



*executive committee of  
the directing council*

PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



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Topic 2: DECENTRALIZATION OF ACTIVITIES OF THE PAN AMERICAN SANITARY BUREAU

During the discussions on program and budget at the 40th Meeting of the Executive Committee, April 1960, the representatives of Mexico and Venezuela referred to the changing conditions under which PASB operations were taking place, particularly in the zone offices, and proposed a resolution calling for a study of decentralization. The Executive Committee approved Resolution XIII, which reads as follows:

"The Executive Committee,

Having examined the question of the decentralization of the Bureau's activities and, particularly, the present distribution of the zones and the personnel assigned to them; and

Bearing in mind that, in addition to the financial aspects of decentralization, it is necessary to have an accurate idea of the effectiveness of decentralization and of the advantages it represents to the Member Governments,

RESOLVES:

To request the Director to prepare a study on the financial and technical aspects of the present system of decentralization and submit it to the Executive Committee at its next meeting for consideration and appropriate action."

The Director has the honor to present to the Executive Committee the following interim report on the development of decentralization in PASB,

Background Information

Decentralization of both technical and administrative operations has been one of the guiding principles of the management of the Pan American Sanitary Bureau. Document CE38/2, August 1959, entitled Decentralization of Activities of the Pan American Sanitary Bureau to the Zones Offices, outlined in detail the history of the delegation of operating authorities and responsibilities to the Bureau's Zone Offices and field stations. Most of the decentralization occurred after 1950, but the Bureau's first field office was established in Panama City in 1940 to serve Member Governments bordering the Gulf of Mexico and in the Caribbean area. This office was moved to Guatemala City in 1943 and in 1942 similar offices in Lima to serve South America and El Paso to coordinate Mexico-United States border health activities were opened. In 1950 the Rio de Janeiro field office was established to supervise Bureau activities in Brazil.

Generally, however, prior to 1950 policy was developed, plans were cast, and operations conducted from headquarters in Washington. The field offices had no significant delegations of authority and, in fact, reported to the Division of Public Health, one of the three divisions established at headquarters.

In 1951 and 1952 both the Director of the Bureau and the Executive Committee pushed ahead with decentralization. In 1951, Zone Offices in Guatemala, Lima, Rio de Janeiro, and Buenos Aires were put into operational effectiveness. In 1952 the Mexico City Zone Office and the Kingston Field Office were established.

In April 1952 the Executive Committee asked the Director to prepare a study of the operations of the Bureau with emphasis on the possibilities of devoting a greater percentage of funds to field activities and

decentralizing certain headquarters operational responsibilities to the Zones. In September the Director issued an internal document defining the division of responsibilities between Headquarters and Zone Offices. This document assigned to Washington Headquarters relations with Governing Bodies; establishment of policy, procedure, rules and regulations; certain central technical and administrative services; program planning; program evaluation; operation of inter-country projects involving more than one zone; and relations with cooperating international agencies. Zone Offices were assigned responsibility for field operations including the application of policy, procedure and regulation; assistance to Governments in planning and developing projects and programs; preparation and recommendation of program and budget proposals; negotiation with Governments of project agreements; liaison with field representatives of cooperating agencies; establishment of local operating procedures; and performance of certain administrative services such as payrolling, operating local bank accounts, processing travel arrangements and reimbursement, recruitment and servicing of local non-professional personnel and minor purchasing.

This document, together with other material prepared by the Secretariat for the Executive Committee, was reviewed successively by the 1953 Directing Council and the XIV Pan American Sanitary Conference (1954) which expressed satisfaction with the report on economies and decentralization.

The principles laid down in the 1952 document and the pattern of decentralization approved by the XIV Pan American Sanitary Conference in 1954 have continued to date. Zone I was fully activated in 1958 with the abolition of the Field Office in Kingston and the opening of the Zone Office in Caracas, but otherwise the field structure has remained the same.

Experience has shown that the Zone Offices have been of primary value in providing a close operational liaison between Member Governments and the Organization and in supervising the work of the international staff assigned to field projects. Moreover the Zones have shown their value in providing direct technical advice to the health authorities in the countries that they serve.

The percentage of funds going to field activities as against Headquarters has increased markedly as the Bureau has grown.

The following table clearly reveals the decentralization trend.

EXPENDITURES AND ESTIMATES <sup>1/</sup>

(All Funds)

Year	<u>Headquarters</u> <sup>2/</sup>		<u>Field</u> <sup>3/</sup>		<u>Total</u>	
	\$	%	\$	%	\$	%
1954	1,644,142	44.1	2,082,904	55.9	3,727,046	100.0
1955	1,674,360	36.3	2,940,637	63.7	4,614,997	100.0
1956	1,761,736	34.5	3,342,714	65.5	5,104,450	100.0
1957	1,998,547	31.0	4,450,370	69.0	6,448,917	100.0
1958	2,263,249	27.4	5,989,291	72.6	8,252,540	100.0
1959	2,322,000	25.7	6,719,024	74.3	9,041,024	100.0
1960	2,592,391	23.2	8,596,828	76.8	11,189,219	100.0
1961	2,640,583	22.1	9,306,883	77.9	11,947,466 <sup>4/</sup>	100.0
1962	2,829,542	22.3	9,874,416	77.7	12,703,958 <sup>4/</sup>	100.0

A similar situation has developed with respect to established posts of the Organization. There follows a table showing the trend 1954-1962:

<sup>1/</sup> 1954-1959, actual expenditures; 1960-62, estimates

<sup>2/</sup> Includes costs of organizational meetings and advisory services to governments by the executive and professional staff at headquarters.

<sup>3/</sup> Includes all technical services to countries from project and zone offices and the administrative support service in the field and the cost of publications.

