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PROPOSED 2012-2013 PROGRAM-BUDGET
Maintaining the Current Level of Operation with Budget Adjustments
(assuming 4.7% inflation)

Main Document

San Jose, Costa Rica
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I. Introduction

This present proposal for the IICA Program Budget for the 2012-2013 biennium takes into consideration the criteria analyzed at the 2011 Regular Meeting of the Special Advisory Committee on Management Issues (SACMI).

This 2012-2013 Program Budget proposal contemplates a scenario in which the Institute's current levels of operation would be maintained, with some budget adjustments, based on the following considerations:

- The importance of ensuring that the Institute remains a viable instrument of the Member States and to support their efforts to achieve the sustainable development of agriculture, food security and poverty reduction
- The need to gradually make progress in restoring the Institute's financial capacity to enhance its cooperation services in benefit of the Member States
- Ensure that the Institute has the capacity to respond to the growing demand for cooperation services generated by the new challenges facing agriculture in the Member States
- Prevent the loss of purchasing power of the quotas of the Member States, which was 4.7%¹ in 2010, and for subsequent years

¹ This 4.7% corresponds to a weighted average of the inflationary effects of the different currencies in the countries where the Institute operates and the exchange rates between the national currencies and the United States dollar, the currency in which Member State quotas are paid. The Information Document entitled: "Loss of Purchasing Power of Member States Quota Contributions 1995-2010. San Jose, Costa Rica, July 2011" explains the methodology applied to determine that percentage.

- Capitalize on the major efforts made by the Institute to reduce its operating and personnel costs, thereby increasing efficiency
- Assume the depletion of alternative sources of financing used in the past, such as the recovery of quotas owed and miscellaneous income
- Promote the policy established by the current administration to improve the level of the Institutional Net Rate (INR), used to cover the increased costs generated by the administration of projects financed with external resources. This strategy is expected to produce results in the medium term

The proposed budget under which technical cooperation services would be maintained at current levels is based on the need to reduce the amount of resources allocated to cover operating costs (major objects of expenditure 3 to 9) with respect to the 2011 Program Budget and to offset the increases in personnel costs associated with: i) changes in post adjustments of international personnel; ii) salary increases required by law, due to loss of value and to maintain IICA's current position in the local labor market; and, iii) unfavorable exchange rate movements in some countries. This situation calls for additional financing of US\$1,283.1 thousand in 2012 and US\$1,343.3 thousand in 2013.

Analysis of Additional Scenarios

The SACMI analyzed two additional scenarios, which are described in **Appendix 2**: "Program Budget 2012-2013. Scenario 1: Loss of Real Value of Regular Fund Income (without changes in the current level of income)" and **Appendix 3**: "Program Budget 2012-2013. Scenario 3: Financial Recovery for Implementation of the 2010-2014 MTP (recognizing the effects of the accumulated loss of purchasing power in 2010)".

The first Scenario (**1**), in essence, contemplates the loss of value of the Regular Fund income in real terms (without changes in the

current level of income), together with the effects of increased staff costs that must be covered by the Institute due to legal requirements by governments to increase salaries, the effects of inflation in the countries and the revaluation of national currencies in relation to the US dollar.

For 2012, this scenario implies a deficit of US\$1,879.1 thousand to cover additional personnel costs, which is reduced to US\$1,050.8 thousand by cutting operating costs by US\$828.3 thousand. This is the maximum adjustment possible without causing irreversible organizational impacts.

Under this scenario, to cover the deficit in 2012, it would be necessary to make adjustments in the following aspects of the 2010-2014 Medium Term Plan:

- Innovation, technology transfer and extension services (two international professionals)
- Agrobiotechnology and biosafety (two international professionals)
- Clean energies (one international professional, one local professional and one general services position)
- Risk management and risk reduction in agriculture and agribusiness (one international professional)
- Formulation of technical cooperation projects (one international professional)

In 2013 the additional deficit is US\$737.1 thousand, which would be covered with the following complementary adjustment measures:

- Reduction of five local professionals and 10 general services positions in the Offices in the Member States
- Reduction of two international professionals, two local professionals and one general services position in the technical concentration programs and technical support units at Headquarters

The third scenario (3) is based on financial recovery for the implementation of the 2010-2014 MTP. It takes into account the accumulated loss of purchasing power of the Institute's quota resources during 2010, due to the combined effects of inflation, mandatory salary adjustments determined by governments and the net effect of variations in the exchange rate between the national currencies and the United States dollar; and the strengthening of key aspects of technical cooperation in accordance with the 2010-2014 MTP, through the financing of high priority projects affected by the cuts described in the preceding scenarios and some strategic projects that must be implemented as priority lines of action.

This scenario has the following implications: recovery of a deficit of approximately US\$4.0 million in 2012 and an additional US\$1.4 million in 2013; restoration of the purchasing power of the Institute's quota resources to the levels reached in 2004-2005; a slight increase in the level of financing for operating costs; and, strengthening technical cooperation in priority areas of the 2010-2014 MTP.

