



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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PROVISIONAL DRAFT OF THE PROGRAM BUDGET OF THE WORLD HEALTH ORGANIZATION FOR
THE REGION OF THE AMERICAS FOR THE BIENNIUM 1986-1987

In order for the 93rd Meeting of the Executive Committee, in its capacity as the Working Party of the WHO Regional Committee, to review and make recommendations to the XXX Meeting of the Directing Council (WHO Regional Committee), the Director submits for the Committee's consideration the provisional draft of the program budget of the World Health Organization for the Region of the Americas for the biennium 1986-1987.

The projections contained in this draft will be considered in the Director-General's proposal, which will be reviewed by the January 1985 WHO Executive Board and acted upon by the May 1985 World Health Assembly.

The Executive Committee may wish to consider a resolution recommending to the XXX Meeting of the Directing Council (WHO Regional Committee) approval of the program budget as tentatively allocated.

WHO Tentative Allocation for 1986-1987

The tentative allocation provided to this Region for 1986-1987 by the Director-General of WHO is \$58,560,000, which represents an increase of 15.2% over the 1984-1985 program budget of \$50,834,000. Within the

\$58,560,000, an amount of \$25,361,000 was tentatively allocated for country activities including minimum program growth of 4.0% or \$863,000 which could be increased if other activities were decreased. The remainder of the increase between 1984-1985 and 1986-1987 was to be restricted to cost increases. However, the Director-General will not make a decision upon the final 1986-1987 proposal until after the WHO Regional Committee meetings in September and October of 1984.

Formulation of the 1986-1987 WHO Program Budget

The provisional draft for the overall PAHO and WHO Regular funded program budget for 1986-1987 was originally presented in Official Document 187 of April 1983. The formulation of the projections started almost a year prior to the presentation, with four months devoted to consultations with Member Countries, another four months devoted to reviewing the proposals at Headquarters, and a final two months used for the printing and distribution of the document.

As part of the procedure of developing these program budget proposals, the Secretariat projected the future average costs for salary, short-term consultant, and fellowship averages, which relate to approximately 75% of the funding. These factors were used in the Headquarters review of the program budget proposals and in the final program budget document.

In the past, the Organization has used these tentative projections, without modification, as the basis for the proposal from this Region to the Director-General. Since the introduction of biennial program budgets in 1980, this has meant that the period between formulation and execution is three years.

Rather than utilizing the averages calculated in late 1982 and used for the tentative cost projections for the 1986-1987 program budget in Official Document 187, the averages for 1986-1987 were completely recalculated during August 1984 and are now being used for the revised tentative projections for 1986-1987.

Table 1 shows a comparison of average costs used for the 1984-1985 and 1986-1987 biennia and illustrates the effects of re-calculating the average cost projections for a given biennium at several different points in time as execution of the program budget approaches. A limited number of examples are given, namely, the regional averages used for short-term consultants and fellowships, and the estimated average cost of a P.4 position at selected duty stations.

Methodology for Analyzing the Program Budget: Real Versus Cost Increases

Once the latest cost projections have been completed and incorporated into the program budget proposal, PAHO and WHO then use a methodology for determining the composition of the increase in the proposed program budget over the current program budget. The two factors used are real increases (or program growth) and cost increases. Table 2 provides the analysis of real, cost, and total increases in the 1986-1987 WHO Program Budget over the 1984-1985 WHO Program Budget.

Real increases are those new items which have been added to the program budget without being offset by a corresponding decrease. An example would be if a new post were added to the 1986-1987 program budget without deleting another post elsewhere to compensate for it.

Cost increases are those increases from 1984-1985 to 1986-1987 over which PAHO and WHO have no control, such as inflation and the post adjustment class to be used for a particular duty station. These post adjustments are issued by the United Nations and are followed by the specialized agencies. Other types of increases which fall under this factor would be the estimated inflation rate and its effect upon air fares or the cost of supplies and equipment.

To determine the amount of the real increase in the program budget for a particular biennium, the proposal is costed using the same averages which had been used in the program budget approved for the previous biennium. In the current proposal, the program for 1986-1987 has been costed with the averages used for the 1984-1985 program presented in WHO's Proposed Program Budget Document (PB/84-85) published in November 1982. The difference between the 1986-1987 program and the 1984-1985 program, both using the same average costs, represents the real growth (plus or minus) in the program budget.

To determine the amount of the cost increase, the 1986-1987 program is costed using the new averages for 1986-1987 calculated in August 1984. The difference between the 1986-1987 program costed with these new averages and the 1986-1987 program costed with the 1984-1985 averages represents the cost increase (or decrease) in the program budget.

