,320	23,659	25,078
Food Epidemiologist	24,960	27,708	29,370	31,132
Systems Analyst	20,160	22,320	23,659	25,078
Technical Officer, Standards and Methods	--	27,708	29,370	31,132
Medical Officer, Zoonoses	--	27,708	29,370	31,132
Technical Officer, Laboratory Diagnosis	--	27,708	29,370	31,132
Technical Officer, Social Communication	--	27,708	29,370	31,132
Technical Officer, Tissue Culture	--	--	29,370	31,132
Technical Officer, Training and Information	--	--	29,370	31,132
<b>TOTAL</b>	<b>135,360</b>	<b>260,916</b>	<b>335,307</b>	<b>355,422</b>

**TABLE 4. Cost of Support Staff Contracted under the Argentine Labor Laws, 1992, and Projections for 1993, 1994 and 1995. Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

Title	Annual Cost			
	1992	1993	1994	1995
Laboratory Assistant	25,800	28,800	30,528	32,358
Chauffeur	8,600	9,600	10,176	10,786
Bilingual Secretary	44,000	49,600	52,576	55,728
Animal Breeding Colony Assistant	11,000	12,400	13,144	13,932
Bilingual Executive Secretary	16,700	18,800	19,928	21,124
Supplies Technician	16,700	18,800	19,928	21,124
General Services Technician	16,700	18,800	19,928	21,124
Programming Technician	16,700	18,800	19,928	21,124
Laboratory Technician	50,100	56,400	59,784	63,372
Personnel Technician	16,700	18,800	19,928	21,124
Accounting Technician	16,700	18,800	19,928	21,124
Maintenance Technician	16,700	18,800	19,928	21,124
Statistician	16,700	18,800	19,928	21,124
Chauffeur	--	9,600	10,176	10,786
Laboratory Assistant	--	48,000	50,880	53,930
Receptionist	--	12,400	13,144	13,932
Maintenance Technician	--	18,800	19,928	21,124
Scientific Documentation Technician	--	37,600	39,856	42,248
Food Microbiology Technician	--	18,800	19,928	21,124
Quality Control Technician	--	18,800	19,928	21,124
Technicians (7)	--	--	139,496	147,868
Assistants (11)	--	--	111,936	118,646
Administrative Support Staff (4)	--	--	52,576	55,728
<b>TOTAL</b>	<b>273,100</b>	<b>471,200</b>	<b>803,480</b>	<b>851,678</b>

**TABLE 5. Fixed Maintenance Costs for 1992 and Projections for 1993, and 1994-1995.  
Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

Item	Cost in \$ per year				Cost in \$ biennium 1994-1995
	1992	1993	1994	1995	
<b>Martínez</b>					
Telephone, fax, telex	100,000	115,700	122,642	130,001	252,643
Electricity	*	138,840	147,170	156,001	303,171
Fuel and vehicle maintenance	22,000	25,454	26,981	28,600	55,581
Gas	16,000	18,512	19,623	20,800	40,423
Pouch and mail	18,000	20,826	22,076	23,400	45,476
Cleaning supplies	6,000	6,942	7,358	7,800	15,159
Laundering of dust-covers	5,000	5,785	6,132	6,500	12,632
Building maint. and supplies	32,000	37,024	39,245	41,600	80,846
Photocopies	24,000	27,768	29,434	31,200	60,634
Gas detector	16,000	18,512	19,623	20,800	40,423
Air conditioning, heating	55,000	63,635	67,453	71,500	138,953
Cleaning of building	29,000	33,553	35,566	37,700	73,266
External security	42,000	28,925	51,510	54,600	106,110
Animal feed	25,000	48,925	30,661	32,500	63,161
Legal services	6,000	6,942	7,359	7,800	15,159
Insurance aut. rep. civil, fire	14,500	16,776	17,783	18,850	36,633
Internal security	22,000	25,454	26,981	28,600	55,581
Shipping and customs	30,000	34,710	36,793	39,000	75,793
Miscellaneous	115,000	133,055	141,038	149,501	290,539
Equipment maintenance	25,000	28,925	30,661	32,500	63,161
<b>Total expenditures, Martínez</b>	<b>602,500</b>	<b>835,933</b>	<b>886,088</b>	<b>939,254</b>	<b>1,825,342</b>
<b>Azul</b>					
Telephone	8,000	9,256	9,811	10,400	20,211
Electricity	12,000	13,884	14,717	15,600	30,317
Vehicle comb. and maint.	6,000	6,942	7,359	7,800	15,159
Gas	6,000	6,942	7,359	7,800	15,159
Water	1,000	1,157	1,226	1,300	2,526
Mail	2,000	2,314	2,453	2,600	5,053
Animal feed	17,000	19,669	20,849	22,100	42,949
Building maint. and supplies	15,000	17,355	18,396	19,500	37,896
Miscellaneous	5,000	5,785	6,132	6,500	12,632
Security	44,000	50,908	53,962	57,200	111,163
<b>Total, Azul</b>	<b>116,000</b>	<b>134,212</b>	<b>142,265</b>	<b>150,801</b>	<b>293,065</b>
<b>Total general operating expenses</b>	<b>718,500</b>	<b>970,145</b>	<b>1,028,353</b>	<b>1,090,054</b>	<b>2,118,408</b>