II. Strategic guidelines for the 2012-2013 biennium (assuming 4.7% inflation)

In implementing the 2010-2014 MTP, IICA will focus its cooperation efforts on four Technical Concentration Programs and two Programs for Cross-cutting Coordination that dovetail with the strategic objectives outlined in the MTP; and on the Center for Strategic Analysis for Agriculture, which supplies the programs with strategic information on sectoral issues.

The Technical Concentration Programs, which are institutional in nature, are as follows:

- Innovation for productivity and competitiveness
- Agricultural health and food safety
- Agribusiness and commercialization
- Agriculture, territories and rural well-being

The Programs for Cross-cutting Coordination are:

- Agriculture, natural resource management and climate change
- Agriculture and food security

These Programs are implemented through technical cooperation projects (IICA), which in the case of the Offices in the Member States, respond to the technical cooperation strategies agreed with the relevant authorities.

III. Overall Budget for 2012 – 2013 (assuming 4.7% inflation)

The Institute finances its technical cooperation activities emanating from mandates of the Governing Bodies with resources from the Regular Fund. That fund is made up of Member State quotas and miscellaneous income, basically obtained from financial yields, tax recovery and the sale of assets and services. In addition, the Institute complements its technical cooperation actions with programs and projects financed with external resources, based on agreements with partners or counterparts. For the Institute, managing external resources means increased technical and administrative personnel requirements as well as higher operating costs. These additional costs are covered by the Institutional Net Rate that the counterparts undertake to pay IICA.

It is estimated that the external resources will amount to US\$158.5 million in 2012 and US\$141.3 million in 2013. The preliminary allocation of INR resources for those years will be US\$10.2 and US\$9.6 million, respectively.

The final allocation of INR resources is subject to the signing of agreements that give rise to programs and projects financed with external resources and to the projected estimate of INR resources to be generated as a result of those agreements.

The Regular Fund budget (quotas and miscellaneous) for the 2012-2013 biennium is based on the need to cover the deficit generated in

the biennium in order to maintain the technical cooperation services that the Institute provides to its Member States at the current levels.

The budget financed with Regular Fund resources, under the work scenario based on maintaining technical cooperation services at current levels, has been calculated based on the following premises:

- Reduce by 5.4% the amount of resources allocated to cover operating costs (major objects of expenditure 3 to 9) in 2012, with respect to the 2011 Program Budget;
- Maintain the number of international professionals (major object of expenditure 1), with a slight increase in annual costs, due to inflation and post adjustments payable to professionals; and,
- Maintain, with only minor changes, the number of local professionals and general services personnel, with an annual increase in costs due to salary increases required by law and given the need to maintain the current position in local labor markets and offset the effects of unfavorable exchange rate movements in some countries.

Personnel costs increased by nearly 7% in 2010, due to the effects already mentioned, forcing the Institute to make savings in other areas.

The amount of additional resources required to finance the budget for this biennium are US\$1,283.1 thousand in 2012 and a further US\$1,343.3 thousand in 2013.

In this proposal, the Regular Fund budget amounts to US\$34,681.3 thousand for 2012, made up of US\$28,581.3 thousand in Member State quotas and US\$6,100.0 thousand in miscellaneous income. For 2013 the Regular Fund budget is US\$36,024.6 thousand, composed of US\$29,924.6 in Member State quotas and US\$6,100.0 thousand in miscellaneous income.

The variation in quota resources is based on assuming an institutional inflation rate of 4.7%, as mentioned in the Introduction to this document. At the same time, by applying the new percentage distribution of the quotas approved by the OAS, some Member States modify their contributions.

The overall budget for 2012-2013 is shown in **Table 1** below:

*Table No. 1
Overall Budget
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
2011 and 2012 - 2013 Program Budget
(US\$ x 000)*

RESOURCES BY SOURCE	2011	2012	2013
REGULAR FUND:			
QUOTAS OF MEMBER STATES	27,298.2	28,581.3	29,924.6
MISCELLANEOUS INCOME	6,100.0	6,100.0	6,100.0
TOTAL REGULAR FUND	33,398.2	34,681.3	36,024.6
EXTERNAL RESOURCES FOR PROGRAMS AND PROJECTS*	154,582.0	158,451.6	141,274.6
INSTITUTIONAL NET RATE	10,097.3	10,228.4	9,628.9
TOTAL	198,077.5	203,361.3	186,928.1

*/ Estimates. Final figures will depend on the agreements signed.

Table No. 2, which is attached to the present document, indicates the scales of contribution of the Member States in keeping with the new distribution approved by the OAS and the financial adjustment based on a 4.7% inflation rate.

Financing of budgetary requirements to offset inflation (4.7%)

In order to finance the additional budgetary requirements for 2012 and 2013, the following alternatives are available:

- i) In light of the change in the percentage contributions to the financing of IICA, the countries whose quotas have been reduced in absolute terms (**Table No. 2**), would carry this differential as extra quotas, thereby maintaining the current level of contributions. There is a precedent to this resolution in the 2007 OAS budget. This would amount to US\$753,536.

- ii) Combine the option of extra quotas in the point above with taking inflation for 2013 into account.

