



*executive committee of  
the directing council*

PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



101st Meeting  
Washington, D.C.  
June-July 1988

CE101/SR/2  
27 June 1988  
ORIGINAL: ENGLISH-SPANISH

PROVISIONAL SUMMARY RECORD OF THE SECOND PLENARY SESSION  
ACTA RESUMIDA PROVISIONAL DE LA SEGUNDA SESION PLENARIA

Monday, 27 June 1988, at 2:00 p.m.  
Lunes, 27 de junio de 1988, a las 2:00 p.m.

Chairman:  
Presidente:

Dr. Norman Gay

Bahamas

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Note: This summary record is only provisional. The summaries of statements have not yet been approved by the speakers, and the text should not be quoted. Representatives are requested to notify Document Services (Room 207), in writing, of any changes they wish to have made in the text. Alternatively, they may forward them to the Chief, Conference Services, Pan American Health Organization, 525 - 23rd St., N.W., Washington, D.C., 20037, USA, by 27 July 1988. The edited records will be published in the Proceedings of the Meeting.

Nota: Esta acta resumida es solamente provisional. Las intervenciones resumidas no han sido aun aprobadas por los oradores y el texto no debe citarse. Se ruega a los Representantes tengan a bien comunicar al Servicio de Documentos (Oficina 207), por escrito, las modificaciones que deseen ver introducidas en el texto. Como alternativa, pueden enviarlas al Jefe del Servicio de Conferencias, Organización Panamericana de la Salud, 525 - 23rd St., N.W., Washington, D.C., 20037, EUA, antes del 27 de julio de 1988. Los textos definitivos se publicarán en las Actas de la Reunión.

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The meeting was called to order at 2:00 p.m.  
Se abre la reunión a las 2:00 p.m.

ITEM 3.2: REPORT OF THE SPECIAL SUBCOMITTEE ON WOMEN, HEALTH, AND DEVELOPMENT  
TEMA 3.2: INFORME DEL SUBCOMITE ESPECIAL SOBRE LA MUJER, LA SALUD Y EL DESARROLLO

The CHAIRMAN invited Ms. Dorothy Phillips, Rapporteur of the Special Subcommittee on Women, Health, and Development (WHD), to present the report of the Subcommittee.

Ms. PHILLIPS (Rapporteur, Special Subcommittee on Women, Health, and Development) reviewed the contents of the Subcommittee's report (Document CE101/24).

The Subcommittee had recognized that the divergent views regarding WHD in the Region made it imperative to devise flexible plans to deal with the particular problems and issues encountered by individual countries.

At a workshop on WHD in the Caribbean, held in Port-of-Spain, Trinidad and Tobago, from 4 to 6 May, a subregional Plan of Action for WHD had been prepared for implementation at the national, regional, and subregional levels during the biennium 1988-1989. The workshop had been gratifying in that it had identified the problems of the Caribbean region and of the women living there. The speedy implementation of the Plan of Action would be a boon to the area.

The Subcommittee had presented its recommendations in the form of a proposed resolution to be recommended by the Executive Committee to the Directing Council at its XXXIII Meeting, for adoption.

Ms. POOLE (Observer, Inter-American Commission of Women) reiterated the importance attached to WHD by the Inter-American Commission of Women (CIM). The Program focused on three objectives to which CIM could provide its support: to formulate a thematic component for inclusion in national development policies; to enable the National Focal Points to support implementation of those policies; and to integrate women in development concerns in the overall programming of the intergovernmental agencies. Although in the past cooperation between CIM and PAHO had been limited to exchanges of information and to attendance at the meetings of their respective political bodies, they had recently moved to identify concrete areas of cooperation and to avoid duplication. CIM helped to disseminate WHD reports. Furthermore, the Executive Committee of CIM had requested its national representatives to support the activities of the National Focal Points where possible. One favorable result of such cooperation was the technical paper being prepared by CIM and the General Secretariat of the OAS for the subregional meeting of the Andean countries on the socioeconomic status of women in the Andean region, to be held in Bogotá, Colombia. PAHO had been invited to attend the Assembly of Delegates of CIM to be held in October.

El Dr. QUIJANO (México) dice que el Programa de la Mujer, la Salud y el Desarrollo es incuestionable y tiene incluso una atmósfera de simpatía que todos comparten. Ahora bien, como las actividades que entraña deben basarse en la educación y la promoción, sus realizaciones son inevitablemente lentas. La Organización no puede hacer más que considerar prioritario el problema e intentar convencer a un público cada vez mayor de la necesidad de un cambio radical. Los cambios legislativos con que muchos países se contentan no son demasiado fructíferos.

Si bien encomia a la Organización por haber designado a los puntos y a las personas focales, lamenta que en el informe se sigan utilizando indicadores que, además de no ser demasiado progresistas, no reflejan exactamente la verdad última, como la mortalidad materna, el número de mujeres con padecimientos mentales o el reducido número de mujeres que ocupan puestos administrativos o de toma de decisiones. A su juicio, son mucho más elocuentes los extraordinarios índices de violencia que padecen las mujeres. Esta violencia, así como la inobservancia de las leyes, no dependen de la mujer sino del hombre. Estima, por ello, que la promoción y la educación deben dirigirse fundamentalmente al hombre y no a la mujer. No está en contra de la realización de distintos tipos de reuniones en las que participan casi exclusivamente mujeres, pero insiste en la necesidad de que la educación para el cambio esté más bien destinada al hombre, que es el más reacio, para que por fin se comprenda que la mujer, causa y promotora de la salud, puede prestar un apoyo mucho más importante para que los demás programas de la Organización tengan éxito.

El Dr. VILLACORTA (El Salvador) coincide con el Dr. Quijano en que la educación, que es fundamental para cualquier cambio, debe ser el principal camino para lograrlo.

Hace notar su preocupación porque en el proyecto de resolución no se mencionen en absoluto los problemas de la maternidad con riesgos ni la alta tasa de mortalidad maternas, que son de los más graves que aquejan a América Latina.