The net amount of the real and cost increases is the total increase in the program budget from one biennium to the next.

Analysis of the 1986-1987 WHO Program Budget Proposal

The total amount of the 1986-1987 WHO Program Budget Proposal is \$58,076,000, at a level \$7,242,000 or 14.2% over the 1984-1985 allocation. It is nonetheless \$484,000 below the 1986-1987 tentative allocation of \$58,560,000, which would have represented a total increase of 15.2%.

Table 2 provides a detailed analysis of the real, cost, and total increases. Note that the real increase for the total program budget is 0.9%, and the cost increase is 13.3%.

It should be noted that the real increase for country programs of 5.6% or \$1,209,500 has been completely offset by decreases in other areas of the program (regional programs, centers, technical and administrative direction, and governing bodies). The total real increases of \$438,500 or 0.9%, including the real increase of \$207,000 in the Regional Director's Development Program for Country Activities, are the only real increases which have not been offset by decreases in other areas of the program.

The cost increases, which are due to mandatory increases and inflation changes, show larger increases in the non-country areas because the change in averages used for Washington, D.C., is greater than those used in some of the countries in the field. Many of the latter were projected to be higher in 1984-1985 than they have now proved to be, and the resulting increase for 1986-1987 is smaller than that in Washington. The Caribbean is an exception; salary averages there are projected to be much higher than had been anticipated for 1984-1985.

Reference Point for Amount of Increase to be Anticipated:

In the present environment of economic uncertainty, it is difficult to project accurately two or more years in advance many of the factors included in the calculations, such as post adjustment class changes, pension increases, and possible changes in the professional salary scale (which has not changed since January 1981). Thus in preparing the program budget proposals, the Director was guided by the projected annual inflation rate for the United States of America as an indicator of the amount of increase that could reasonably be expected. Anticipating that the 1986-1987 WHO program budget increase would be slightly higher than the US inflation rate, the Director chose as an initial target for the 1986-1987 program budget a level 13.84% over the 1984-1985 program budget. This rate is slightly higher than the projected 12.36% compound biennial inflation rate or 6% projected annual inflation rate in the United States.

Creation of Regional Director's Subprogram for Country Activities:

In addition, the Regional Director's Development Program was changed so that it now consists of two parts: (1) the existing Technical Cooperation Among Countries program, which is on PAHO regular funds; and (2) a subprogram for the Regional Director's Development Program for Country Activities. This subprogram increased the 1986-1987 WHO program budget to a level 14.2% over the 1984-1985 program budget. Funds from this subprogram will be used in accordance with priorities established by the Governing Bodies as a function of how the program budget develops during the course of the biennium. This subprogram, shown as a separate item on Table 2 under Direct Cooperation with Countries, consists entirely of real increases in country programs.

The subprogram has been established to give the Organization greater flexibility in responding to unexpected changes in the fiscal policies of the Member Countries that affect the cost of the Organization's programs and to changes in priorities which occur as the programs at the country level develop. As a result, the Organization will be able to provide preferential support to countries that do use resources to build up their health systems in accordance with collectively decided policies and strategies.

Distribution of Funds in the 1986-1987 Program Budget

Table 3 shows the tentative percentage distributions of the combined PAHO and WHO Regular program by the five appropriation sections and by location. Percents have been used since the level of the PAHO Regular program budget has not been decided at this time. The Executive Committee will be called upon to make recommendations on the 1986-1987 PAHO Regular program in June 1985.

Table 4 shows the tentative distribution of the 1986-1987 WHO Regular funds in the program classification structure.