In order to offset the deficit of US\$1,230,000² in 2012, US\$476,500 would be required, in addition to the measure already indicated, and could be covered by in-kind contributions from the Member States in the form of office space, communication, security or other extraordinary support.

Table 3 shows the variations in the Regular Fund budget for the years 2011, 2012 and 2013. As can be seen in this table, the Member States' quota contributions would have to increase by 4.7% in 2012 and 2013, merely maintain to the technical cooperation services at present levels.

Table 4 presents a breakdown of the proposed budgetary allocation for the 2012-2013 biennium by Programming Center, in accordance with the guidelines of the 2010-2014 Medium Term Plan.

Table 5 summarizes the evolution of the Regular Fund budget since 1994 and the proposal for the 2012-2013 biennium, with the amounts indicated previously.

² A portion of the needs (US\$52,961) are met by reducing Cuba's quota and increasing that of other Member States.

IV. Technical cooperation services for 2012-2013 (assuming 4.7% inflation)

The resources are budgeted in accordance with the guidelines of the 2010-2014 Medium Term Plan, the Technical Cooperation Strategies agreed with the governments of the Member States and the Institute's technical cooperation projects approved by the pertinent bodies of the General Directorate.

Furthermore, to facilitate and enhance the delivery of technical cooperation services, the operational units have prepared a Management Strategy establishing the objectives, expected results and achievement indicators.

Appendix 1 presents the general objectives, expected results and achievement indicators of IICA's Projects and of the Management Strategies of the operational units.

V. Allocation of Regular Fund Resources by Chapter (assuming 4.7% inflation)

The Institute's budget is divided into four Chapters:

- o *Chapter I:* Direct Technical Cooperation Services
- o *Chapter II:* Management Costs
- o *Chapter III:* General Costs and Provisions
- o *Chapter IV:* Renewal of Infrastructure and Equipment

Table 6 shows the proposed allocation of Regular Fund resources by Chapter.

Chapter I: Direct Technical Cooperation Services

This chapter includes the costs of the Institute's technical cooperation actions at the national, regional and hemispheric levels required to achieve the objectives defined in the Medium Term Plan. It includes IICA's contribution to the Tropical Agriculture Research and Higher Education Center (CATIE), the costs of the Center for Strategic Analysis for Agriculture (CAESPA) and the unit responsible for information and communication technologies (ICTs). The resources allocated for this chapter are as follows:

Chapter I: Direct Technical Cooperation Services (US\$)

Source	2011	2012	2013
Quotas	23,996,054	25,187,233	26,488,016
Miscellaneous	5,668,560	5,801,991	5,801,991
Total	29,664,614	30,989,225	32,290,006

The resources allocated to technical cooperation account for 89.4% of the Regular Fund in 2012 and 89.6% in 2013. In 2011 they accounted for 88.8%. There is a clear tendency to give priority to the resources allocated to direct technical cooperation services (see **Table 6**).

Chapter II: Management Costs

Chapter II: Management Costs includes the resources of the units responsible for managing the Institute and providing support services. Those units, which are located at Headquarters, are the Office of the Director General and the Secretariat of Corporate Services.

For the purposes of Chapter II: Management Costs, the Office of the Director General includes: the Office of the Director General, the Office of the Deputy Director General, the Coordination of the Office

of the Director General, the Internal Audit Unit, the Legal Services Unit and the Social Communication Unit.

The Corporate Services include the Office of the Director of Corporate Services and services related to finance, human resources, programming, budget, as well as general services.

The resources that these units use to renew their infrastructure and equipment (Chapter IV) are not included. The resources allocated for this chapter are:

Chapter II: Management Costs
(US\$)

Source	2011	2012	2013
Quotas	1,631,376	1,769,000	1,811,538
Miscellaneous	77,783	67,738	67,783
Total	1,709,159	1,836,738	1,879,276

These resources, which are allocated to management costs, account for 5.3% and 5.2% of the Regular Fund in the years 2012 and 2013, respectively. (See **Table 6**).

Chapter III: General Costs and Provisions

General Costs and Provisions are general commitments not directly related to the preceding chapters or to a specific Unit. They include funding for the Governing Bodies; institutional insurance; contribution to the OAS Administrative Tribunal and the OAS Retirement and Pension Fund; External Audit; pensions of former Directors General; and the Emergency Assistance Fund for IICA Personnel.

The resources for this chapter are:

Chapter III: General Costs and Provisions
(US\$)

Source	2011	2012	2013
Quotas	1,274,952	1,224,681	1,224,681
Miscellaneous	50,000	20,000	20,000
Total	1,324,952	1,244,681	1,244,681

These resources, which are used to cover general costs and provisions, account for 3.6% of the Regular Fund in 2012 and 3.5% in 2013. For 2011, the figure is 4% (see **Table 6**).

Chapter IV: Renewal of Infrastructure and Equipment

The budget items included in this chapter are improvements to IICA-owned properties and buildings and the purchase of vehicles, equipment and computer licenses.