\* Paid by SENASA



**TABLE 6. Variable Direct and Indirect Costs for Technical Cooperation in 1992.  
Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

Standardized Technical Cooperation Unit	No. of Units	Cost in \$
<b>1. Direct Costs, Martinez</b>		
<b>1.1 Zoonosis control</b>		
Direct technical advisory services	3 Regional	5,400
Workshops	1 Regional 1 Argentina	6,700 6,000
Seminars	1 Regional	13,000
Courses	1 Regional	47,000
Support to laboratories	3 Regional 1 Argentina	9,000 3,000
Professional staff involvement	2 months/year	5,000
Preparation and publication of information	2 Regional	4,000
Applied research	3 Regional	9,000
Standardized biological products	10 Lots Regional	10,000
Chemical and microbiological analysis	100 Tests Regional	1,500
Reference quality control	10 Tests Regional	1,000
Support of epidemiological surveillance networks	3 Regional 1 Argentina	3,000 9,000
<b>Total, direct costs</b>		<b>132,600</b>

TABLE 6 (cont.)

Standardized Technical Cooperation Unit	No. of Units	Cost in \$
<b>1.2 Food Protection</b>		
Direct technical cooperation	2 Regional 2 Argentina	3,600 1,300
Workshops	1 Regional 1 Argentina	6,700 6,000
Seminars	1 Regional	13,000
Courses	1 Regional	47,000
Support to laboratories	3 Regional 2 Argentina	9,900 8,000
Preparation and publication of information	2 Regional	5,000
Professional staff involvement	5 months/year	12,500
Standardized biological products	20 lots Regional	20,000
Chemical and microbiological analysis	100 tests Regional	1,500
Reference quality control	10 tests Regional	1,000
Participation in technical meetings	3 Regional	3,600
Total, direct costs		139,100
<b>2. Indirect costs, Martinez</b>		
2.1 Meetings of governing bodies		23,500
2.2 Professional travel		64,400
2.3 Human resources development		30,000
2.4 Equipment and supplies		263,592
2.5 Fellowships		159,600
2.6 Contractual services		313,100
2.7 Advisers		54,000
Total, indirect costs		908,192
Total, Martinez		1,179,892
<b>3. Indirect costs, Azul</b>		
3.1 Service contracts		39,500
<b>TOTAL VARIABLE COSTS</b>		<b>1,219,392</b>

**TABLE 7. Total Costs for 1994-1995. Pan American Institute for Food Protection and Zoonoses (INPPAZ)**

Item	Cost in \$
<b>I. MARTINEZ</b>	
<b>1. Personnel</b>	
1.1 United Nations professionals (Table 2)	1,769,616
1.2 National professionals (Table 3)	690,729
1.3 Support staff (Table 4)	1,655,158
Subtotal	4,115,503
<b>2. Fixed maintenance costs *</b>	1,825,342
<b>3. Variable direct and indirect costs for delivery of technical cooperation</b>	
<b>3.1 Direct</b>	
3.1.1 Zoonoses (Table 8)	1,016,276
3.1.2 Food Protection	1,144,455
<b>3.1 Indirect costs</b>	1,192,036
Subtotal	3,352,767
TOTAL, MARTINEZ	9,293,612
<b>II. AZUL</b>	
<b>1. Fixed maintenance costs</b>	293,065
<b>2. Personal Service Contracts **</b>	99,790
TOTAL, AZUL	392,855
<b>GRAND TOTAL</b>	<b>9,686,467</b>

\* Includes electricity, paid by SENASA

\*\* Does not include the cost of personnel paid directly by the Argentine Ministries of Health and Agriculture (SENASA), which amounts to \$246,751.