TABLE 1

COMPARISON OF AVERAGE COSTS USED FOR 1984-85 AND 1986-87

	1984-85			1986-87		1986-87 % COST INC. (DEC.) OVER:					
	WHO PB/84-85 AVERAGES	OD-187 AVERAGES	AUG. 1984 REVISIONS TO 1984-85 AVERAGES	WHO OD-187 AVERAGES	AUG. 1984 REVISIONS TO 1986-87 AVERAGES	WHO PB/84-85 (5) vs (1)	OD-187 (5) vs (2)	AUG. 1984 REVISIONS (5) vs (3)			
	(1)**	(2)**	(3)***	(4)**	(5)***	(6)	(7)	(8)			
									%	%	%
STC'S	237	237	205	310	260	3.70%	3.70%	26.83%			
FELLOWSHIPS	1,800	1,600	1,500	1,800	1,900	5.56%	18.75%	26.67%			
SAMPLE P-4 COSTS:	-----										
Argentina	279,500	151,900	134,000	165,400	169,100	-35.00%	11.32%	9.81%			
Bolivia	152,100	120,300	134,000	132,300	147,700	-5.38%	22.78%	7.03%			
Brazil	136,700	128,900	123,800	101,400	138,100	1.02%	7.14%	11.55%			
Guatemala	145,900	155,600	155,700	176,100	172,300	18.09%	10.73%	10.66%			
Jamaica	106,700	144,500	128,800	129,400	140,400	10.81%	-2.84%	9.01%			
Mexico	153,700	133,500	141,200	155,200	150,200	7.52%	12.51%	6.37%			
Peru	136,300	50,100	130,700	188,400	166,100	21.86%	4.40%	10.22%			
Trin. & Tob.	151,900	166,600	176,000	136,700	195,500	28.70%	17.35%	11.08%			
Uruguay	171,100	139,000	136,000	179,500	150,600	-11.16%	-5.28%	10.03%			
USA (WDC)	129,900	132,400	127,100	146,100	141,900	9.24%	7.18%	11.64%			
Venezuela	277,400	195,200	141,400	194,400	156,200	-24.69%	-19.98%	10.47%			

*Cost estimates calculated in late 1980.

**Cost estimates calculated in late 1982.

***Cost estimates calculated in August 1984.

TABLE 2

1986-1987 WHO REGULAR FUNDS
PROGRAM BUDGET ESTIMATES AND ANALYSIS OF INCREASES AND DECREASES BY LOCATION

Location	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	1984-1985 Allocation* \$	1986-1987 Program at 1984-1985 Costs* \$	Real Increase or (Decrease) Column (2) Minus Column (1) \$	Percent Real Increase or (Decrease) %	1986-1987 Program at 1986-1987 Costs ** \$	Cost Increase or (Decrease) Column (5) Minus Column (2) \$	Percent Cost Increase or (Decrease) %	Total Increase or (Decrease) Column (3) Plus Column (6) \$	Percent Total Increase or (Decrease) %	Percent of Total	
										1984-85 Column (1) %	1986-87 Column (5) %
Country Programs	21,584,200	22,793,700	1,209,500	5.6	25,223,600	2,429,900	11.3	3,639,400	16.9	42.4	43.4
Caribbean Program Coordination	869,600	1,213,300	343,700	39.5	1,570,600	357,300	41.1	701,000	80.6	1.7	2.7
Multicountry Programs	4,831,200	4,888,500	57,300	1.2	5,317,300	428,800	8.9	486,100	10.1	9.5	9.2
Regional Director's Development Program for Country Activities	-	207,000	207,000	~	207,000	-	~	207,000	~	-	0.4
SUBTOTAL - Direct Coop- eration with Countries	27,285,000	29,102,500	1,817,500	6.7	32,318,500	3,216,000	11.8	5,033,500	18.5	53.6	55.7
Regional Programs	14,063,500	13,624,900	(438,600)	(3.1)	15,617,300	1,992,400	14.2	1,553,800	11.1	27.7	26.9
Centers	3,336,500	2,565,400	(771,100)	(23.1)	2,986,700	421,300	12.6	(349,800)	(10.5)	6.6	5.1
SUBTOTAL - Regional Activities	17,400,000	16,190,300	(1,209,700)	(7.0)	18,604,000	2,413,700	13.9	1,204,000	6.9	34.3	32.0
Technical and Adminis- trative Direction	5,907,200	5,743,300	(163,900)	(2.8)	6,881,600	1,138,300	19.3	974,400	16.5	11.6	11.8
Governing Bodies	241,800	236,400	(5,400)	(2.2)	271,900	35,500	14.7	30,100	12.5	0.5	0.5
TOTAL	50,834,000	51,272,500	438,500	0.9	58,076,000	6,803,500	13.3	7,242,000	14.2	100.0	100.0

*From WHO Proposed Program Budget Document (PB/84-85) published in November 1982 with 1984-1985 cost calculations formulated by AMRO in late 1980 and early 1981.