Chapter IV: Renewal of Infrastructure and Equipment
(US\$)

Source	2011	2012	2013
Quotas	395,857	400,373	400,373
Miscellaneous	303,657	210,271	210,271
Total	699,514	610,644	610,644

These resources, which are used to renew infrastructure and equipment, decrease from 2.1% of the Regular Fund in 2011 to 1.8% in 2012 and 1.7% in 2013. This is the chapter on which the budgetary situation has the greatest negative impact (see **Table 6**).

Personnel and Operating Costs for 2012-2013 financed with resources from the Regular Fund for the work scenario under which technical cooperation services would be maintained at current levels

Table 7 shows: i) allocations by groups of objects of expenditure (International Professional Personnel, Local Professional Personnel, General Services Personnel and Operating Costs); the number of personnel positions, by category and classification; and, iii) the sources of financing. The personnel and operating resources included are the minimum required to continue providing technical cooperation services at current levels in accordance with the Medium Term Plan.

VI. Allocation of Regular Fund Resources by Technical Concentration Program (assuming 4.7% inflation)

As noted in Section II of this document, the Institute's technical cooperation actions focus on four technical concentration programs, namely:

- Innovation for productivity and competitiveness
- Agricultural health and food safety
- Agribusiness and commercialization
- Agriculture, territories and rural well-being

For the 2012-213 biennium, the Regular Fund resources corresponding to Chapter I: Direct Technical Cooperation Services are allocated to technical projects and actions in one or more of the Technical Concentration Programs.

In 2012, 29.9% and 29.6% in 2013, for actions related to the Innovation for Productivity and Competitiveness Program. For actions of the Agricultural Health and Food Safety Program, 24.9%

in 2012 and 25.4% in 2013. In the case of the Agribusiness and Commercialization Program the percentages are 24.6% and 24.5 % for 2012 and 2013, respectively. Finally, 20.6% of the cooperation resources for 2012 and 20.5% in 2013 are directed at the Agriculture, Territories and Well-being Program.

VII. Allocation of Regular Fund Resources by Major Object of Expenditure (assuming 4.7% inflation)

The distribution of the Regular Fund for the 2012-2013 biennium by Major Object of Expenditure (MOE) is presented below. In addition, the distribution approved in the 2011 Program Budget is shown for the purposes of comparison.

Major Object of Expenditure	2011		2012		2013	
	US\$ x 000	%	US\$ x 000	%	US\$ x 000	%
1 International Professional Personnel	11,710.0	35.1%	12,225.2	35.3%	12,429.7	34.5%
2 Local Professional and General Services Personnel	9,738.4	29.2%	11,155.3	32.2%	11,687.9	32.4%
SUBTOTAL PERSONNEL COSTS	21,448.4	64.2%	23,380.5	67.4%	24,117.5	66.9%
3 Training and Technical Events	1,349.0	4.0%	1,332.0	3.8%	1,332.0	3.7%
4 Official Travel	1,693.3	5.1%	1,374.1	4.0%	1,374.1	3.8%
5 Documents and Materials and Supplies	1,074.7	3.2%	914.7	2.6%	914.7	2.5%
6 Plant, Equipment and Furniture	699.5	2.1%	610.6	1.8%	610.6	1.7%
7 General Services	2,833.3	8.5%	2,774.5	8.0%	2,774.5	7.7%
8 Performance Contracts and Transfers*	3,464.7	10.4%	3,472.6	10.0%	4,078.9	11.3%
9 Other Costs	835.3	2.5%	822.3	2.4%	822.3	2.3%
SUBTOTAL OPERATING COSTS	11,949.8	35.8%	11,300.8	32.6%	11,907.1	33.1%
GRAND TOTAL	33,398.2	100.0%	34,681.3	100.0%	36,024.6	100.0%

*/ Includes transfer of US\$1,000,000 to CATIE.

The relative weight of personnel costs in the budget will increase from 64.2% in 2011 to 67.4% in 2012 and 66.9% in 2013.

Table 8 gives a breakdown for each major object of expenditure, (the items of which they are composed, in monetary and percentage terms), making it easier to understand the purposes of each one.

Table 9 shows the absolute and percentage variations in each of the Major Objects of Expenditure in the period 2011-2013, under the work scenario indicated for the previous Table.

As can be seen, the amount budgeted for international personnel (major object of expenditure 1) increases by an average of 2% per year due to a partial adjustment for inflation in 2012 of 3% and the effect of post adjustments in 2011, 2012 and 2013. A number of variables affect this item, including local inflation and the effect of exchange rate movements. An increase of 4.4% is shown for 2012 due to the combined effect of years 2011 and 2012.

In the case of local personnel (major object of expenditure 2), it is estimated that costs will rise by an average of 7% in 2011 and 2012 and by 4.8% in 2013, due to the salary increases required by law, the need to be competitive in national labor markets and to reduce staff turnover (11% in 2010), and to the negative effects of exchange rate

movements, due to the revaluation of some local currencies. An increase of 14.5% is shown for 2012, due to the combined effect of years 2011 and 2012.

Table 10 shows staff positions financed with resources from the Regular Fund between 1992 and 2013. The Institute plans to finance 93 international professionals, 154 local professionals and 210 general services positions during the 2012-2013 biennium. All of this falls under the work scenario that would maintain IICA's technical capabilities at current levels.