Ms. KEFAUVER (United States of America) said that the Secretariat had taken a helpful step in scheduling the special Subcommittee's meeting sufficiently in advance so that, for the first time, the Executive Committee had received the report on so important a subject as WHD together with other relevant documents in good time. She had taken note in the report of the high level of WHD activity in 1987. It appeared that the Program was making progress. She was looking forward to the meeting scheduled for October, whose basic document had been prepared by the American Association of Retired Persons (AARP). The meeting sounded very interesting, particularly as it was expected to produce a comprehensive profile of the situation of middle-aged and elderly women in Latin America and the Caribbean area. Such a profile should be very useful as a reference and as a planning and initiation document for the future. In addition, it would enable PAHO to have a comprehensive picture of the Region. Moreover, the inclusion of women, health, and development issues in the Research Program of PAHO was very gratifying. She trusted that it would have beneficial results for women in the Region. Her Delegation supported the proposed resolution, although she took note

of the amendments proposed by the Representative of El Salvador. The Secretariat should state its position on those amendments.

La Sra. ABRAHAMS (OSP) agradece las intervenciones sobre el tema que se está examinando, aportes que permitirán fortalecer el Programa y apoyar a los Países Miembros a fin de contribuir, mediante la aplicación de las Estrategias Regionales para el Futuro y una serie de actividades, a mejorar la condición de la mujer en la Región, y no solamente su estado de salud sino la calidad de vida, entendida como un mejor acceso a todos sus derechos en el campo de la salud, la nutrición y la seguridad social.

Da las gracias a la Sra. Phillips por su brillante síntesis del informe del Subcomité Especial sobre la Mujer, la Salud y el Desarrollo, y a la Sra. Poole, Secretaria Ejecutiva de la Comisión Interamericana de Mujeres de la Organización de los Estados Americanos, por su presencia. Destaca que la relación entre ambas organizaciones se ha fortalecido de manera clara, como ilustran la participación de una persona del programa de empleo y generación de ingresos de la OEA en el análisis de la situación de la mujer en los países andinos, objeto de un documento para la reunión que se celebrará en Bogotá y que congregará a todos los puntos focales del Programa en la subregión andina. Destaca la importancia de ese documento que, además de esbozar un perfil sobre la situación sanitaria, social y económica de la mujer, estimulará la cooperación técnica entre países en desarrollo para facilitar la financiación de los programas que, confía, se plasmarán en un plan de acción subregional.

Hace hincapié en la función de las reuniones, a veces controvertidas, y en su papel de promoción, al estar destinadas a dar a

conocer las Estrategias Regionales para el Futuro de la Mujer aprobadas en 1986 por la Conferencia Sanitaria Panamericana, con el fin último de mejorar la calidad de vida de la mujer en la Región. Su objetivo más inmediato es estudiar a fondo la ejecución de las estrategias y elaborar planes subregionales de acción.

Respondiendo a las observaciones del Dr. Quijano sobre el tema de la violencia, atribuye la importancia que se ha asignado al tema en los Lineamientos de Investigación sobre la Mujer, la Salud y el Desarrollo a una extrapolación de la situación existente en los Estados Unidos de América, aunque no lo considera del todo negativo, sino más bien como un catalizador, habida cuenta de la ausencia de medidas de protección destinadas a la mujer, con las inevitables consecuencias que esa violencia tiene para el medio familiar y comunitario.

Al igual que el Dr. Quijano, subraya que la educación y la promoción son la base de todos los programas sobre el tema y pone de relieve la importancia de una acción concertada entre hombres y mujeres en pos de una causa común. Cita a título de ejemplo una reunión celebrada en Cuba como una nutrida participación masculina, elemento positivo por su aporte para una visión más completa de la cuestión abordada.

Haciendo alusión a la intervención del Representante de El Salvador, recuerda que dentro del Programa se está reforzando la capacitación de los recursos humanos.

Agradece a la Representante de los Estados Unidos de América el estímulo brindado, pone de relieve la necesidad de un cambio profundo y señala el interés del documento que se presentará en octubre sobre la



situación social y económica de las mujeres de edad avanzada y media. Por último, expresa al Director de la OSP su agradecimiento por el apoyo prestado al Programa y, en particular, por la decisión de haber incluido el área de la Mujer, la Salud y el Desarrollo en el programa de Subsidios e Investigaciones.

El Dr. GUERRA DE MACEDO (Director, OSP) destaca que la cooperación con el programa de la Comisión Interamericana de Mujeres tiene muchas posibilidades de ampliarse y confía en que ello suceda.

Aclara, a propósito de la inquietud manifestada por el Representante de El Salvador, que el problema de la maternidad sin riesgo ya se había mencionado en la resolución aprobada el año anterior y puntualiza además que la cuestión de la salud materna se abordará directa y específicamente en el marco del tema 4.3 del programa.

El RELATOR da lectura al siguiente proyecto de resolución, que figura en el Documento CE101/24.

THE 101st MEETING OF THE EXECUTIVE COMMITTEE,

Having seen the report of the Special Subcommittee on Women, Health, and Development (Document CE101/24),

RESOLVES:

To recommend the following resolution to the XXXIII Meeting of the Directing Council for its approval:

THE XXXIII MEETING OF THE DIRECTING COUNCIL,

Having seen the report of the Special Subcommittee on Women, Health, and Development (Document \_\_\_\_\_);

Bearing in mind the previous resolutions adopted by the Governing Bodies of PAHO on women, health, and development, in particular Resolution CSP22.R12 of the XXII Pan American Sanitary Conference; and

Taking into account Resolution WHA40.9 adopted by the Fortieth World Health Assembly,

RESOLVES:

1. To urge the Member Countries:
  - a) To fulfill the provisions of point 2, paragraph 3, of Resolution CSP22.R12 of the XXII Pan American Sanitary Conference, with regard to strengthening of the national focal points in the Woman, Health, and Development Program;
  - b) To develop training programs for all health personnel at the different levels of the Women, Health, and Development Program on its objectives, content, and strategies, so that they will be able to attend to the comprehensive health needs of women;
  - c) To increase significantly the participation of women at the directing and decision-making levels within the institutions of the health sector;
  - d) To continue to carry out the research necessary for the design of policies and the implementation of programs that will substantially improve the current living conditions and the health of women, giving priority to the subject areas recommended in the report of the Subcommittee.
2. To request the Director:
  - a) To intensify efforts so that all the technical programs of the Organization will develop activities aimed at fulfillment of the eight strategies on Women, Health, and Development approved by the XXII Pan American Sanitary Conference;
  - b) To continue promoting interaction with other international agencies, institutionalizing it through agreements and accords for the coordination of activities and the mobilization of resources for the Women, Health, and Development Program;
  - c) To incorporate the priority subject areas recommended by the Subcommittee into the Research Grant Program of the Organization;

- d) To continue efforts aimed at increasing the participation of women in PAHO with a view to attaining the goal of 30% for professional and higher-level positions, as approved by Resolution CSP22.R12 of the XXII Pan American Sanitary Conference, and at the same time increasing the participation of women as temporary and short-term consultants, working with the national focal points on the identification of candidates;
- e) To step up mobilization of the resources required for implementation of the approved Regional strategies and for the promotion, execution, and dissemination of specific activities under the Women, Health, and Development Program at the country and regional levels;
- f) To report every two years to the Directing Council on the progress achieved in the eight strategies of the Women, Health, and Development Program.

LA 101a REUNION DEL COMITE EJECUTIVO,

Visto el informe del Subcomité Especial sobre la Mujer, la Salud y el Desarrollo (Documento CE101/24),

RESUELVE:

Recomendar el presente proyecto de resolución a la XXXIII Reunión del Consejo Directivo para su aprobación:

LA XXXIII REUNION DEL CONSEJO DIRECTIVO,

Visto el informe del Subcomité Especial sobre la Mujer, la Salud y el Desarrollo (Documento \_\_\_\_\_);

Habida cuenta de las resoluciones anteriores aprobadas por los Cuerpos Directivos de la OPS sobre la mujer, la salud y el desarrollo, particularmente la Resolución CSP22.R12 de la XXII Conferencia Sanitaria Panamericana, y

Teniendo en cuenta la Resolución WHA40.9 aprobada por la 40a Asamblea Mundial de la Salud,

RESUELVE:

1. Instar a los Países Miembros a que:

- a) Den cumplimiento a lo establecido en el punto 2, párrafo 3, de la Resolución CSP22.R12 de la XXII Conferencia Sanitaria Panamericana, respecto al fortalecimiento de los puntos focales nacionales del Programa de la Mujer, la Salud y el Desarrollo;

- b) Desarrollen programas de capacitación para todo el personal de salud de los distintos niveles sobre el Programa de la Mujer, la Salud y el Desarrollo, sus objetivos, contenidos y estrategias, a fin de que puedan satisfacer las necesidades de salud integral de las mujeres;
  - c) Aumenten significativamente la participación de las mujeres en los niveles directivos y de toma de decisiones dentro de las instituciones del sector salud;
  - d) Continúen realizando las investigaciones necesarias para el diseño de políticas y la instrumentación de programas que mejoren substancialmente las actuales condiciones de vida y de salud de las mujeres, dando prioridad a las áreas temáticas recomendadas en el Informe del Subcomité;
2. Pedir al Director que:
- a) Intensifique los esfuerzos para que todos los programas técnicos de la Organización desarrollen actividades dirigidas al cumplimiento de las ocho estrategias sobre la Mujer, la Salud y el Desarrollo aprobadas por la XXII Conferencia Sanitaria Panamericana;
  - b) Continúe estimulando la interacción con otras agencias internacionales, institucionalizándola mediante acuerdos y convenios, a fin de coordinar actividades y movilizar recursos para el Programa de la Mujer, la Salud y el Desarrollo;
  - c) Incorpore las áreas temáticas prioritarias recomendadas por el Subcomité al programa de subsidios para investigación de la Organización;
  - d) Continúe sus esfuerzos para incrementar la participación de las mujeres en la OPS a fin de alcanzar la meta del 30% en puestos profesionales y de mayor grado, la cual fue aprobada por Resolución CSP22.R12 de la XXII Conferencia Sanitaria Panamericana y, asimismo, aumente la participación de las mujeres como consultoras temporarias y a corto plazo, coordinando con los puntos focales nacionales la identificación de candidatas;
  - e) Aumente la movilización de los recursos requeridos para la aplicación de las estrategias regionales aprobadas y para la promoción, ejecución y difusión de actividades específicas del Programa de la Mujer, la Salud y el Desarrollo a nivel de los países y de la Región;

f) Informe cada dos años al Consejo Directivo sobre el avance de las ocho estrategias del Programa de la Mujer, la Salud y el Desarrollo.

Decision: The proposed resolution was unanimously adopted.  
Decisión: Se aprueba por unanimidad el proyecto de resolución

ITEM 5.1: REPORT ON THE COLLECTION OF QUOTA CONTRIBUTIONS  
TEMA 5.1: INFORME SOBRE LA RECAUDACION DE LAS CUOTAS

Mr. McMOIL (PASB) introduced Document CE101/11 and its Addendum I on the collection of quota contributions and noted that on 1 January 1988 total arrears of contributions due for years prior to 1988 amounted to \$25,380,172.68. Payments received from 1 January to 17 June 1988 had totaled \$18,987,892.10, reducing those arrears as of 17 June to \$6,392,280.58. He was pleased to report an additional payment since 17 June of \$4,420.27 from Costa Rica, which had further reduced the total to \$6,387,859. The corresponding amount of arrears in 1987 had been \$7,500,950, and the Secretariat had been pleased to note the continuing improvement in the payment status.

Collection of contributions with respect to 1988 assessments amounted to \$23,300,939 as of 17 June 1988, which represented 38% of current year assessments, as compared with 25% at the same time in 1987. That comparative increase in collections had improved the Organization's cash flow position, with a resulting increase in interest earnings capacity.

The collection of arrears and current year assessments totaled \$42,293,252 and comprised around 70% of the current years assessed level of contributions, as compared to 33% in 1987.