**These 1986-1987 cost calculations were formulated by AMRO during August 1984.

TABLE 3*

TENTATIVE PERCENTAGE DISTRIBUTION OF COMBINED PAHO AND WHO REGULAR FUNDS,
AND OF PAHO AND WHO REGULAR FUNDS SEPARATELY,
BY APPROPRIATION SECTION FOR THE BIENNIUM 1986-1987

	<u>PAHO/WHO Regular Total</u>	<u>PAHO Regular</u>	<u>WHO Regular</u>
1. Direction, Coordination and Management	12.3	16.0	4.7
2. Health System Infrastructure	37.6	35.0	43.0
3. Health Science and Technology - Health Promotion and Care	17.9	17.2	19.3
4. Health Science and Technology - Disease Prevention and Control	16.1	14.6	19.2
5. Program Support	16.1	17.2	13.8
	<hr/>	<hr/>	<hr/>
Total Program Budget	<u>100.0</u> =====	<u>100.0</u> =====	<u>100.0</u> =====

TENTATIVE PERCENTAGE DISTRIBUTION BETWEEN PAHO AND WHO REGULAR FUNDS
BY APPROPRIATION SECTION FOR THE BIENNIUM 1986-1987

	<u>PAHO Regular</u>	<u>WHO Regular</u>	<u>Total</u>
1. Direction, Coordination and Management	87.5	12.5	100.0
2. Health System Infrastructure	62.4	37.6	100.0
3. Health Science and Technology - Health Promotion and Care	64.6	35.4	100.0
4. Health Science and Technology - Disease Prevention and Control	60.9	39.1	100.0
5. Program Support	71.8	28.2	100.0
	<hr/>	<hr/>	<hr/>
Total Program Budget	<u>67.2</u> =====	<u>32.8</u> =====	<u>100.0</u> =====

*Since the level of the PAHO regular program budget for 1986-87 has not yet been determined, percentages for PAHO regular in this table are based on the program shown in OD-187.

TABLE 3 (cont)

TENTATIVE PERCENTAGE DISTRIBUTION OF COMBINED PAHO AND WHO REGULAR FUNDS,
AND OF PAHO AND WHO REGULAR FUNDS SEPARATELY,
BY LOCATION FOR THE BIENNIUM 1986-1987

	PAHO/WHO Regular <u>Total</u>	PAHO <u>Regular</u>	WHO <u>Regular</u>
Country Programs	34.8	30.6	43.4
Caribbean Program Coordination	1.8	1.4	2.7
Multicountry Projects	5.5	3.7	9.2
Regional Director's Development Program for Country Activities	<u>.2</u>	<u>.1</u>	<u>.4</u>
Subtotal - Direct Cooperation with Countries	<u>42.3</u>	<u>35.8</u>	<u>55.7</u>
Regional Programs	25.8	25.4	26.9
Centers	<u>11.7</u>	<u>14.9</u>	<u>5.1</u>
Subtotal - Regional Activities	<u>37.5</u>	<u>40.3</u>	<u>32.0</u>
Technical and Administrative Direction	17.8	20.6	11.8
Governing Bodies	1.1	1.4	.5
Increase to Assets	1.3	1.9	-
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Total Program Budget	<u>=====</u>	<u>=====</u>	<u>=====</u>

TABLE 3 (cont)

TENTATIVE PERCENTAGE DISTRIBUTION BETWEEN PAHO AND WHO REGULAR FUNDS
BY LOCATION FOR THE BIENNIUM 1986-1987

	<u>PAHO</u> <u>Regular</u>	<u>WHO</u> <u>Regular</u>	<u>Total</u>
Country Programs	59.0	41.0	100.0
Caribbean Program Coordination	51.6	48.4	100.0
Multicountry Projects	45.5	54.5	100.0
Regional Director's Development Program for Country Activities	44.7	55.3	100.0
Subtotal - Direct Cooperation with Countries	56.8	43.2	100.0
Regional Programs	65.8	34.2	100.0
Centers	85.6	14.4	100.0
Subtotal - Regional Activities	72.0	28.0	100.0
Technical and Administrative Direction	78.1	21.9	100.0
Governing Bodies	86.1	13.9	100.0
Increase to Assets	100.0	-	100.0
Total Program Budget	<u>67.2</u> =====	<u>32.8</u> =====	<u>100.0</u> =====