With respect to operating costs (major objects of expenditure 3 to 9) these would be 5.4% lower in 2012 than in 2011, and would increase by the same percentage in 2013 to maintain the 2011 level in real terms. The items that would suffer the largest cuts in 2012 are: "Official Travel" (-18.9%); "Publications and Supplies and Inputs" (-14.9%); and, purchase of "Plant, Equipment and Furniture" (-12.7%).

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Overall Budget
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
2011 and 2012 - 2013 Program Budget
(US\$ x 000)

RESOURCES BY SOURCE	2011	2012	2013
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TOTAL	198,077.5	203,361.3	186,928.1

*/ Estimates. Final figures will depend on the agreements signed.

Table No.2

2012 -2013
Program Budget

Quota Scale of the Member States and Miscellaneous Income for 2012 and 2013 Based on the OAS Quota Scale for 2012 ¹ (US\$)
Maintaining Current Level of Operation with Budget Adjustments (assuming 4.17% inflation)

MEMBER STATES	2011		2012	2012		2013		2012-2011 VARIATIONS US\$	2012 QUOTAS VARIATION %	2013-2012 VARIATIONS US\$	2013 QUOTAS VARIATION %
	IICA		OAS	IICA		IICA					
	%	US\$	%	%	US\$ ³	%	US\$ ³				
Antigua and Barbuda	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Argentina	3.211	883,304	2.408	2.408	692,231	2.408	724,766	(191,072)	-21.6%	32,535	4.7%
Bahamas	0.077	21,182	0.062	0.062	17,825	0.062	18,663	(3,357)	-15.8%	838	4.7%
Barbados	0.060	16,505	0.045	0.045	12,933	0.045	13,540	(3,573)	-21.6%	608	4.7%
Belize	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Bolivia	0.046	12,654	0.049	0.049	14,096	0.049	14,758	1,442	11.4%	663	4.7%
Brazil	7.953	2,187,765	9.941	9.941	2,857,674	9.941	2,991,984	669,908	30.6%	134,311	4.7%
Canada	13.761	3,785,469	11.972	11.972	3,441,518	11.972	3,603,270	(343,951)	-9.1%	161,751	4.7%
Chile	1.073	295,168	1.189	1.189	341,788	1.189	357,852	46,620	15.8%	16,064	4.7%
Colombia	0.839	230,798	1.049	1.049	301,553	1.049	315,726	70,755	30.7%	14,173	4.7%
Costa Rica	0.187	51,441	0.221	0.221	63,534	0.221	66,520	12,092	23.5%	2,986	4.7%
Dominica	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Dominican Republic	0.206	56,668	0.257	0.257	73,866	0.257	77,338	17,198	30.3%	3,472	4.7%
Ecuador	0.207	56,943	0.258	0.258	74,174	0.258	77,660	17,231	30.3%	3,486	4.7%
El Salvador	0.105	28,884	0.114	0.114	32,776	0.114	34,317	3,892	13.5%	1,540	4.7%
Grenada	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Guatemala	0.187	51,441	0.168	0.168	48,309	0.168	50,579	(3,132)	-6.1%	2,271	4.7%
Guyana	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Haiti	0.045	12,379	0.034	0.034	9,785	0.034	10,245	(2,594)	-21.0%	460	4.7%
Honduras	0.045	12,379	0.051	0.051	14,677	0.051	15,367	2,298	18.6%	690	4.7%
Jamaica	0.123	33,836	0.093	0.093	26,720	0.093	27,976	(7,115)	-21.0%	1,256	4.7%
Mexico	8.141	2,239,482	8.281	8.281	2,380,505	8.281	2,492,389	141,024	6.3%	111,884	4.7%
Nicaragua	0.045	12,379	0.034	0.034	9,785	0.034	10,245	(2,594)	-21.0%	460	4.7%
Panama	0.163	44,839	0.158	0.158	45,435	0.158	47,570	596	1.3%	2,135	4.7%
Paraguay	0.124	34,111	0.093	0.093	26,720	0.093	27,976	(7,390)	-21.7%	1,256	4.7%
Peru	0.553	152,123	0.688	0.688	197,785	0.688	207,081	45,662	30.0%	9,296	4.7%
Saint Kitts and Nevis	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Saint Lucia	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Saint Vincent and the Grenadines	0.022	6,052	0.022	0.022	6,329	0.022	6,627	277	4.6%	297	4.7%
Suriname	0.045	12,379	0.034	0.034	9,785	0.034	10,245	(2,594)	-21.0%	460	4.7%
Trinidad and Tobago	0.152	41,813	0.180	0.180	51,730	0.180	54,161	9,917	23.7%	2,431	4.7%
United States of America	59.470	16,359,412	59.470	59.470	17,095,544	59.470	17,899,035	736,132	4.5%	803,491	4.7%
Uruguay	0.181	49,791	0.214	0.214	61,515	0.214	64,406	11,724	23.5%	2,891	4.7%
Venezuela	2.060	566,679	2.186	2.186	628,390	2.186	657,924	61,711	10.9%	29,534	4.7%
SUB TOTAL	99.235	27,298,239	99.425	99.425	28,581,288	99.425	29,924,608	1,283,049	4.7%	1,343,321	4.7%
Cuba	0.765	210,441	0.575	0.575	165,283	0.575	173,051	(45,158)	-21.5%	(37,390)	4.7%
TOTAL QUOTAS	100.000	27,508,680	100.000	100.000	28,746,571	100.000	30,097,659	1,237,891	4.5%	2,588,979	4.7%
MISCELLANEOUS INCOME ²		6,100,000			6,100,000		6,100,000	0	0.0%	0	0.0%
TOTAL REGULAR FUND ⁴		33,398,239			34,681,288		36,024,608	1,237,891	3.8%	2,626,370	3.9%