With respect to the application of the provisions of Article 6.B of the PAHO Constitution to Member Governments in arrears in the payment of their contributions, he noted that as of the opening of the XXXII Meeting of the Directing Council in September 1987, there had been two Member Governments, namely Bolivia and the Dominican Republic, subject to those provisions. Their cases had been referred by the Council for study to a Working Party composed of Representatives of the Governments of Canada, Chile and Barbados.

The case of the Dominican Republic, the Working Party had noted that the Government had continued to be more than two years in arrears in quota payments, but had submitted a new revision to its deferred payment plan. It had paid \$63,291.13 under that plan as of the opening of the XXXII Meeting of the Directing Council. A further payment of approximately \$113,000 authorized by the Government could be expected shortly. The revised plan had established a commitment to pay \$176,691.00 during 1987 towards arrears and, beginning in 1988, \$70,000 each year for six years in addition to the regular quota assessment. That plan was satisfactory to both the Secretariat and the Working Party. Payment of \$176,691.00 had been received in 1987 and \$68,490 had been paid to date in 1988, leaving a balance of approximately \$100,000 due in 1988.

The Government of Bolivia had also been subject to the provisions of Article 6.B, owing approximately \$34,284 towards its 1984 assessment as well as its full assessments for 1985, 1986 and 1987. The Government had paid \$118,570 in 1986-1987, reducing the total of assessments due to

\$233,063 as of 31 December 1987. Currently Bolivia owed a total of \$331,979.00 in assessments, including that for 1988. It had yet to make a quota payment in 1988.

The XXXII Meeting of the Directing Council, having examined the report of the Working Party, had approved a resolution endorsing the acceptance of the Government's revised deferred payment plan and permitting the Dominican Republic to vote. Similarly, it had decided to permit Bolivia to vote in view of its Government's commitment to make a substantial quota payment in 1987.

As of the opening of the current Meeting of the Executive Committee the Governments of Bolivia, Haiti, Nicaragua, Paraguay, the Dominican Republic and Suriname had arrears in excess of two full years of quota assessments and might be subject to the application of Article 6.B as of the opening of the XXXIII Meeting of the Directing Council. The Secretariat was continuing to correspond with those Governments to encourage maximum payment efforts.

El Dr. RODRIGUEZ (Argentina) pide una aclaración sobre el cuadro del Addendum I. Desea saber si, en el caso de que figuren como adeudadas cuotas o totales del año 1987, y coincidan con el monto recibido durante 1988, debe interpretarse que han sido cancelaciones de la deuda de 1987.

Mr. McMOIL (PASB) said that payments received in a given year were applied to the earliest debt. Thus, a payment received in 1988 was applied to 1986-1987 arrears.

The CHAIRMAN requested the Rapporteur to prepare a proposed resolution on the item.

- ITEM 5.2: FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL AUDITOR FOR 1986-1987  
TEMA 5.2: INFORME FINANCIERO DEL DIRECTOR E INFORME DEL AUDITOR EXTERNO CORRESPONDIENTES AL PERIODO 1986-1987

Mr. McMOIL (PAHO), introducing the reports (Document CE101/13 and Addendum I), said that although the Organization's biennial financial report and the related Report of the External Auditor were normally published and distributed in one official document, the two reports had been issued separately to facilitate distribution prior to the opening of the 101st Meeting of the Executive Committee. Publication of the official document combining both reports had been delayed owing to extensive reviews and discussions on the Organization's accounts between the Administration and the External Auditor. Official Document 220, containing both reports, would be published following the conclusion of the 101st Meeting.

In addition to the Director's report on the financial transactions of the Pan American Health Organization for the period 1 January 1986 to 31 December 1987 and the financial position of the Organization as of 31 December 1987, the document contained financial statements for the Caribbean Epidemiology Center (CAREC), the Caribbean Food and Nutrition Institute (CFNI), and the Institute of Nutrition of Central America and Panama (INCAP). It also contained financial statements and an auditor's report for the Pan American Health and Education Foundation (PAHEF). Furthermore, in compliance with Resolution XIV of the 82nd Meeting of the Executive Committee, a special Annex to the document had been issued, containing schedules on the extent to which program support costs had been applied to extrabudgetary-funded projects initiated in 1987.



He invited Mr. Clyde Press of the Office of the Comptroller and Auditor General of the United Kingdom to present the report of the External Auditor.

Mr. PRESS (External Auditor) pointed out that a number of matters concerning the statements of accounts had arisen during the audit and were discussed with the staff of PAHO. All had been satisfactorily resolved and corrective action taken where appropriate. The final draft of the report had been sent to the Director for his comments only after discussions and correspondence with the Director's staff with the aim of presenting a report in which the facts had been agreed both as to accuracy and completeness.

The main topics discussed in the report were bank and imprest accounts, the new Headquarters office building, monitoring and evaluation, control of manpower, and computer systems.

It should be noted with regard to the first topic that due to the late arrival of some field imprest accounts at Headquarters, appropriate accounting action could not be taken to analyze and adjust the relevant account figures. That expenditure was, therefore, shown in the 1986-1987 accounts as prepaid expenses and would be accounted for against reserves in the following financial period. More generally, it was an important measure of financial control for reconciliations of all bank and imprest accounts to be kept up to date and for all discrepancies brought to light as a result of these reconciliations to be resolved and adjusted in the relevant financial period. Therefore, the report recommended that all

imprest holders should be reminded of the need to submit their accounts promptly and that sufficient Headquarters staff resources should be made available to carry out timely reconciliations in order to effect accounting adjustments to the accounts of the relevant financial period.

With regard to the financing arrangements for remodelling the office space leased and occupied by PAHO staff in the new Governor Shepherd building, it was found that the total cost of the remodelling exercise had exceeded the authorized level of capitalization. The purpose of the report was to bring that expenditure to the attention of the Executive Committee and the Directing Council. The Organization had explained that the additional expenditure became necessary because of revisions to the planned use of office space, and that additional expenditure in order to further modify the same accommodation was anticipated during the 1988-1989 financial period.

