

**15th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

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**OUTLINE OF THE PROGRAM BUDGET OF THE
PAN AMERICAN HEALTH ORGANIZATION 2022-2023**

Introductory Note to the Subcommittee on Program, Budget, and Administration

1. The proposed Program Budget of the Pan American Health Organization 2022-2023 is the second to be developed and implemented under the Strategic Plan of the Pan American Health Organization 2020-2025. The document will set out the corporate results and targets for the Pan American Health Organization (PAHO), as agreed with the Member States, for the next two years. It will present the budget that the Pan American Sanitary Bureau (PASB or the Bureau) will require in order to deliver on these biennial results and support Member States in improving health outcomes while contributing to the achievement of health targets set out in regional and global frameworks.
 2. This proposed Program Budget will follow the same programmatic structure as the PAHO Program Budget 2020-2021. The results framework of the proposed Program Budget 2022-2023 will respond to the main strategic mandates for the period: the Thirteenth General Programme of Work (GPW 13) of the World Health Organization (WHO), its corresponding WHO Programme Budget 2022-2023, the Sustainable Health Agenda for the Americas 2018-2030 (SHAA2030), and the PAHO Strategic Plan 2020-2025. The implementation of the proposed Program Budget 2022-2023 will also contribute to progress toward the Sustainable Development Goals. Furthermore, this is the first Program Budget to be developed during the COVID-19 period, and the consequences and lessons learned from the protracted emergency situation will shape many aspects of the Program Budget 2022-2023.
 3. As in previous planning cycles, the proposed Program Budget 2022-2023 provides an opportunity to review and redefine biennial results to ensure that PAHO's technical cooperation responds adequately to the country and regional public health situation. The COVID-19 pandemic and its socioeconomic impact pose a unique challenge that has triggered a thorough review of the Organization's biennial objectives and priorities.
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4. The document submitted for consideration to the Subcommittee consists of an outline that describes the proposed structure and format of the full proposed Program Budget 2022-2023 that will be presented to the upcoming 168th Session of the Executive Committee in June 2021, while PASB completes its review of the results framework, estimates its respective costing, and incorporates changes resulting from the WHO Programme Budget development process.

5. The Annex to this document presents the draft outline, including a brief summary of the intended process and content for all sections. In keeping with past practice, the budget section includes a high-level overview of the proposed budget and its expected sources of financing, the proposed structure of the budget by outcome, an explanation of how the budget contributes to the SHAA2030 goals, and details on how it compares to the current PAHO Program Budget 2020-2021.

Action by the Subcommittee on Program, Budget, and Administration

6. The Subcommittee is invited to consider the outline presented in the Annex and to provide PASB with comments and observations regarding the structure and content of the document. It may also wish to comment on the budgetary information provided.

Annex

PROPOSED
PROGRAM BUDGET OF THE
PAN AMERICAN HEALTH ORGANIZATION 2022-2023

Outline

Pan American Health Organization
Regional Office of the World Health Organization for the Americas

February 2021

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Executive Summary

This section will provide a high-level summary on the contents of the document.