<sup>4/</sup> The proposal for the assignment of \$300,000 to the PAHO Working Capital Fund, Document CD11/15 having been approved, this sum has been deducted from the total estimated for headquarters and field operations.

ESTABLISHED POSTS \*

(All Funds)

<u>Year</u>	<u>Headquarters</u>		<u>F i e l d</u>		<u>T o t a l</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
1954	212	44.2	268	55.8	480	100.0
1955	204	38.5	326	61.5	530	100.0
1956	210	38.1	341	61.9	551	100.0
1957	226	33.4	451	66.6	677	100.0
1958	245	32.7	505	67.3	750	100.0
1959	245	28.9	604	71.1	849	100.0
1960	242	27.9	625	72.1	867	100.0
1961	243	27.4	643	72.6	886	100.0
1962	245	27.1	658	72.9	903	100.0

The statistical detail demonstrating the trend toward decentralization is strengthened by reference to the development of program. In 1954, there were 101 projects in operation and in 1959 there were 222, and 276 are planned for 1962. In similar manner, there has been a continued rise in the number of fellowships awarded. In 1954 there were 282 fellowships awarded to fellows in the Americas; in 1959 there were 505. It is estimated that in 1962 there will be 570.

During the years 1954 - 1957 additional responsibility was assigned the Zone Representatives in an effort to achieve decision-making at as close a point as practicable to field operations. The 1952 directive delegated more important technical responsibilities than administrative. Although the Zone Representatives were made responsible administratively and technically for implementation of the field projects, the actual controls over project money were retained in Washington until 1957.

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\* 1954-1959, actual; 1960-1962, estimate.

In that year, in order to facilitate operating decisions and to eliminate duplication, the Zones were put on a full, official self-accounting basis. Washington headquarters no longer maintained the detailed records of obligations and expenditures. Instead it limited itself to preparation of summary records and reports based on accounting returns submitted by the zones. This not only permitted reduction in headquarters administrative staff but provided for more efficient operations at the zone level. Detailed instructions for preparation of budget cost estimates and for allotment analysis, control and revision were issued. The 1957 delegations also included:

1. Authority to take final action on 32 separate types of personnel actions for international staff most of which previously had to be referred to Washington. Also, the Zones were assigned responsibility for preparing all documentation for an additional 27 types of personnel actions, for which final authorization was retained in Washington. The previously assigned personnel work in connection with the employment of local staff was continued.

2. Total responsibility for the maintenance and inventory of field supplies and equipment inventories, and the disposal by transfer to Governments or sale of obsolete, surplus or unserviceable property. These functions formerly were performed in Washington.

3. Certain miscellaneous administrative tasks formerly performed in Washington which included an extension of purchase authority, approval and payment of education grant and children's allowance claims, etc.

The series of decentralization actions taken by the Organization in the last 10 years has been primarily due to the rapid growth in the size of the Organization and in the complexity of the various types of program

activities carried on. Since 1950 administrative procedures have also become more complex. The Organization has shown a growing social responsibility for its employees increasing the work load in personnel administration, and its fiscal operations have become larger and more diverse. The introduction of such activities as Health Insurance for staff and their families, the extensive system of special allowances for wives, children, education, cost of living, etc.; the necessity of making continual studies in individual localities of changes in local cost of living and wage rates have all contributed markedly to the increased workload in the administrative field.

All of these factors have led to a substantial increase in Zone Office technical and administrative staff. In 1952 a total of 21 technical, 17 administrative, and 25 supporting staff were assigned to the Zone Offices including the Field Offices in Kingston and El Paso. By 1960, this had increased to 27 technical, 37 administrative, and 53 supporting staff respectively. Costs also have risen as more staff and larger quarters became necessary, and as inflation increased all operating costs. In 1952, the total cost of the Zone and Field Offices was \$449,845. In 1960, it is \$885,780. <sup>1/</sup>

In 1952 the total administrative staff headquarters and field was 136 or 38.7% of all staff of the Bureau. Of this number 119 were located at headquarters and 17 were in the field. In 1960 the corresponding number is 127 or 14.7% of all staff of the Bureau. Of this number 90 are at headquarters and 37 are in the field.

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<sup>1/</sup> Includes estimated contribution by the Government of Venezuela.

General considerations

The Director agrees with the Members of the Executive Committee that it is necessary to make an appraisal of the present operational procedures of the Bureau to determine whether the basic purposes of decentralization have been fulfilled.

The study requested by the 40th Meeting of the Executive Committee has already been initiated by the Director. The ideas expressed during meetings of the Governing Bodies, as well as the preliminary findings of the study, have both shown the complexity of the subject. Consequently there is a need for a critical review of the present operational practices and for a careful analysis of other alternatives with the objective of determining whether there are more effective and economical ways of conducting the work of the Organization, at headquarters, zone and project levels. Among possible alternatives, the following might be considered: (a) reduction in the number of zone offices maintaining their present functions and responsibilities, (b) concentration of administrative practices in a limited number of zone offices, while the others will remain mainly with technical staff, (c) concentration at headquarters of certain administrative and supporting services at present performed by the zones. There may be other possibilities which will present themselves as the study progresses. These possibilities will have to be carefully compared with the present arrangements, since the analysis may indicate that the latter is the most satisfactory system under existing circumstances. In the final analysis, a study of this kind requires



that the needs and attitudes of Member Governments and the overall objectives of the Organization be taken into consideration.

In view of the above, it is evident that more time is required to complete the study than the period elapsed since the approval of the resolution of the 40th Meeting of the Executive Committee. The study will be continued and intensified in the near future in order that the Director be able to present as full a report as feasible for consideration and appropriate action by the 43rd Meeting of the Executive Committee.