In the course of a review of the Organization's system for planning, controlling, monitoring and evaluating its technical cooperation program--AMPES--it was noted that all these elements fed information into the decision-making process of the Organization. It was also noted that the AMPES procedures were continuously reviewed for effectiveness and that the methodology for analyzing program activities was being developed progressively.

However, despite the basic soundness of the system, the review identified several areas which would benefit from improvement. The External Auditor therefore proposed the following measures: country annual operating program budgets should provide a better definition of

expected results in order to ensure the accountability of managers in terms of program delivery; programs of work should have clearer direction with less fragmentation of programs and more attention paid to the Organization's stated priorities; formulation and control of annual operating program budgets should be simplified to reduce delays in providing analysis and in making decisions on reprogramming; and analysis and evaluation in country annual reports should be measured against planned results rather than expenditure. He acknowledged that PAHO had already introduced instructions regarding the completion of those reports, which should provide for a more structured approach to evaluation.

By setting program targets wherever possible and developing procedures which rigorously compared actual achievement with work plans, targets and program objectives, the Organization should more readily be able to assess the progress made towards the fulfillment of the Medium-term Plan.

The External Auditor's report on PAHO accounts for 1984-1985 had concluded that a program of independent staff inspections would give added assurance that staff were employed in activities essential to the achievement of PAHO's program objectives and that their members were adequate but not excessive. The report now before the Committee recorded the results of further reviews of the procedures adopted by management for reviewing the continuing need for posts at the time the budget is prepared, the employment of short-term consultants, the control of overtime worked at Headquarters, and the adequacy of the lapse factor used in the assessment of the budget for staff costs.

With regard to the management review of the continuing need for posts, the report reverted to the question of whether PAHO should introduce a program of independent staff inspections. The External Auditor believed that such inspections would help to determine the level of budgeted posts required by PAHO for the performance of functions essential to the achievement of program objectives, and ensure that staff were properly graded. The Organization did not agree that there was a need for such staff inspections because staffing needs were reviewed and justified as an annual and integral part of its budget review process. The External Auditor felt that the review process would be enhanced by a planned cycle of staffing surveys carried out independently by trained staff, using specialists where necessary. Those surveys would systematically examine work areas and identify those where savings might be made. Thus, PAHO's senior management would be provided with additional assurance during consideration of the budget that proposed staff levels were essential to the Organization's program needs.

In connection with manpower control, the External Auditor found that the employment of short-term consultants at Headquarters during 1986-1987 was 20% greater than in the previous financial period, but because many factors determine the need for consultants, no single conclusion could be drawn from their increased employment.

In reviewing the control and level of overtime at Headquarters, the report found that the actual level of overtime worked at Headquarters during 1986-1987 exceeded by some 16% the ceiling of \$700,000 established by the Director. However, compared with overtime worked in 1984-1985, there was a reduction of 28% in the total cost of overtime.

From a further review of the adequacy of the lapse factor, the External Auditor had concluded that the lapse factor had been calculated with reasonable accuracy during 1986-1987, given the uncertainties present in lapse factor estimates and the Organization's overall financial situation.

The External Auditor's report also recorded the results of a review of PAHO's developing computer systems. While recognizing that improvements had been made, there still remained a number of control and procedural weaknesses in standards of documentation and control. Satisfactory documentation and control procedures were essential elements in the introduction of computer systems. They improved efficiency because less clerical effort was required to identify and rectify errors, problems were brought to attention at an early stage, system changes were more readily made when found to be necessary, and recovery was quicker in the event of a breakdown or loss of computer services. The External Auditor therefore recommended that PAHO remedy the weaknesses highlighted in his report as a matter of urgency.

The External Auditor's review also identified several problems in the Financial Management System which could be addressed if PAHO were to review the planned scope of continuing testing of the new system to ensure that all functions and requirements of the new system were fully tested before implementation. Furthermore, the External Auditor recommended that PAHO carry out a further review of existing and planned input controls to ensure that the validity and accuracy of input to accounting records was secured in the new system.

Mr. McMOIL (PASB), resuming his presentation of Document CE101/13 and ADD. I, turned to the Financial Reports for the Organization and its Centers--CAREC, CFNI and INCAP. He noted that the Financial Report for 1986-1987 contained a review of the financial position of the Organization and reflected its key financial aspects as of 31 December 1987. The Director had pointed out in his comments, inter alia, that total expenditures for 1986-1987 had been some \$15 million higher than in 1984-1985; that the percentage of current quota assessments collected against current assessments during 1986-1987 had been only 77.7%, the lowest level of collection in eight years; that commitments against the 1986-1987 effective working budget of \$112,484,000 had been \$10,246,952 below the net level of appropriated funds, but that the Organization's actual receipts for funding the effective working budget had totaled \$103,096,548, leaving a cash surplus of \$859,500; and that Trust Fund expenditures had increased by approximately \$10 million between 1984-1985 and the past biennium, a positive change of 44%. Although the Organization's net receipts from extrabudgetary projects had increased between 31 December 1985 and 1987, there had also been an increase in the number of projects where expenditures were exceeding project advances or reimbursements. Expenditures had grown by more than 62% over the 10 year period 1978-1987.

It would be noted from the statement of Appropriations and Obligations for 1986-1987 that \$1,260,705 had been transferred from Part I to Part V of the Regular Budget. The savings in Part I were primarily from vacant or frozen posts and had been transferred to meet increased

requirements for program support. The total transferred was within the limitation (10%) established by the budget resolution for 1986-1987.

As would be seen from the Statement of Income and Expenditures for 1986-1987, for only the PAHO Regular Budget income received had totaled \$103,096,548, in comparison with expenditures and special contributions of \$102,237,048, leaving a surplus of \$859,500. That surplus had been credited to a holding account in compliance with a resolution adopted by the XX Pan American Sanitary Conference stipulating that any surplus of income over expenditures should be placed in a holding account until such time as the Directing Council or the Pan American Sanitary Conference decided how to use the funds. In view of the increasing demands for assistance from the Organization and the difficulties encountered by the Organization in the collection of quota assessments, the Director planned to recommend to the XXXIII Meeting of the Directing Council that the surplus of \$859,500 be credited to the Organization's Miscellaneous Income Account. Up to \$150,000 of those funds would be reserved to help defray the costs of the Second AIDS Teleconference to be held later in 1988. The Executive Committee might wish to consider formally endorsing that recommendation by the Director.