Note: The percentage for Cuba is not taken into consideration when calculating the Member State quotas.

1/ As per Resolution AG/RES. 2696 (XLI-O/11), of the OAS General Assembly of June 7th, 2011.

2/ In 2010 and 2011 miscellaneous income will comprise US\$3,500,000 to be generated and US\$2,600,000 from the Miscellaneous Income Fund.

3/ Rounded off to the nearest one hundred.

4/ The total of the Regular Fund does not include Cuba.

Table No. 3

*2012 - 2013
Program Budget*

*Budget of the Regular Fund
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
2011 and 2012 - 2013 Program Budget
(US\$ x 000)*

RESOURCES BY SOURCE	BUDGET			VARIATIONS			
	APPROVED	PROPOSED		2012 - 2011		2013 - 2012	
	2011	2012	2013	US\$	%	US\$	%
REGULAR FUND:							
QUOTAS OF MEMBER STATES	27,298.2	28,581.3	29,924.6	1,283.1	4.7%	1,343.3	4.7%
MISCELLANEOUS INCOME	6,100.0	6,100.0	6,100.0	0.0	0.0%	0.0	0.0%
TOTAL REGULAR FUND	33,398.2	34,681.3	36,024.6	1,283.1	3.8%	1,343.3	3.9%

**Evolution of the Regular Fund in Nominal Values
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
1994-2011 and 2012-2013 (US\$ x 000)**

PERIOD	QUOTAS	MISCELLANEOUS	REGULAR FUND
1994	26,707.5	2,297.3	29,004.8
1995	27,508.7	2,127.5	29,636.2
1996	27,508.7	2,527.2	30,035.9
1997	27,508.7	3,258.1	30,766.8
1998	27,508.7	2,491.3	30,000.0
1999	27,508.7	2,491.3	30,000.0
2000	27,508.7	2,491.3	30,000.0
2001	27,508.7	2,491.3	30,000.0
2002	27,508.7	2,491.3	30,000.0
2003	27,167.6	2,832.4	30,000.0
2004	27,167.6	2,832.4	30,000.0
2005	27,167.6	2,832.4	30,000.0
2006	27,167.6	2,832.4	30,000.0
2007	27,167.6	2,832.4	30,000.0
2008	27,227.8	4,100.0	31,327.8
2009	27,227.8	4,100.0	31,327.8
2010	27,298.2	6,100.0	33,398.2
2011	27,298.2	6,100.0	33,398.2
2012	28,581.3	6,100.0	34,681.3
2013	29,924.6	6,100.0	36,024.6

Note: The Cuban quota was excluded from the quota resources as of 2003.

Table No. 6

2012 - 2013
Program Budget

*Allocation of the Regular Fund by Chapter
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
(US\$)*