Proposed Budget

Overall Budget Proposal

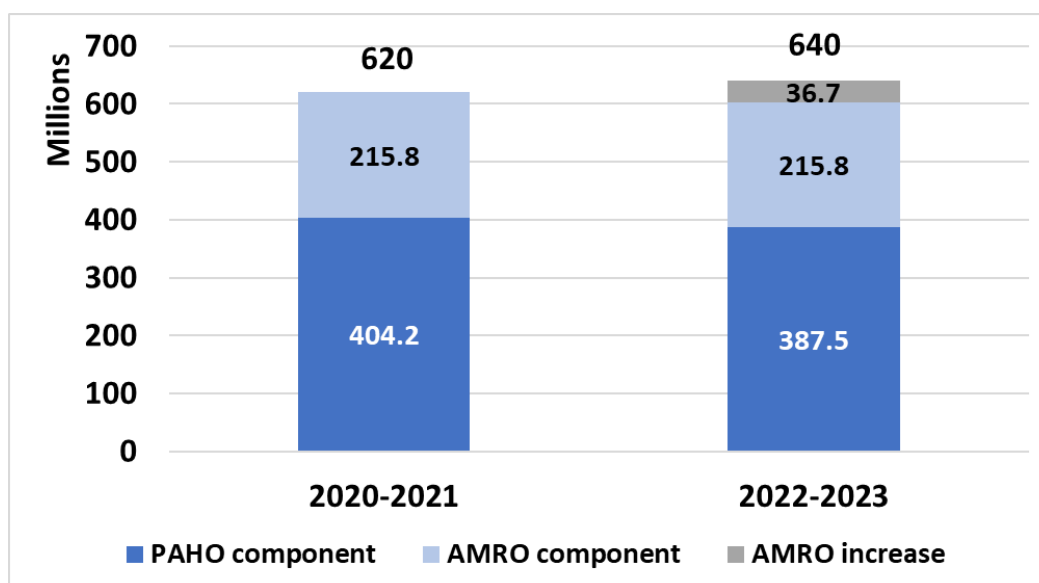
1. The proposed budget of the Pan American Health Organization (PAHO) for the 2022-2023 biennium is US \$688 million in total.¹ Of this amount, \$640 million is for base programs and \$48 million is for special programs (including emergencies). This proposal represents a 5.8% increase in the overall budget and a 3.2% increase for base programs with respect to 2020-2021. The proposed increase in both segments balances new and existing programmatic needs, realistic financing prospects, World Health Organization (WHO) budget requirements, and efficiency efforts.
2. The proposed PAHO Program Budget 2022-2023 includes the budget allocation from the World Health Organization for the Regional Office for the Americas (AMRO), currently indicated as \$252.5 million for base programs and \$17.3 million for special programs.² The AMRO budget allocation reflects an increase of \$37 million or 17% for base programs with respect to 2020-2021. With this increase, the WHO component would represent 39% of PAHO base programs for 2022-2023.
3. The proposed WHO Programme Budget 2022-2023 focuses on four key areas:
 - a) Rethink health emergency preparedness and readiness and bolster response capacities to health emergencies;
 - b) Build resilience through primary health care-oriented health systems strengthening and the health security nexus;
 - c) Advance WHO's leadership in science and data; and
 - d) Get back on track and accelerate progress towards the triple billion targets and those of the Sustainable Development Goals.
4. The proposed PAHO Program Budget 2022-2023 will reflect these focus areas and the proposed regional budget increase in line with priority health needs in the Americas, technical cooperation demands and expectations, and PAHO's commitment to achieving results at country level, along with an increased expectation for better financing.

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

² The amount reflects the review made to the WHO Programme Budget 2022-2023 to address Member States comments during the 148th Session of WHO Executive Board.

5. Given the increase in the AMRO budget allocation of \$37 million for base programs, and given that the proposed base budget increase for PAHO is \$20 million, the PAHO-only component of the budget would decrease, as shown in Figure 1.

Figure 1. PAHO Proposed Budget 2022-2023 for Base Programs by Budget Component, Compared to 2020-2021
(US\$ millions)



Budget by Outcome

This section will present the overall budget distributed by outcome.

6. The PAHO Strategic Plan 2020-2025 outcomes are the highest level of programmatic results to be presented in the proposed Program Budget 2022-2023. The outcomes will therefore be the first level for allocation of the budget (see the Programmatic Context section of this document for a full definition of health outcomes).

7. Distribution of the proposed budget by outcome will be mainly defined by a bottom-up and top-down planning process that considers the priorities individually and collectively defined by Member States for the Strategic Plan 2020-2025 and incorporates any adjustments made with Member States in response to the ongoing COVID-19 crisis. The Pan American Sanitary Bureau (PASB or the Bureau) will also incorporate lessons learned during the 2020-2021 budget implementation phase, with special attention to actions related to preparedness, prevention, control, and response to the COVID-19 pandemic.