The Comparative Statement of Assets and Liabilities of the Organization as of 31 December 1987 and 31 December 1985 (Document CE101/13, pp. 16-17) showed that the Organization had closed the financial period in a very sound financial condition, having about \$55 million in cash and investments. However, current liabilities had increased by about \$8 million over 1985 and amounts attributable to Special Funds had increased by some \$16 million.

In the explanatory notes, there were a number of financial situations that warranted special comment.

Sales of vaccine by the Pan American Foot-and-Mouth Disease Center had increased by about \$700,000 from 1985 to a new total of \$1,902,489. However, those monies were being held as payable and not credited income until the actual collection took place.

The balance due to PAHO from inter-office transfers to Centers had increased by over \$1 million due primarily to amounts owed by the Institute of Nutrition of Central America and Panama (INCAP) to PAHO.

Unliquidated obligations of \$12,557,865 existed as of 31 December 1987. Those were valid commitments against the resources of current financial periods for which funds had not been disbursed. Some \$9.5 million existed on 31 December 1985.

The Reserve Fund for Termination and Repatriation Entitlements had maintained its fiscal stability, with capitalization increasing from \$4.186 million to \$5.161 million over the biennium.

Expenditures from the Building Fund had totaled \$1,919,442 during 1986-1987 against funding availability of \$2,290,615.

As of 31 December 1987 the Revolving Fund for the Expanded Program on Immunization was capitalized at \$4,829,129 and the Reserve Account stood at \$100,000. In 1986-1987, an amount of \$298,017 had been transferred as additional capitalization to the Revolving Fund from funds accumulated in the EPI reserve.

The Special Fund for Natural Disaster Relief had received contributions from various Governments and donors of approximately \$642,000, increasing the capitalization of that special Fund after expenditures of \$344,125 to \$748,804 at 31 December 1987.



Among the schedules of particular interest included in the report, Schedule 1 on page 25 provided details of the Organization's cash, deposits and securities and the application of these resources by source as of 31 December 1987. Schedule 2 on pages 26 and 27 reflected the status of quota contributions as of 31 December 1987. Schedule 6 reflected the status of the new Revolving Fund for the Procurement of Essential Drugs, which had been capitalized through a contribution of \$1,557,903 from the Kingdom of the Netherlands. Expenditures for essential drugs had totaled \$1,472,491 from the Special Account during 1986-1987, the level of activity being limited by minimum capitalization and the rapid build-up of accounts receivable.

The Statements for the Caribbean Epidemiology Center (CAREC) showed that in 1986-1987 expenditures by CAREC against all funds had totaled about \$3.3 million as compared to approximately \$4.5 million in 1984-1985. That significant decrease in total expenditures had resulted from a reduction of some \$700,000 in personnel costs and lesser reductions in general operating costs and seminar expenditures. Although CAREC's income had increased only slightly in 1986-1987, expenditures had also decreased, leaving CAREC with a surplus of \$625,265 as of 31 December 1987. That significant reversal in CAREC's financial position could be attributed to reductions in personnel costs. There had been a significant number of professional post vacancies at the Center during 1986-1987.

The status of CFNI's regular budget for 1986-1987 showed that although income had increased from \$262,340 in 1984-1985 to \$331,168 in 1986-1987, expenditures had increased from about \$365,000 to \$494,834

during the financial period, leaving CFNI with another operating deficit of \$163,663. That further decline in the Institute's finances was again attributable to delayed payment of quota assessments by CFNI's member countries.

The External Auditor's certification of the Organization's financial statements also applied to the financial statements presented for INCAP. It should be noted that the statements for INCAP were for 1987 only, as INCAP continued to operate on a run-on annual financial cycle. Expenditures in 1987 from all sources of funds had totaled approximately \$5.5 million as compared to \$4.3 million expended in 1986. Expenditures had increased for all objects of expenditure, mostly for personnel costs under Trust Funds. Continued improvement in the quota payment actions by INCAP's Member Countries would greatly assist the financial viability of the Institute.

In connection with the Statement of INCAP Trust Funds, he pointed out that project expenditures had totaled \$3,677,225 in 1987 as compared to \$2,694,947 in 1986 and \$1,776,004 in 1985. However, project expenditures had exceeded project reimbursements by \$1,995,840, reflecting a critical need for improvement at INCAP in billing and collection methods.

Mr. Richard Marks, Executive Director of PAHEF, would be available to answer questions on the Statements and Financial Schedules of PAHEF.

The meeting was suspended at 3:45 p.m. and resumed at 4:00 p.m.  
Se suspende la sesión a las 3.45 p.m. y se reanuda a las 4.00 p.m.

The CHAIRMAN invited questions or comments on Mr. McMoil's statement.

Mr. BOYER (United States of America) said he was somewhat dissappointed that the External Auditor's Report had not been prepared in writing and distributed to members of the Committee in advance of the meeting. That would have greatly facilitated the members preparations for the meeting.

In relation to the External Auditor's Report, he said he would be interested in the Organization's reaction to comments about expenditures for furnishings in the new building which were in excess of the amount authorized by the Directing Council. It further appeared that additional expenditures for furnishings were anticipated during the current biennium, and he was not aware that authority for that had been requested either. He wondered what the position of the Secretariat was on those expenditures.

Although he would have liked more time to review the External Auditor's recommendations on the evaluation mechanisms, the control of manpower and the computer systems, he would note, in general, that the External Auditor's comments and recommendations seemed reasonable and that the attention he had given to those matters was valuable to the Secretariat and to the membership. He hoped that they would be fully taken into account by the Director and his staff.

