



Pan American Health Organization



Regional Office of the
World Health Organization





Internal Oversight and Evaluation Services (IES):
Evaluation of the Regional Program Budget Policy (RPBP)
Preliminary Findings

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RPBP Evaluation: Preliminary findings

IES is nearing completion of its evaluation of the RPBP. The purpose of the evaluation is to provide recommendations that the Secretariat and the Member States may wish to consider as they define and elaborate the next RPBP.

Although the evaluation is still in progress, IES has undertaken sufficient work to be in a position to provide its preliminary findings.

The IES evaluation shall be completed by the time of the 50th Directing Council in September 2010.

RPBP Evaluation: Preliminary findings

IES' PRINCIPAL FINDING is that the development and implementation of the RPBP has been, overall, a significant achievement and success for the Secretariat and the Member States.

The RPBP has provided a transparent, systematic and consistent methodology for allocating PAHO's biennial regular budgets between the HQ, the sub-regional level, and the countries.

Our research indicates that the RPBP appears to be unique among international organizations in terms of its strictly formula-driven allocation method. Some other international organizations also have formulaic models, but these are more open to flexibility and discretion.

RPBP Evaluation: Preliminary findings

THE RPBP HAS BEEN CORRECTLY IMPLEMENTED.

IES has reviewed and re-performed the calculations of the RPBP formula, and has found that the policy has been correctly implemented. In particular, the following criteria per resolution CD45.R6 have been properly implemented:

- No country's regular budget allocation has fallen below 40% of its proportional allocation per the 2004-2005 budget.
- No "key countries" have experienced reductions of their proportional share.
- The sub-regional component has been raised to 7%.
- The RPBP has taken into account the Millenium Development Goals (through the RPBP's "Country Variable Allocation").

RPBP Evaluation: Preliminary findings

Although IES has found that, overall, the RPBP has been a successful and positive policy for PAHO, there are certain aspects of the policy for which IES shall make recommendations. The Secretariat and the Member States may consider these recommendations as they develop and decide on the future of the RPBP.

IES' recommendations for matters to be considered are set out in the following slides – they focus largely on the methodology of the RPBP and, in particular, on the allocation formula used.

RPBP Evaluation: Preliminary findings

SOLIDARITY AND EQUITY are the two “pillars’ of the RPBP. At the country level, solidarity is achieved principally by ensuring that every country receives a “core” allocation to establish a minimum threshold. Equity is achieved mainly through the use of a health “needs-based” index which allocates a variable element of the regular budget. Both pillars have been supported by the RPBP’s increase in the country portion of the regular budget vis-à-vis the other parts of PAHO.

Some considerations:

- The “core” funding threshold methodology for individual country allocations should be reviewed. In some cases there is evidence that the funding floor might be too low. (For some countries, additional resources have had to be mobilized from outside the regular budget to ensure a minimal level of operations.)

RPBP Evaluation: Preliminary findings

SOLIDARITY AND EQUITY, CONTINUED:

Some considerations, continued:

- The needs-based index of the “variable” element of the allocation should be reviewed to assess alternative methods of smoothing the impact of countries’ population sizes, to ensure that population size does not unduly impact on the needs-based allocation.
- Although the RPBP has protected from reduction the proportional allocations of the regular budget to “key countries”, one may consider whether the acute needs of the key countries may be better served by actually increasing their proportional shares (rather than merely protecting these shares).

RPBP Evaluation: Preliminary findings

THE RPBP'S COGNIZANCE OF THE MILLENIUM COMPACT

IES found that there was limited scope for this in a policy which is not programmatic in nature, and which is essentially a means of allocating a given regular budget amount.

The “country variable allocation” (CVA) represents 5% of the 40% of the regular budget which is allocated to countries (and it therefore accounts for only 2% of the total regular budget). It has among its criteria the rewarding of countries which have made special efforts towards the achievement of the MDGs.

In IES' view, the proportional level of the CVA is perhaps too modest, and the possibility of increasing the CVA beyond its current level (while maintaining strict criteria for usage) should be considered.

RPBP Evaluation: Preliminary findings

SUB-REGIONAL ELEMENT OF THE RPBP:

The sub-regional level of activities was identified only with the introduction of the RPBP. IES found that implementation of the regular budget at this level has been lower than at the HQ (i.e. regional) and country levels. This may be due to the difficulties of defining and delineating sub-regional activities, especially vis-à-vis technical co-operation relating to individual countries.

Consideration should be given to bringing greater transparency to this element of the RPBP, for example by establishing clear criteria for the distribution of resources within the sub-region.

RPBP Evaluation: Preliminary findings

FLEXIBILITY OF THE RPBP:

- Although the transparency of the strict, formulaic nature of the RPBP is one of its strengths, this rigidity may also, perhaps, be considered a limiting factor on the policy.
- Some international organizations use for their allocation criteria some additional elements beyond a “tight” formula like that of PAHO – for example, a country’s response to development opportunities in its program portfolio. Consideration should be given to introducing such factors into the RPBP.
- An increase of the Country Variable Element may be considered (as discussed earlier in the context of the MDGs).



Thank you for your attention.
Questions and discussion.