8. The high-level process for development of the Program Budget is summarized as follows:

- a) The Bureau proposes an overall budget amount that balances programmatic needs with past and expected financing and implementation levels. Later, it distributes the overall budget between the regional, subregional and country levels.
- b) The PAHO Budget Policy (Document CD57/5) approved in 2019 provides primary guidance on distribution of the country-level budget. PAHO/WHO Representative (PWR) Offices define and cost the work to take place in the upcoming biennium and distribute their budgets across the approved health outcomes. This distribution is guided by the priorities defined by Member States during consultations for the PAHO Strategic Plan 2020-2025 and by the respective Country Cooperation Strategy, where applicable. It also takes into consideration any emerging priorities from strategic consultations with Member States as part of the Program Budget 2022-2023 development process.
- c) The regional and subregional levels also propose the distribution of their overall budget allocations across the PAHO Strategic Plan outcomes based on programmatic prioritization, technical needs, and regional and global commitments. These proposals will also incorporate lessons learned during implementation of the Program Budget 2020-2021 in the COVID-19 context.
- d) The results for the three levels are consolidated to produce the first full proposed Program Budget 2022-2023 for the Executive Committee. The Bureau then assesses and adjusts the figures to ensure that corporate priorities are adequately represented and that the budget is realistic and complete.

9. Table 1 outlines how the proposed Program Budget 2022-2023 would be presented and how it compares to the current approved Program Budget 2020-2021.

Table 1. Proposed Program Budget 2022-2023 by Outcome, Compared to 2020-2021
(US\$ millions)

Outcome (OCM)	Outcome short title	Approved budget 2020-2021	Proposed budget 2022-2023
OCM 1			
OCM 2			
OCM 3			
OCM 4			
OCM 5			
OCM 6			
...			
OCM 28			
Total base programs		\$620.0	\$640.0
Special programs		\$30.0	\$48.0
Total PAHO Program Budget		\$650.0	\$688.0

Budget by SHAA2030 Goal

10. Similar to the Program Budget 2020-2021, the proposed Program Budget 2022-2023 will reflect the contribution of the PAHO Program Budget to the 11 goals of the Sustainable Health Agenda for the Americas 2018-2030 (SHAA2030). This linkage is only approximate, as both the PAHO Strategic Plan 2020-2025 outcomes and the SHAA2030 goals are intrinsically inter-programmatic, meaning that there is not a one-to-one association between these goals and the distribution of the budget. For this reason, the Bureau will estimate the proportion of each outcome’s contribution to each SHAA2030 goal, and the budget will be distributed accordingly (Table 2).

**Table 2. Proposed PAHO Program Budget 2022-2023:
Estimated Base Budget Contribution to the Goals of the Sustainable Health Agenda
for the Americas 2018-2030***
(US\$ millions)

SHAA2030 Goal	Title of SHAA2030 Goal	Estimated budget
GOAL 1	Expand equitable access to comprehensive, integrated, quality, people-, family-, and community-centered health services, with emphasis on health promotion and illness prevention	
GOAL 2	Strengthen stewardship and governance of the national health authority while promoting social participation	
GOAL 3	Strengthen the management and development of human resources for health (HRH) with skills that facilitate a comprehensive approach to health	
GOAL 4	Achieve adequate and sustainable health financing with equity and efficiency, and advance toward protection against financial risks for all persons and their families	
GOAL 5	Ensure access to essential medicines and vaccines, and to other priority health technologies according to available scientific evidence and the national context	
GOAL 6	Strengthen information systems for health to support the development of evidence-based policies and decision-making	
GOAL 7	Develop capacity for the generation, transfer, and use of evidence and knowledge in health, promoting research, innovation, and the use of technology	
GOAL 8	Strengthen national and regional capacities to prepare for, prevent, detect, monitor, and respond to disease outbreaks and emergencies and disasters that affect the health of the population	
GOAL 9	Reduce morbidity, disabilities, and mortality from noncommunicable diseases, injuries, violence, and mental health disorders	
GOAL 10	Reduce the burden of communicable diseases and eliminate neglected diseases	

