

167th SESSION OF THE EXECUTIVE COMMITTEE

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EMERGENCY LOAN FROM THE REVOLVING FUND FOR ACCESS TO VACCINES TO THE REGIONAL REVOLVING FUND FOR STRATEGIC PUBLIC HEALTH SUPPLIES

Background

1. In May 2020, the Special Session of the Executive Committee adopted Resolution CESS1.R1, Emergency Loan from the Revolving Fund for Access to Vaccines to the Regional Revolving Fund for Strategic Public Health Supplies (1). This resolution called for a short-term emergency loan up to a maximum of US\$ 50 million¹ from the Capital Account of the Revolving Fund for Access to Vaccines (Revolving Fund) to the Capital Account of the Regional Revolving Fund for Strategic Public Health Supplies (Strategic Fund). The main reasons for the loan were the increased projected needs in COVID-19 health supplies being requested by Member States that participate in the Strategic Fund and the limited balance available in the Capital Account of the Strategic Fund to support advanced procurement of those needs.
2. The purpose of this document is to report to the 167th Session of the Executive Committee on the status of this emergency loan and on the actions taken to support Member States to facilitate access to critical COVID-19 medical supplies in accordance with Resolution CESS1.R1.

Analysis of the Progress Achieved

3. The Strategic Fund of the Pan American Health Organization (PAHO) continues to play an important role in supporting countries in their response to COVID-19 regarding the provision of emergency medical supplies. As of 31 August 2020, the Strategic Fund has procured \$151 million of medicines and health supplies in 2020 on behalf of 25 Member States, constituting a three-fold increase in the use of the Fund mechanism as compared to the same period in 2019. Supplies provided through the Strategic Fund include Personal Protective Equipment (PPEs), In Vitro Diagnostics (IVDs) and, in particular,

¹ Unless otherwise indicated, all monetary figures in this document are expressed in United States dollars.

Polymerase Chain Reaction (PCR) tests, biomedical equipment and medicines for critical care of COVID-19 patients in countries.

4. The Capital Account of the Strategic Fund provides Member States of PAHO with a line of credit to purchase strategic public health supplies, which Member States reimburse upon receipt of the supplies. Through increased utilization of the PAHO Strategic Fund, the Capital Account of the Strategic Fund has increased to \$24.1 million as of 31 August 2020. The Capital Account has been managed effectively to support Member States without requiring the use of the Emergency Loan from the PAHO Revolving Fund to the Strategic Fund during the short reporting period of time since the loan was approved on 29 May. This has been achieved through timely repayment of accounts receivable from Member States, optimal resource utilization through prepaid procurement, improved coordination with Member States to program procurement and deliveries based on Just-In-Time principles, and improved coordination with suppliers to utilize multi-modal transportation (i.e. combination of air, land and ocean transport) to address the increased transportation and insurance costs due pandemic.

5. The Emergency Loan provision constitutes an important mechanism to meet future eventual urgent needs of PAHO Member States. The loan enables the procurement of vital COVID-19 emergency supplies through the Strategic Fund, in particular essential medicines for critical care for COVID-19, and qualified point-of-care antigen based COVID-19 tests that are now available for Member States through the Strategic Fund. The Pan American Sanitary Bureau (PASB) is establishing the necessary mechanisms to determine the amounts and timing for transfers from the Revolving Fund to the Strategic Fund to support the needs of Member States when required, as well as the appropriate managerial and financial controls to ensure timely reimbursements to the Revolving Fund so that there is no impact on the ability of PASB to support Member States participating in the PAHO Revolving Fund.

Action by the Executive Committee

6. The Executive Committee is invited to take note of this report and provide any comments it deems pertinent.

References

1. Pan American Health Organization. Emergency loan from the revolving fund for access to vaccines to the regional revolving fund for strategic public health supplies. Special Session of the Executive Committee of PAHO; 2020 May 29; session virtual. Washington, DC: 2020 (Resolution CESS1.R1) [cited 2020 Aug 28]. Available from: https://www.paho.org/hq/index.php?option=com_docman&view=download&alias=51998-cess1-r1-e-loan-revolving-fund&category_slug=ce166-en&Itemid=270&lang=en