CHAPTER	2011				2012				2013			
	QUOTAS	MISC.	REGULAR FUND		QUOTAS	MISC.	REGULAR FUND		QUOTAS	MISC.	REGULAR FUND	
			US\$	%			US\$	%			US\$	%
CHAPTER I: Direct Technical Cooperation Services	23,996,054	5,668,560	29,664,614	88.8%	25,187,233	5,801,991	30,989,225	89.4%	26,488,016	5,801,991	32,290,006	89.6%
Innovation for Productivity and Competitiveness Program	7,435,100	1,297,230	8,732,330	29.4%	7,984,051	1,285,669	9,269,720	29.9%	8,284,704	1,284,097	9,568,802	29.6%
Agricultural Health and Food Safety and Quality Program	5,576,751	1,545,247	7,121,998	24.0%	6,057,104	1,670,751	7,727,855	24.9%	6,534,449	1,655,996	8,190,444	25.4%
Agribusiness and Commercialization Program	5,457,230	1,595,900	7,053,130	23.8%	5,987,222	1,633,341	7,620,563	24.6%	6,267,049	1,645,442	7,912,491	24.5%
Agriculture, Territories and Rural Well-being Program	5,526,973	1,230,183	6,757,156	22.8%	5,158,857	1,212,231	6,371,087	20.6%	5,401,813	1,216,456	6,618,269	20.5%
CHAPTER II: Management Costs	1,631,376	77,783	1,709,159	5.1%	1,769,000	67,738	1,836,738	5.3%	1,811,538	67,738	1,879,276	5.2%
Office of the Director General	662,870	20,000	682,870	40.0%	702,407	17,500	719,907	39.2%	714,222	17,500	731,722	38.9%
Secretariat of Corporate Services	968,506	57,783	1,026,289	60.0%	1,066,593	50,238	1,116,831	60.8%	1,097,316	50,238	1,147,554	61.1%
CHAPTER III: General Cost and Provisions	1,274,952	50,000	1,324,952	4.0%	1,224,681	20,000	1,244,681	3.6%	1,224,681	20,000	1,244,681	3.5%
Governing Bodies	400,000	0	400,000	30.2%	400,000	0	400,000	32.1%	400,000	0	400,000	32.1%
Insurance	441,802	0	441,802	33.3%	391,531	0	391,531	97.9%	391,531	0	391,531	31.5%
Pensions Former Directors	287,650	0	141,275	10.7%	287,650	0	287,650	73.5%	287,650	0	287,650	23.1%
Contribution to the OAS Administrative Tribunal	25,000	0	25,000	1.9%	25,000	0	25,000	8.7%	25,000	0	25,000	2.0%
Contribution to the Administration of the Retirement and Pension Fund	25,000	0	9,629	0.7%	25,000	0	25,000	100.0%	25,000	0	25,000	2.0%
External Audit	95,500	0	95,500	7.2%	95,500	0	95,500	382.0%	95,500	0	95,500	7.7%
Emergency Assistance Program for Staff	0	50,000	50,000	3.8%	0	20,000	20,000	20.9%	0	20,000	20,000	1.6%
CHAPTER IV: Renewal of Infrastructure and Equipment	395,857	303,657	699,514	2.1%	400,373	210,271	610,644	1.8%	400,373	210,271	610,644	1.7%
TOTAL	27,298,239	6,100,000	33,398,239	100.0%	28,581,288	6,100,000	34,681,288	100.0%	29,924,608	6,100,000	36,024,608	100.0%

**Overall Allocation of the Regular Fund: Quotas and Miscellaneous
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
(US\$ and Number of Positions)**

Summary by Object of Expenditure					2012				2013			
					US\$		%		US\$		%	
International Professional Personnel (IPP)					12,225,211	35.3%	12,429,672	34.5%				
Local Professional Personnel (LPP)					7,372,962	21.3%	7,742,909	21.5%				
General Services Personnel (GSP)					3,782,301	10.9%	3,944,950	11.0%				
Operating Costs (MOE 3 to 9)					11,300,814	32.6%	11,907,077	33.1%				
Total					34,681,288	100.0%	36,024,608	100.0%				
					141274.6							
					9628.9							

Source of Funds					2012				2013			
					US\$		%		US\$		%	
Quota Resources					28,581,288	82.4%	29,924,608	83.1%				
Miscellaneous Resources					6,100,000	17.6%	6,100,000	16.9%				
Total					34,681,288	100.0%	36,024,608	100.0%				

Number of Positions					
Summary IPP			Summary LPP		
Class	2012	2013	Class	2012	2013
DG	1	1	PL5	8	8
SDG	1	1	PL4	39	39
D2	14	14	PL3	67	67
D1	3	3	PL2	31	31
P6	14	14	PL1	9	9
P5	58	58	Total	154	154
P4	1	1	Summary GSP		
P3	1	1	Class	2012	2013
P2			G10		
P1			G9	1	1
Total	93	93	G8	10	10
Total LPP and GSP			G7	49	49
Total	364	364	G6	56	56
			G5	25	25
			G4	34	34
			G3	19	19
			G2	10	10
			G1	6	6
			Total	210	210

*Structure of the Major Objects of Expenditure - Regular Fund
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
(US\$ x 000 and %)*