SHAA2030 Goal	Title of SHAA2030 Goal	Estimated budget
GOAL 11	Reduce inequality and inequity in health through intersectoral, multisectoral, regional, and subregional approaches to the social and environmental determinants of health	
	Total PAHO Program Budget 2022-2023	\$688.0

* Estimated amounts are based on the expected proportional contribution of outcomes and outputs to each SHAA2030 goal.

Implementation of the PAHO Budget Policy: Budgets by Country and Functional Level

11. PAHO continues to strategically strengthen its country-level work. To distribute the country-level budget allocation in a transparent and equitable manner, Member States adopted the PAHO Budget Policy at the 57th Directing Council in September 2019.

12. The version of the proposed Program Budget 2022-2023 to be presented at the 168th Session of the Executive Committee will include country-by-country budgets. Table 3 provides the format for these budgets.

Table 3. Proposed PAHO Program Budget 2022-2023: Indicative Budget by Country/Territory and Functional Level
(US\$ millions)

Country/territory	Code	Proposed budget
Member State		
Antigua and Barbuda	ATG	
Argentina	ARG	
Bahamas	BHS	
Barbados	BRB	
Belize	BLZ	
Bolivia	BOL	
Brazil	BRA	
Canada	CAN	
Chile	CHL	
Colombia	COL	
Costa Rica	CRI	
Cuba	CUB	
Dominica	DMA	
Dominican Republic	DOM	
Ecuador	ECU	
El Salvador	SLV	
Grenada	GRD	
Guatemala	GTM	
Guyana	GUY	
Haiti	HTI	
Honduras	HND	

Country/territory	Code	Proposed budget
Jamaica	JAM	
Mexico	MEX	
Nicaragua	NIC	
Panama	PAN	
Paraguay	PRY	
Peru	PER	
Saint Kitts and Nevis	KNA	
Saint Lucia	LCA	
Saint Vincent and the Grenadines	VCT	
Suriname	SUR	
Trinidad and Tobago	TTO	
United States of America	USA	
Uruguay	URY	
Venezuela	VEN	
Eastern Caribbean		
Office of the Eastern Caribbean Countries	ECC	
Associate Members		
Aruba	ABW	
Curaçao	CUW	
Puerto Rico	PRI	
Sint Maarten	SXM	
Participating States		
French Departments in the Americas		
Netherlands Territories		
United Kingdom Territories		
Total - Country level		
Total - Subregional level		
Total - Regional level		
Total - Base programs		640.0
Special programs		48.0
PROGRAM BUDGET - TOTAL		688.0

Budget Alignment with WHO Outcomes

13. PAHO maintains its commitment to align with the WHO GPW 13 and the proposed WHO Programme Budget 2022-2023. Programmatic alignment facilitates technical collaboration, monitoring, and reporting between the global and regional levels. From the budgetary perspective, alignment eases the transfer, implementation, and reporting of funds and streamlines reporting processes.

14. The proposed PAHO Program Budget 2022-2023 outputs have been structured so that no PAHO output responds to more than one output in the WHO GPW 13 results framework. This makes it possible to aggregate the AMRO budget from the bottom up and have a budget that is easily translatable into the WHO programmatic results chain.

Financing the Program Budget

This section is under development and will be completed with up-to-date details on resource trends, financing, and funding expectations.