Paragraph 6 of the External Auditor's Report referred to several cases of fraud leading to write-offs of certain funds. The impression given was that there had been no recovery of those funds. He wondered whether the Secretariat had made any effort to prosecute the people responsible for the fraud or to carry out any other follow-up action.

Mr. McMoil had noted that the surplus resulting from financial operations in 1986-1987 was to be put into a holding account until the Directing Council decided how to utilize it. His Delegation felt strongly that the money should be added to the Miscellaneous Income account and used to help finance the Organization's regular budget in accordance with the appropriation resolution adopted in 1987.

Mr. McMoil had also referred to the transfer of certain funds from Part I to Part V of the budget. He would point out that that was a transfer from program activity to what was essentially overhead. It was unfortunate, at a time of financial stringency, when program implementation was being cut back, that the money should be allocated to overhead rather than used to increase expenditures for programs.

He would welcome more information about the building expenditures referred to in the report, and why they had increased so dramatically over a 10-year period.

He would also like further explanation of the charge of \$995,000 from Miscellaneous Income to cover what was called "currency exchange differential." That was more than 100 times the cost of the same item in the previous biennium. It had been suggested that the charge might relate to the financing of exchange rate losses in the Pan American

Health and Education Foundation (PAHEF) textbook program. If that was the case, it seemed an extraordinarily large charge on the regular budget for an item not included in that budget.

According to the report, \$417,000 had been allocated from the Organization's budget to repay a loan by PAHEF from the Inter-American Development Bank. It seemed to him that the decision to have PAHO guarantee that loan had been made on the assumption that PAHEF would be able to finance the actual payments itself. He wished to know when PAHO had begun to make those payments, how much of a drain they were likely to be on the regular budget and why PAHO was using the special fund for health promotion as a vehicle for those payments.

Questions also arose with regard to the contributions to PAHEF of \$750,000 from the Glenmede Trust Company and \$558,000 from the Ministry of Health of Nicaragua. With regard to the first donation, which was for communicable disease control vaccines, he wondered why that money had not been directed to the Organization's revolving fund for the Expanded Program on Immunization, and why PAHEF had been involved in the transaction. With regard to the second donation, he wondered why, if it was given for the purpose of technical cooperation, it had not been contributed to the regular TCDC or TCAC programs.

He would also like further explanation of the many contributions to PAHEF by the Organization which were listed in the report, most of which, it would seem, remained within PAHEF. Why was the Organization giving money to PAHEF, and what role did it believe PAHEF could play in the implementation of PAHO programs that PAHO could not play itself?

Mr. McMoil had referred to a \$600,000 surplus relating to the Caribbean Epidemiology Center (CAREC), largely due to unfilled posts. He wondered whether those vacancies were having a negative impact on CAREC's functions and services, and why those vacancies existed. With regard to the Centers in general, he asked what the Organization was doing to try to ensure that they did not incur deficits and that PAHO's regular budget did not have to be used to cover them.

Mr. McMOIL (PASB) said that the expenditures relating to the Building Fund would be discussed in connection with the agenda item to be presented by Mr. Tracy.

With regard to the losses incurred through frauds, a major proportion had been due to a loss of funds in the imprest system in one country, where receipts and other documents had been falsified. The staff member involved had subsequently resigned at the Organization's insistence, and a civil suit to recover as much of the money as possible was currently being pressed. When such fraud occurred, an attempt was made to recover funds from the unpaid entitlements of the staff member involved. Where the Organization's insurance company was involved, it had to compensate PAHO for such losses, and it was left to the insurance company to institute criminal or civil proceedings.

With regard to the 1986-1987 budget surplus, he pointed out that it was normal that it should be placed in a holding account, and the Administration did intend to recommend, as Mr. Boyer had suggested, that it be placed in the operating budget. It also wished to reserve part of that money to be used, if required, to help finance the second AIDS Teleconference.

The transfer of funds from Part I to Part V had been made in order to make it possible to meet some long-pending needs.

Most of the expenditures from the Building Fund were for the rents being paid for the building at 2121 Virginia Avenue. The Building Fund was being used both as the depository for land rent receipts and the source from which rental payments were made.

The currency differential losses listed in the report did relate mostly to the Textbook Program being carried out in Nicaragua. They had resulted from a pricing policy which had not kept pace with the devaluation of the currency. That pricing policy was now being corrected, and recently the currency exchange losses from the program had been minimal. It was unrealistic to compare such losses with the 1984-1985 period; exchange fluctuations sometimes resulted in book losses for the Organization and sometimes in book gains. The Organization's policy, which was now under review, was to value currency when it was received and again when it was used, and to enter the plus or minus difference, if there was one, as a part of the currency differential account.

The Organization was making every effort to encourage the payment of quotas for the Centers; however, it was a difficult task.

El Dr. GUERRA DE MACEDO (Director, OSP) dice que, aparte de los puestos vacantes del CAREC, le gustaría destacar que la ejecución del presupuesto 1986-1987 se llevó a cabo en un contexto de absoluta incertidumbre sobre la disponibilidad efectiva de recursos para la financiación de los programas del presupuesto ordinario. Durante dos

años se trató de mantener el régimen de gastos de la Organización dentro de la disponibilidad efectiva de los recursos que se tenían o se esperaba tener mediante el pago de las cuotas por los Gobiernos Miembros. Es muy diferente ejecutar un presupuesto cuando se tiene la absoluta confianza de que se van a recibir los recursos aprobados y cuando no se tiene esa seguridad. Para mantener la buena salud financiera de la Organización, se ha estado restringiendo y liberando sucesivamente el régimen de gastos de la Organización en su conjunto. En una organización sencilla, este procedimiento podría ser muy eficiente, pero esto no se aplica a una extraordinariamente compleja, que tiene unos 1.700 proyectos en ejecución. En este caso, incumbe a sus dirigentes, y particularmente a su Director, mantener el régimen y el balance entre lo que se tiene y lo que se puede gastar.