**TABLE 8. Variable Direct and Indirect Costs for Technical Cooperation for 1994-1995**

Standardized Technical Cooperation Unit	No. of Units	1994 Unit Cost	1994 Total	1995 Unit Cost	1995 Total
<b>1. Zoonosis control</b>					
Direct technical cooperation	10 Regional	2,200	22,000	2,330	23,300
	5 Argentina	1,600	8,000	1,700	8,500
Workshops	5 Regional	8,200	41,000	8,700	43,500
	1 Argentina	7,300	7,300	7,700	7,700
Seminars	2 Regional	15,900	31,800	16,850	33,700
	2 Argentina	14,300	28,600	15,160	30,320
Courses	1 Regional	57,600	57,600	61,000	61,000
	1 Argentina	54,000	54,000	57,200	57,200
Support to laboratories	8 Regional	3,680	29,440	3,900	31,200
	3 Argentina	3,680	11,040	3,900	11,700
Associated professionals	10 months/year	3,000	30,000	3,200	32,000
Preparation and publication of information	6 units	2,450	14,700	2,600	15,600
Applied research	9 units	3,680	33,120	3,900	35,100
Standardized biologicals*	50 lots	1,200	60,000	1,243	93,246
Chemical and microbiological analysis**	1000 tests	18	18,000	19	38,000
Reference quality control	70 tests	120	8,400	127	8,890
Support of epidemiological surveillance networks	1 Argentina	3,680	3,680	3,900	3,900
	3 Regional	3680	11,040	3,900	11,700
Subtotal			469,720		546,556

\* In 1995, standardized biologicals will be increased by 50%.

\*\* In 1995, chemical and microbiological analysis will be increased by 100%.

TABLE 8 (Cont.)

Standardized Technical cooperation unit	No. Units	1994 Unit Cost	1994 Total	1995 Unit Cost	1995 Total
<b>2. Food Protection</b>					
Direct technical cooperation	10 Regional	2,200	22,000	2,330	23,300
	2 Argentina	1,600	3,200	1,700	3,400
Workshops	5 Regional	8,200	41,000	8,700	43,500
	2 Argentina	7,300	14,600	7,700	15,400
Seminars	2 Regional	15,900	31,800	16,850	33,700
	2 Argentina	14,300	28,600	15,160	30,320
Courses*	1 Regional	57,600	57,600	61,000	122,000
	1 Argentina	54,000	54,000	57,200	57,200
Laboratory support	10 Regional	3,680	36,800	3,900	39,000
	4 Argentina	3,680	14,720	3,900	15,600
Preparation and publication of information	6 Units	2,450	14,700	2,600	15,600
Associated professionals	20 months/year	3,000	60,000	3,200	64,000
Standardized biologicals*	60 lots	1,200	72,000	1,243	111,925
Chemical and microbiological analysis**	1000 tests	18	18,000	19	19,000
Reference quality control	100 tests	120	12,000	127	25,400
Support to Epidemiological Surveillance Networks	2 Regional	3,680	7,360	3,900	7,800
	1 Argentina	3,680	3,680	3,900	3,900
Participation in technical meetings	7 Arg. + Reg.	1,450	10,150	1,600	11,200
Subtotal			502,210		386,300

\* Regional Courses, chemical and microbiological analysis, reference quality control tests will be doubled in 1995.

\*\* Production of biological standards will be increased by 50% in 1995.