Base Programs

15. The base programs of the Program Budget 2022-2023 will be financed through:
- Assessed contributions from Member States, Participating States, and Associate Members;
 - Budgeted miscellaneous revenue;
 - Other PAHO financing sources, including voluntary contributions and special funds; and
 - Funding allocated by the World Health Organization to the Region of the Americas (consisting of both WHO flexible funding and voluntary contributions).
16. Article 4.4 of the PAHO Financial Regulations establishes that assessed contributions and budgeted miscellaneous revenue shall be made available for implementation on the first day of the budgetary period to which they relate, based on the assumption that Member States will pay their quota contributions on a timely basis. Other sources of PAHO financing, such as voluntary contributions, are made available when the respective agreement is fully executed. Funding from WHO is made available upon receipt of awarded funds or a communication from the WHO Director-General.
17. Table 4 shows the expected financing of the Program Budget 2022-2023 compared with that of the Program Budget 2020-2021, as well as the contribution of each financing source as a share of the whole.

Table 4. Proposed PAHO Program Budget 2022-2023 by Financing Source Compared with PAHO Program Budget 2020-2021, Base Programs Only
(in US\$)

Source of financing	2020-2021	2022-2023	Increase (decrease)	Share
PAHO net assessed contributions	194,400,000	194,400,000	-	30.4%
PAHO budgeted miscellaneous revenue	17,000,000	17,000,000	-	2.7%
PAHO voluntary contributions and other sources	192,800,000	176,100,000	(16,700,000)	23.8%
WHO allocation to the Americas	215,800,000	252,500,000	36,700,000	43.2%
TOTAL	620,000,000	640,000,000	20,000,000	100%

18. Regarding the sources of financing:
- a) **Assessed contributions.** In 2020-2021, assessed contributions from Member States, Participating States, and Associate Members were approved in the amount of \$194.4 million. PAHO assessed contributions have not grown since 2012-2013. As technical cooperation demands from Member States grow and diversify, having zero nominal growth in net Member State contributions has effectively implied a reduction in the Organization's flexible resources, since staff and activity costs have increased while assessed contributions have remained the same. This situation has increased dependence on voluntary contributions and limited the Bureau's ability to address funding gaps.
 - b) **Budgeted miscellaneous revenue.** This amount corresponds to the estimated income earned in the preceding biennium from interest on the Organization's investments. Based on the most up-to-date information at the time of presenting this budget proposal, miscellaneous revenue is already expected to be \$17 million.
 - c) **PAHO voluntary contributions and other sources.** This component includes voluntary contributions that are mobilized directly by PAHO, as well as revenue from program support costs and any other source of income that finances the Program Budget.³ About \$52.7 million is expected to be financed from other sources (down from \$81 million in 2020-2021); the remaining amount would come from resource mobilization efforts. The overall figure has been adjusted downward to reflect the lesser amount expected in other sources and to accommodate a larger WHO budget component.
 - d) **WHO allocation to the Americas.** During the 148th Session of the WHO Executive Board, the Programme Budget allocation to the Region of the Americas for base programs in 2022-2023 was proposed at \$276.5 million.⁴ Following Member States comments during that meeting, the amount has been revised down to \$252.5 million, a 17% increase with respect to 2020-2021 (\$215.8 million). This allocation would correspond to 39% of the PAHO budget for base programs and can only be financed by WHO flexible funds and voluntary contributions mobilized by WHO, which have demonstrated an increased trend. PASB will be updating the WHO budget allocation and making the necessary adjustments to the budget, in case of additional changes.

³ The main component of PAHO other sources is the income generated from charges to voluntary contributions, known as program support costs; the Master Capital Investment Fund; and several other smaller funds such as BIREME sales and services, CLAP sundry sales and services, PROMESS vaccines and medications sales, sales of PAHO publications, the Special Fund for Health Promotion, sales of machine translation software, and Virtual Campus services.

⁴ World Health Organization. Proposed programme budget 2022–2023 (Document EB148/25), available from: https://apps.who.int/gb/ebwha/pdf_files/EB148/B148_25-en.pdf.