Breakdown of Each Major Object of Expenditure	2012		2013	
1 International Professional Personnel	12,225.2	100.0%	12,429.7	100.0%
Salaries	5,501.3	45.0%	5,593.4	45.0%
Benefits and Other Costs of International Personnel	6,723.9	55.0%	6,836.3	55.0%
2 Local Professional and General Services Personnel	11,155.3	100.0%	11,687.9	100.0%
Salaries	7,808.7	70.0%	8,181.5	70.0%
Benefits and Other Costs of National Personnel	3,346.6	30.0%	3,506.4	30.0%
3 Training and Technical Events	1,332.0	100.0%	1,332.0	100.0%
Training for Personnel	159.8	12.0%	159.8	12.0%
Technical Events	1,145.5	86.0%	1,145.5	86.0%
Didactic Material	26.6	2.0%	26.6	2.0%
4 Official Travel	1,374.1	100.0%	1,374.1	100.0%
International Per Diems	728.3	53.0%	728.3	53.0%
International Transportation	494.7	36.0%	494.7	36.0%
National Per Diems	109.9	8.0%	109.9	8.0%
National Transportation	41.2	3.0%	41.2	3.0%
5 Documents and Materials and Supplies	914.7	100.0%	914.7	100.0%
Publications and Documents	448.2	49.0%	448.2	49.0%
Office Materials and Supplies	429.9	47.0%	429.9	47.0%
Materials for IICA Projects	36.6	4.0%	36.6	4.0%
6 Plant, Equipment and Furniture	610.6	100.0%	610.6	100.0%
Improvements to Land, Buildings and Immoveable Assets	79.4	13.0%	79.4	13.0%
Acquisition of Equipment and Furnishings	384.7	63.0%	384.7	63.0%
Acquisition of Vehicles	146.6	24.0%	146.6	24.0%
7 General Services	2,774.5	100.0%	2,774.5	100.0%
Communications	665.9	24.0%	665.9	24.0%
Public Services	194.2	7.0%	194.2	7.0%
Repairs and Maintenance	776.9	28.0%	776.9	28.0%
Fuel	138.7	5.0%	138.7	5.0%
Rents	860.1	31.0%	860.1	31.0%
Guard and Janitorial Contracts	138.7	5.0%	138.7	5.0%
8 Performance Contracts and Transfers	3,472.6	100.0%	4,078.9	100.0%
International Technical Consulting Services	312.5	9.0%	367.1	9.0%
National Technical Consulting Services	1,389.0	40.0%	1,631.5	40.0%
Support Services	816.1	23.5%	958.5	23.5%
External Auditing	86.8	2.5%	102.0	2.5%
Transfers to Third Parties	868.1	25.0%	1,019.7	25.0%
9 Other Costs	822.3	100.0%	822.3	100.0%
Insurance	592.0	72.0%	592.0	72.0%
Official Hospitality	82.2	10.0%	82.2	10.0%
Ceremonies and Awards	24.7	3.0%	24.7	3.0%
Financial Expenses	106.9	13.0%	106.9	13.0%
Others	16.4	2.0%	16.4	2.0%
TOTAL	34,681.3		36,024.6	

Relative Weight and Evolution of the Major Objets of Expenditure - Regular Fund
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
2011 and 2012-2013 Program Budget
(US\$ x 000 and %)

Major Objet of Expenditure	2011		2012		2013		VARIATIONS			
							2012-2011		2013-2012	
	US\$ x 000	%	US\$ x 000	%	US\$ x 000	%	US\$ x 000	%	US\$ x 000	%
1 International Professional Personnel	11,710.0	35.1%	12,225.2	35.3%	12,429.7	34.5%	515.2	4.4%	204.5	1.7%
2 Local Professional and General Services Personnel	9,738.4	29.2%	11,155.3	32.2%	11,687.9	32.4%	1,416.9	14.5%	532.6	4.8%
SUBTOTAL PERSONNEL COSTS	21,448.4	64.2%	23,380.5	67.4%	24,117.5	66.9%	1,932.1	9.0%	737.1	3.2%
3 Training and Technical Events	1,349.0	4.0%	1,332.0	3.8%	1,332.0	3.7%	-17.0	-1.3%	0.0	0.0%
4 Official Travel	1,693.3	5.1%	1,374.1	4.0%	1,374.1	3.8%	-319.2	-18.9%	0.0	0.0%
5 Documents and Materials and Supplies	1,074.7	3.2%	914.7	2.6%	914.7	2.5%	-160.0	-14.9%	0.0	0.0%
6 Plant, Equipment and Furniture	699.5	2.1%	610.6	1.8%	610.6	1.7%	-88.9	-12.7%	0.0	0.0%
7 General Services	2,833.3	8.5%	2,774.5	8.0%	2,774.5	7.7%	-58.8	-2.1%	0.0	0.0%
8 Performance Contracts and Transfers	3,464.7	10.4%	3,472.6	10.0%	4,078.9	11.3%	7.9	0.2%	606.3	17.5%
9 Other Costs	835.3	2.5%	822.3	2.4%	822.3	2.3%	-13.0	-1.6%	0.0	0.0%
SUBTOTAL OPERATING COSTS	11,949.8	35.8%	11,300.8	32.6%	11,907.1	33.1%	-649.0	-5.4%	606.3	5.4%
GRAND TOTAL	33,398.2	100.0%	34,681.3	100.0%	36,024.6	100.0%	1,283.1	3.8%	1,343.3	3.9%

**Personnel Positions Financed by the Regular Fund
Maintaining Current Level of Operation with Budget Adjustments
(assuming 4.17% inflation)
1992 - 2013 Program Budgets**

YEAR	IPP	LPP	GSP	TOTAL
1992	134	82	346	562
1993	134	79	344	557
1994	132	80	349	561
1995	132	81	312	525
1996	121	87	289	497
1997	117	95	285	497
1998	110	98	249	457
1999	103	101	247	451
2000	99	97	251	447
2001	99	97	251	447
2002	96	101	238	435
2003	93	120	221	434
2004	94	126	230	450
2005	94	126	230	450
2006	94	131	237	462
2007	94	131	227	452
2008	94	135	227	456
2009	94	135	227	456
2010	95	152	213	460
2011	93	157	213	463
2012	93	154	210	457
2013	93	154	210	457

Note: Does not include positions financed with external resources and INR resources

IPP: International Professional Personnel

LPP: Local Professional Personnel

GSP: General Services Personnel