

*executive committee of
the directing council*



PAN AMERICAN
HEALTH
ORGANIZATION

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WORLD
HEALTH
ORGANIZATION



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TEXTBOOK PROGRAM

Introduction

The purpose of this document is to report on the status of negotiations for additional loan funds to expand the Textbook Program.

In 1974, the XIX Pan American Sanitary Conference approved Resolution XXXIIII, as follows:

THE XIX PAN AMERICAN SANITARY CONFERENCE,

Having examined the programs for medical and nursing textbooks and for basic equipment for medical students (Document CSP19/31);

Bearing in mind the value and importance of these programs for the training of health professionals of the Americas;

Noting that these programs are being carried out in fulfillment of the policy established in Resolution XV of the XVII Pan American Sanitary Conference (1966); and

Recognizing the demonstrated feasibility of these programs and their potential for expansion if capital is available,

RESOLVES:

1. To once again emphasize the importance of the textbook and basic equipment programs in medical and nursing training and the need for expansion of these programs to serve the greatest possible number of students throughout Latin America.
2. To thank the Pan American Health and Education Foundation (PAHEF) for its cooperation with the Pan American Health Organization in carrying out these programs.

3. To thank the Inter-American Development Bank for its initial loan to finance the medical textbook program.
4. To commend the Director for his initiative and to instruct him to enter into negotiations with the Inter-American Development Bank and other agencies to obtain additional financial support for the programs, directly or through PAHEF, and to present any resulting loan plan or draft agreement to the Executive Committee of PAHO for approval.
5. To authorize the Executive Committee to approve the loan plan if it is satisfied that the terms are the best available, including the pledging of PAHO assets as necessary to guarantee such loan.

In 1975 the Director reported on the status of negotiations, and the Directing Council at its XXIII Meeting approved Resolution XIII, as follows:

THE DIRECTING COUNCIL,

Having reviewed the progress made in connection with the programs for medical and nursing textbooks and for basic diagnostic instruments for medical students, and the efforts made to obtain additional funds (Document CD23/22); and

Bearing in mind the value and importance of these programs for the training of health professionals in the Americas,

RESOLVES:

1. To express its satisfaction at the progress made to date and emphasize the need for expanding the programs in order to serve the greatest possible number of students.
2. To request the Director to continue negotiations with the Inter-American Development Bank and explore other potential sources of financing.
3. To urge the Member Governments to lend their cooperation and assistance not only in operating the programs through the schools and universities but also in seeking the capital needed for their expansion.

During the discussion of this subject in the Directing Council Meeting, several delegates urged an enlargement of the scope of the program to include textbooks and instructional materials not only for other professional groups, such as dentists, veterinarians, and engineers, but also for technicians, health auxiliaries, and community health workers in primary health care programs. Accordingly, this expanded scope has been included in negotiations for loan funds.

Status of Loan Request

Discussions with the Management of the Inter-American Development Bank (IDB) have been continued. The Bank, having adopted a policy of supporting health programs at community level similar in concept to the policy of PAHO, is willing to consider an expansion of the Textbook Program to include as beneficiaries professions other than medicine, and also technicians and health workers at all levels.

Because of the unusual characteristics of this type of loan, the Management consulted the Board of Executive Directors to ascertain the views of the Board on an expanded program to be financed by a loan at a level of approximately US\$3 million. Such loan would consist of national currencies of those countries where textbooks are produced. However, the composition of the loan will be the subject of further consideration. The Board considered the nature, scope and financial level of the program and authorized the Management to continue its examination with a view to presentation of a complete proposal for final decision.

Framework for Further Negotiations

Based on the above-reported consultation with the IDB Board, it is now possible to provide an outline of the main points to be reviewed by the Bank, PAHO, and PAHEF, which could lead to a new loan agreement. This is presented so that the Executive Committee can consider and approve, as appropriate, the framework within which negotiations can be carried forward.

1. Borrower and Executing Organization

The new loan, as with the existing one, would be made to the Pan American Health and Education Foundation (PAHEF).