**TABLE 8. (Cont.)**

Sandarized Technical Coperation Unit	1994 Total	1995 Total
<b>Direct and indirect variable costs for delivery of technical cooperation</b>		
Meetings of Governing Bodies	28,000	29,680
Professional travel	75,000	79,500
Human resources development	35,000	37,100
Equipment and Supples	125,000	154,456
Contractual service	80,000	84,800
Fellowships	160,000	169,600
Advisers	65,000	68,900
Subtotal	568,000	624,036
<b>GRAND TOTAL</b>	<b>1,539,930</b>	<b>1,812,837</b>

APPENDIX II  
PROPOSAL FOR THE FINANCING OF INPPAZ  
(ANNEX 4 OF DOCUMENT CE109/9)

## PROPOSAL FOR THE FINANCING OF INPPAZ

This annex provides a proposed methodology for the calculation of the contributions of the Government of Argentina and the Organization for the biennium 1994--95. The methodology indicated below is presented according to the four elements included in paragraph 2(a) of the Transitory Article of the agreement between the Organization and the Government of the Argentine Republic for the establishment of INPPAZ signed on 15 November 1991.

### I. Study on Operating Costs

This study will be conducted by the Organization during 1992. In conducting the study of INPPAZ operating costs, the Organization will take into account the objectives of the institute, its functions, the coverage being provided by the services, the need for equipment and for modernization of its installations, and such other aspects as may be deemed necessary. The Organization will consult with the Government on such matters as it may consider essential to the conclusion of this study.

The operating costs will be developed as follows:

#### 1. Staff costs

##### a) International Professionals

The costs of these personnel will be developed on the basis of the general entitlements authorized under the United Nations common system.

##### b) National Professionals, Technical and Support Staff

i) The costs of these personnel will be developed on the basis of appropriate salary levels, benefits and entitlements established in accordance with the national labor laws and current PAHO policies.

ii) In the last quarter of 1991, the Organization conducted a local salary survey in Buenos Aires including interviews with and data collection from local institutions where the work performed was similar to that of INPPAZ. Based on



this survey, projected INPPAZ core staff positions were classified according to local standards and established salary levels. Benefits and entitlements under National labor laws and practices were added to the salary levels and a total cost developed for each position. These compensation levels have been used to prepare the 1992 Annual Program Budget and the recruitment of CORE staff.

- iii) In developing the operating cost study of INPPAZ in 1992, the local salary survey will be updated as required. A projected inflation rate for 1994-95 will be established in consultation with the Government of Argentina. The updated salary costs adjusted for a projected inflation rate will be applied to the approved positions for national professional, technical and support staff to reflect the projected 1994-95 staff costs.

2: Maintenance Costs

Maintenance represents the largest category of expenditures, other than staff costs. Such Center maintenance includes utilities, building maintenance, air conditioning, insurance, cleaning/custodial, security, equipment maintenance, mail communications (telephone, fax, telex, etc.), motor vehicles, animal food, custom/freight, etc. The estimated costs of these items for both the Martinez and Azul installations will be based upon actual cost experience in 1992 plus consultations with the appropriate entities involved concerning future trends.

3: Other costs

Other costs include requirements for new equipment, travel, seminars/courses, consultants, maintenance of technical laboratory equipment, maintenance of small animal laboratory and the Azul experimental facility as well as maintenance of animals used for diagnosis and quality control of biologicals. The estimated costs of these items will be based upon and related to the projected program of activities for the biennial 1994-1995.

II. Contributions of other Member Countries

Negotiations and discussions will be initiated with other Member Countries with the objective of seeking commitments for additional contributions for the operations of the Center. Particular attention will be given to those Member Countries using the services of INPPAZ. The short and long-range benefits to the individual countries, the region as a whole as well as the global impact of INPPAZ operations as an International Reference Center will be emphasized in seeking extra-budgetary commitments for INPPAZ.

III. Contributions of Third Parties

Donor agencies which have a special interest in the objectives, functions and services provided by INPPAZ will be identified and solicitations for financial contributions will be vigorously pursued.

IV. Estimated demand for the paid Services of INPPAZ

The INPPAZ services which will be susceptible to the payment of charges by users will be identified. Standard costs for each service will be developed, to include both direct and indirect costs.

V. Summary

Upon completion of the Organization's study on operating costs and the other financing actions indicated above, the contributions of the Government of Argentina and the Organization for 1994-95 will be calculated by common agreement. The proposed contribution by the Organization will be subject to the approval of the PAHO Governing Bodies during their meetings in 1993.