



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



152nd SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 17-21 June 2013

Provisional Agenda Item 5.4

CE152/18 (Eng.)
6 May 2013
ORIGINAL: ENGLISH

AMENDMENTS TO THE FINANCIAL REGULATIONS

Introduction

1. PAHO's Financial Regulations govern the financial administration of the Pan American Health Organization (PAHO). Amendments to the Regulations must be approved by either the Pan American Sanitary Conference or PAHO's Directing Council. Detailed guidance on implementation of PAHO's Financial Regulations is set forth in the Organization's Financial Rules. Amendments to the Financial Rules require confirmation by the Executive Committee and are reported to the Conference or the Directing Council.

Proposed Amendments to the Financial Regulations

2. The proposed amendments to the Financial Regulations concern Regulation III, *The Program and Budget*, as well as Regulation IV, *Regular Budget Appropriations*. These amendments would increase the efficiency and effectiveness of the implementation of the Program and Budget, as well as of the administrative operations that support PAHO's technical programs. The proposed text and specific comments and explanations for each Regulation are set out in Annex A.

Action by the Executive Committee

3. The Executive Committee is invited to examine the proposed amendments to the Financial Regulations contained in Annex A and approve the proposed resolution in Annex B which recommends that the 52nd Directing Council approve the amendments to Financial Regulations III and IV. If the proposed amendments to the Financial Regulations are approved by the 52nd Directing Council, the Director will submit the corresponding modifications to the Financial Rules to the 153rd Session of the Executive Committee for confirmation.

Annexes

PROPOSED AMENDMENTS TO THE FINANCIAL REGULATIONS

Current Text	Proposed Text	Comments
<i>Regulation III – The Program and Budget</i>		
New Regulation	3.8 The Program and Budget shall consist of the Program and Budget as originally approved by the Conference or Directing Council, and any supplemental proposals as well as Regular Budget appropriations which have been carried over from the previous budgetary period in accordance with Regulation IV.	This new Regulation defines the “Program and Budget” to include prior period budgetary appropriations approved to be carried over into the subsequent budgetary period, as provided for in Financial Regulation 4.2. As a result, budgetary and financial reporting will henceforth reflect these new components of the Program and Budget.
<i>Regulation IV – Regular Budget Appropriations</i>		
4.2 Regular Budget appropriations shall be available for making commitments in the budgetary period to which they relate for delivery of programmed goods and services in that same budgetary period or, exceptionally, in the first year of the subsequent budgetary period for delayed delivery of such programmed goods and services due to unforeseen circumstances.	4.2 Regular Budget appropriations shall be available for making commitments in the budgetary period to which they relate for delivery of programmed goods and services in that same budgetary period. or, e Exceptionally Regular Budget appropriations may be made available in the first year of the subsequent budgetary period in order to support operational effectiveness for non-severable contractual agreements due to be delivered in the first quarter of the subsequent year. Exceptions may also be considered by the Director to carry over Regular Budget appropriations into a subsequent budgetary period for the delayed delivery of such programmed goods and services due to unforeseen circumstances.	The Financial Regulation is amended in order to expand the instances whereby the Organization can carry forward a budgetary appropriation beyond the two-year budgetary period. Allowing the budgetary appropriation that funds a non-severable contractual agreement to be carried over into a subsequent budgetary period, will increase the efficiency and effectiveness of the implementation of the Program and Budget, as well as of the administrative operations that support the technical programs. The only financial impact to the Organization is the reduction of any potential surplus at the end of a budgetary period.

Current Text	Proposed Text	Comments
<i>Regulation IV – Regular Budget Appropriations (cont.)</i>		
<p>4.4 Any balance of the Regular Budget appropriation not committed by the end of the current budgetary period, shall be used to replenish the Working Capital Fund to its authorized level, after which any balance will be available for subsequent use in accordance with the resolutions adopted by the Conference or Directing Council.</p>	<p>4.4 Any balance of the funded Regular Budget appropriation not committed by the end of the current budgetary period, or not authorized to be carried over into the subsequent budgetary period, shall be used to replenish the Working Capital Fund to its authorized level. Thereafter any balance will be transferred to surplus and made available for subsequent use in accordance with the resolutions adopted by the Conference or Directing Council.</p>	<p>The introduction of a budgetary carry forward in Regulation 4.2 affects the availability of resources to replenish the Working Capital Fund, as those funds, although not expended in the current budgetary period, must be available for expenditure in the subsequent period. Therefore, they must be excluded from the determination of any surplus.</p>



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Annex B
ORIGINAL: ENGLISH

PROPOSED RESOLUTION

AMENDMENTS TO THE FINANCIAL REGULATIONS

THE 152nd SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the amendments proposed to the Financial Regulations, as they appear in Annex A to Document CE152/18, and

Taking into consideration that these amendments to the Financial Regulations reflect modern best practices of management which increase the efficiency and effectiveness of the implementation of the Program and Budget, as well as of the administrative operations that support PAHO's technical programs,

RESOLVES:

To recommend to the 52nd Directing Council that it approve the amendment to Financial Regulations III and IV by adopting a resolution along the following lines:

AMENDMENTS TO THE FINANCIAL REGULATIONS

THE 52nd DIRECTING COUNCIL,

Having considered the proposed amendments to the Financial Regulations of the Pan American Health Organization as they appear in Annex A to Document CD52/__,

Taking into consideration that the amendments to the Financial Regulations reflect modern best practices of management which increase the efficiency and effectiveness of the implementation of the Program and Budget, as well as of the administrative operations that support PAHO's technical programs,

RESOLVES:

To approve the amendments to Financial Regulations III and IV of the Pan American Health Organization pertaining to the Program and Budget and to Regular Budget Appropriations, as set forth in Annex A of Document CD52/___ and to make these amendments effective as of 1 January 2014.