Special Programs

19. This section will provide a summary of the four special programs that compose this budget segment: outbreak and crisis response, polio eradication maintenance, the Smart Hospitals Initiative, and the Hemispheric Program for the Eradication of Foot-and-Mouth Disease. These are fully funded by voluntary contributions and are time-limited. During 2020-2021, most of the funds mobilized or redirected to respond directly to the COVID-19 pandemic are being budgeted and reported on in this segment as part of outbreak and crisis response; it is expected that direct response funds will continue to be programmed in this segment. Polio eradication maintenance has traditionally been financed by WHO. Nevertheless, as polio has been eradicated in the Region, and following changes in WHO's polio planning, most financing for this program is expected to come to PAHO to finance base programs, so the amount included in this segment would be used as a placeholder. Smart hospitals and foot-and-mouth disease eradication are regional initiatives with dedicated funding; expected activities and specific voluntary contribution projections will determine the envelope for these programs.

Perspectives on Resource Mobilization: Challenges and Opportunities

20. This section is currently under development and will include the Bureau's latest perspectives on resource mobilization for the next biennium, including possible challenges and opportunities for financing the PAHO Program Budget 2022-2023, especially in the context of the COVID-19 pandemic and efforts to improve financing at regional and country levels.

National Voluntary Contributions

21. This section is currently under development and will include an estimate of national voluntary contributions (NVCs) that fund national cooperation agreements. These have increased as a source of funding for PAHO activities at country level, especially during the COVID-19 pandemic. NVCs are country-specific funds that have been provided by national governments to finance specific initiatives that are aligned with PAHO programmatic objectives. Since NVCs are negotiated, funded, implemented, and reported at country level, they fall outside the PAHO Program Budget, although they are managed in accordance with PAHO financial rules and regulations and are accounted for in the financial reports of the Director. PASB will continue to implement NVCs as a mechanism for funding country-specific work to achieve joint results that contribute to overall health development objectives in the Region.

Programmatic Context

22. This section is currently under development and will summarize the strategic review of priorities in the context of COVID-19, set out PAHO's results-based management approach, document emerging challenges and lessons learned from implementation of the Program Budget 2020-2021, and provide an update on the main risks and opportunities that were considered in the development of the proposed Program Budget 2022-2023. This section will also present the main mechanisms through which PAHO will continue to strengthen accountability for performance and transparency through the monitoring, assessment, and reporting of the Program Budget 2022-2023. These mechanisms include internal PASB monitoring processes, the PAHO Program Budget web portal, and the joint assessment of results by PASB and Member States at the end of the biennium.

23. **Outcomes** are collective or individual changes in factors that affect the health of populations, to which the work of the Member States and PASB will contribute. The highest level of accountability for the proposed Program Budget 2022-2023 will be the six-year health outcomes included in the PAHO Strategic Plan 2020-2025. These include, but are not limited to, increased national capacity, increased service coverage or access to services, and/or reduction of health-related risks. Member States are responsible for achieving the outcomes in collaboration with PASB and other PAHO partners. The outcomes contribute to the Strategic Plan's impact goals. Progress made toward achieving outcomes will be assessed with corresponding indicators that measure changes at national or regional level.

24. **Outputs** are changes in national systems, services, and tools derived from the collaboration between PASB and PAHO Member States, for which they are jointly responsible. These outputs include, but are not limited to, changes in national policies, strategies, plans, laws, programs, services, norms, standards, and/or guidelines. The two-year outputs defined in the Program Budget will be measured with a defined set of output indicators as requested by Member States.

Health Outcomes and Outputs

25. This section will include:
- a) A brief analysis of the regional situation
 - b) The proposed budget, presented by outcome
 - c) Key technical cooperation interventions
 - d) Outcomes from the Strategic Plan 2020-2025 and outputs specific to the Program Budget 2022-2023
 - e) 2022-2023 output indicators

Outcome 1: _____

Outcome # (OCM)	Text of outcome	Proposed budget	Priority tier
1			

Key technical cooperation interventions			
<ul style="list-style-type: none"> • To be developed • 			
Output # (OPT)	Text of output	Baseline (year)	Target (year)
1.1	_____	_____ (2021)	_____ (2023)
1.2			

ANNEX 1: Country pages