2. PAHO-PAHEF Agreement

The present agreement between PAHO and PAHEF would need to be modified to include the expanded program scope. Under this agreement PAHO would continue to be responsible for arrangements with governments and educational institutions, selection of textbooks and instructional materials, operation of the program with governments and schools including sales, and payment of the proceeds into the PAHEF revolving fund for this program. PAHO would be expected to continue to contribute by means of its expertise and program resources to the development of training programs and instructional material suitable for publication under the expanded textbook program. PAHEF would continue to be responsible for establishing a capital revolving fund to finance the expanded program with funds derived from the loan and maintained by means of income from the sale of publications. PAHEF would be responsible for payment of interest and principal on this loan. The program will continue to be operated on a nonprofit basis. Funds derived from the loan and from sale of publications will be used solely for operation of the program.

3. Amount and Source of Loan

It is presently contemplated that the amount of the loan would be the equivalent of about US\$3 million. The Bank would expect to fund such a loan from its Fund for Special Operations. Subject to the possibility of further consideration and negotiation, as mentioned above, the loan funds would be made available in national currencies of those countries where books and instructional material can be produced.

4. Interest and Repayment of Principal

The loan is expected to be for about 25 years (the same as the current loan). Interest is expected to be 2 or 3% (the present loan is 3%). PAHEF would pay interest and repay principal.

5. Description of the Program

As mentioned earlier in this document, the Bank is willing to consider an expanded program to include textbooks and instructional material for other health professions and for health workers at all levels. Within this framework, the requirements for each profession and for other health workers will be reviewed and presented to the Bank with the corresponding financial projections.

Time Schedule

The time schedule calls for presentation to the Bank of a full description of the program with financial projections for textbooks and instructional material for each profession and group of health workers by January 1977. The Management of the Bank will examine all aspects of the program and the loan conditions with a view to presenting a proposal for the final decision of the Board in the first half of 1977.

Guarantee

For each loan the Bank requires a guarantee, usually given by the government of the country where a loan is made. Since the Textbook Program is regional rather than restricted to a single country, an alternative method of guarantee must be negotiated. It is logical that PAHO as the intergovernmental organization of the beneficiary countries should provide such a guarantee, and the XIX Pan American Sanitary Conference, in the resolution quoted above, has already expressed willingness to do so.

From the Financial Report of PAHEF, presented in Official Document 140, it will be noted that the Textbook Program is in sound financial condition. When the assets and resources of PAHEF are taken into account, the risk to PAHO in guaranteeing a new loan is believed to be relatively small.

In view of the fact that a satisfactory guarantee is a prerequisite for presentation of the proposal for final decision of the Bank, the Executive Committee is requested to consider authorizing a guarantee for the new textbook loan within the program, organizational, and financial framework described above. The Executive Committee is invited to consider a resolution along the following lines:

Draft Resolution

THE EXECUTIVE COMMITTEE,

Having studied the report of the Director, presented in Document CE77/2, concerning negotiations with the Inter-American Development Bank for a new loan to finance an expanded textbook program to benefit additional students and trainees;

Noting with satisfaction that the program scope under discussion with the Bank will include much needed textbooks and instructional material for professions other than medicine and for health workers at all levels;

Recognizing that a loan guarantee is a prerequisite to final consideration of the loan proposal by the Bank; and

Bearing in mind that the XIX Pan American Sanitary Conference authorized the Executive Committee to approve the loan plan, including the pledging of PAHO assets as necessary to guarantee such loan,

RESOLVES:

1. To express its satisfaction with the progress made by the Director in negotiations with the Inter-American Development Bank for an additional loan to finance expansion of the Textbook Program.
2. To thank the Bank for its willingness to proceed with an examination of the proposal.
3. To approve the framework set forth in Document CE77/2, with particular reference to the scope of the program and amount of loan, as a basis for further negotiation.
4. To authorize the Director to approve the loan plan within the framework mentioned above, and to pledge PAHO assets and to take such other steps necessary to guarantee the loan, provided that he has communicated the plan and terms of the guarantee to the individual Members of the Executive Committee and has obtained the concurrence of a majority of them.