TABLE 4

BIENNIUM 1986-1987 TENTATIVE PROGRAM BUDGET FOR THE REGION OF THE AMERICAS

		1986-87	
		WHO Regular	
		Amount	Percent
DCM 1. DIRECTION, COORDINATION AND MANAGEMENT		2,703,500	4.7
		=====	=====
GOB	1. <u>Governing Bodies</u>	271,900	.5
RCO	1. 3 Regional Committees	271,900	.5
PDM	2. <u>General Program Development & Management</u>	2,431,600	4.2
EXM	2. 1 Executive Management	260,200	.4
DGP	2. 2 Director-General's and Regional Directors' Development Program*	207,000	.4
GPD	2. 3 General Program Development	1,896,200	3.3
COR	2. 4 External Coordination for Health and Social Development	68,200	.1
HSI 2. HEALTH SYSTEM INFRASTRUCTURE		24,992,800	43.0
		=====	=====
HSD	3. <u>Health System Development</u>	7,581,900	13.1
HST	3. 1 Health Situation and Trend Assessment	3,013,300	5.2
MPN	3. 2 Managerial Process for National Health Development	4,505,300	7.8
HSR	3. 3 Health Systems Research	63,300	.1
PHC	4. <u>Organization of Health Systems Based on Primary Health Care</u>	11,206,800	19.3
HMD	5. <u>Health Manpower</u>	5,358,900	9.2
IEH	6. <u>Public Information and Education for Health</u>	845,200	1.4

*Reserved for country activities.

TABLE 4 (cont)

		1986-87 WHO Regular	
		Amount	Percent
STP 3.	HEALTH SCIENCE AND TECHNOLOGY - HEALTH PROMOTION AND CARE	11,200,700	19.3
RPD	7. <u>Research Promotion and Development</u>	173,300	.3
GHP	8. <u>General Health Protection and Promotion</u>	2,301,200	4.0
NUT	8. 1 Nutrition	1,856,700	3.2
ORH	8. 2 Oral Health	444,500	.8
HPP	9. <u>Protection and Promotion of the Health of Specific Population Groups</u>	1,603,000	2.7
MCH	9. 1 Maternal and Child Health, including Family Planning	869,700	1.5
OCH	9. 3 Workers' Health	539,500	.9
HEE	9. 4 Health of the Elderly	193,800	.3
MNH	10. <u>Protection and Promotion of Mental Health</u>	771,200	1.3
PSF	10. 1 Psychosocial Factors in the Promotion of Health and Human Development	383,300	.6
ADA	10. 2 Prevention and Control of Alcohol and Drug Abuse	231,100	.4
MND	10. 3 Prevention and Treatment of Mental and Neurological Disorders	156,800	.3
PEH	11. <u>Promotion of Environmental Health</u>	5,318,700	9.2
CWS	11. 1 Community Water Supply and Sanitation	4,818,800	8.3
FOS	11. 4 Food Safety	499,900	.9
DTR	12. <u>Diagnostic, Therapeutic and Rehabilitative Technology</u>	1,033,300	1.8
CLR	12. 1 Clinical, Laboratory and Radiological Technology for Health Systems Based on Primary Health Care	437,900	.8
DSE	12. 3 Drug and Vaccine Quality, Safety and Efficacy	595,400	1.0

TABLE 4 (cont)

		1986-87 WHO Regular	
		Amount	Percent
STD 4. HEALTH SCIENCE AND TECHNOLOGY - DISEASE PREVENTION AND CONTROL		11,168,600	19.2
		=====	=====
DPC	13. <u>Disease Prevention and Control</u>	11,168,600	19.2
EPI	13. 1 Immunization	1,096,000	1.9
VBC	13. 2 Disease Vector Control	3,505,900	6.0
MAL	13. 3 Malaria	1,082,300	1.8
PDP	13. 4 Parasitic Diseases	329,400	.6
TDR	13. 5 Tropical Disease Research	112,800	.2
CDD	13. 6 Diarrheal Diseases	522,100	.9
TUB	13. 8 Tuberculosis	351,600	.6
LEP	13. 9 Leprosy	291,100	.5
VPH	13.10 Zoonoses	1,961,000	3.4
VDT	13.11 Sexually Transmitted Diseases	36,500	.1
CDS	13.13 Other Communicable Disease Prevention and Control Activities	1,662,200	2.8
PBL	13.14 Blindness	45,900	.1
CAN	13.15 Cancer	94,600	.2
NCD	13.17 Other Noncommunicable Disease Prevention and Control Activities	77,200	.1
PRS 5. PROGRAM SUPPORT		8,010,400	13.8
		=====	=====
HBI	14. <u>Health Information Support</u>	2,801,800	4.8
SPS	15. <u>Support Services</u>	5,208,600	9.0
PER	15. 1 Personnel	731,600	1.3
PGS	15. 2 General Administration and Services	2,631,400	4.5
BFI	15. 3 Budget and Finance	1,550,200	2.7
SUP	15. 4 Equipment and Supplies for Member States	295,400	.5
TOTAL PROGRAM BUDGET		58,076,000	100.0
		=====	=====