En lo que respecta a los comentarios del Sr. Boyer y los propios informes financieros del Director y del Auditor Externo, no hay duda de que es absolutamente importante y necesario que la Administración y, para comenzar, el Director, atiendan a las recomendaciones de los Auditores Externos y también de los Internos, pues fundamentalmente los sistemas de auditoría existen para mejorar los procedimientos y los métodos. Pero la situación actual muestra una reducción del presupuesto ordinario de aproximadamente el 15% de lo aprobado por los Cuerpos Directivos y crecientes necesidades programáticas que deben satisfacerse. La presión sobre la reducción de gastos se prosigue en cuanto a las actividades de apoyo, que son precisamente las administrativas, entre ellas la administración financiera. Es necesario tener mayor control y mejores



sistemas de evaluación, así como actualizar y desarrollar nuevos sistemas de procesamiento y de administración, pero no se dispone de los recursos para hacerlo, ni siquiera de recursos internos que se puedan actualizar o utilizar. Se vive así una situación en la que hay que mantener un equilibrio inestable entre la rutina cotidiana y la necesidad de mejorar los sistemas de que se dispone.

Lo mismo se aplica a las computadoras. Hace unos tres años, los auditores señalaron la necesidad de fortalecer los sistemas de seguridad en el uso de los sistemas de computación de la Organización, y de prever un sistema de reserva para la protección de los datos de todos los sistemas de salud. Sin embargo, no ha sido posible hacerlo, por no disponer de los recursos necesarios, pese a haberse intentado llegar a un acuerdo con otra institución para que cediera sus sistemas a cambio de los de la Organización. Se seguirá prestando atención al problema, aún cuando la Organización está presionada por un presupuesto ordinario reducido como consecuencia del incumplimiento del pago de cuotas por parte de Gobiernos que las han aprobado.

En lo que respecta a la transferencia de gastos de la Parte I a la Parte V, mencionada por el Sr. Boyer, en realidad se trata de una transferencia dentro de la dirección administrativa, no necesariamente entre programas, para esas actividades de apoyo que tanto han exigido. Es decir, se ha ahorrado en una parte de la función administrativa y se ha prestado apoyo a otra parte de esa misma función, por lo que no es exacto hablar de transferencia de programas hacia actividades de apoyo.

Aunque es necesario ser flexible en las relaciones con los gobiernos y tener en cuenta sus dificultades para obtener divisas, cada

vez que, para facilitar las cosas, se acepta moneda local, se está corriendo el riesgo de soportar pérdidas de cambio, sobre todo en aquellos países con índices de inflación muy elevados, en los que las tasas de cambio pueden variar de un mes a otro en un 20%, y hay devaluaciones de la moneda local que no pueden ser previstas. Esto fue lo que ocurrió en el caso de Nicaragua. Para ayudar al Gobierno en un programa de libros de texto, que prevé el acceso a los libros de una población estudiantil incapaz de obtenerlos de otra manera, se aceptaron córdobas en cantidad excesiva, y de repente se produjo una devaluación más o menos de un 3.000%. Se trata de un caso extremo, pero lo que se quiere destacar es que hay un riesgo implícito al aceptar monedas locales para ayudar a los gobiernos, riesgo que se debe evaluar: o la Organización no cumple su función fundamental de ayudar a los gobiernos y a los países, o lo hace corriendo el riesgo de soportar ese tipo de pérdidas.

Con respecto al problema de transferencias de la OPS a PAHEF, la explicación es puramente administrativa. Hay varias circunstancias en las que a pesar de toda su "flexibilidad", la administración de la OPS resulta un tanto rígida para poder realizar determinadas actividades aprobadas y negociadas con los Gobiernos Miembros. En esos casos se recurre a PAHEF, con el fin de facilitar el cumplimiento de esos programas mediante la transferencia de recursos. Esto se ha hecho en 38 casos, pero hay uno que quizá representa la tercera parte de todos los fondos transferidos a PAHEF, a saber, el equipamiento de laboratorios de diagnóstico del programa del SIDA. Como ello se hace a través de donaciones a los Gobiernos Miembros, la cantidad de requisitos exigidos

probablemente no hubiera permitido realizar a tiempo esas actividades, por lo que se resolvió hacerlo a través de PAHEF. Se trata de pocos casos, 38 entre los aproximadamente 2.000 proyectos de la Organización, o sea, de un US\$1 millón de los \$240 millones de ejecución del presupuesto, o alrededor de un 0,2%.

Con respecto a puntos más generales, uno de los problemas es el de la incertidumbre de la disponibilidad de recursos, causa por la que se registró un superávit de \$859.500 en el bienio. Ello se debe a que, inesperadamente, se recibió en diciembre una cantidad en pago de cuotas que prácticamente se habían descartado, no porque no hubiera necesidad de esos recursos, sino por la incertidumbre de recibirlos.

Eso es también lo que pasó con CAREC. CAREC había terminado el bienio 1984-1985 con una situación financiera deficitaria. Se hizo mucha presión a la Administración de CAREC, y su Director, lamentablemente fallecido en 1987, procedió, en cumplimiento de las instrucciones recibidas, a hacer reducciones de puestos. Se dejaron así sin cubrir tres puestos del cuadro orgánico y cierto número de puestos de servicios generales. Los resultados fueron buenos del punto de vista financiero, pero el reverso de la medalla son las actividades de cooperación que quedaron sin realizar, algunas de ellas muy importantes. La Reunión de Ministros, cuando analizó el informe del Consejo Directivo, el Consejo de Políticas y el Comité Técnico Científico del CAREC, formuló algunas conclusiones que destacaban este problema. Las restricciones impuestas para una buena salud financiera estaba significando una reducción peligrosa de las actividades de cooperación técnica del Centro, que son de extraordinaria utilidad y necesidad para los países miembros.

Hay un momento en que debe tomarse una decisión y esta no incumbe exclusivamente al Director, sino a los Cuerpos Directivos, y es cuando las presiones de la reducción de gastos por dificultades financieras implican la cancelación de programas y quizá la negación de la finalidad última de la Organización, que es colaborar con los países.

Estas mismas observaciones se aplican al INCAP y al CFNI, los otros dos Centros que reciben cuotas de los gobiernos. El caso del INCAP, en particular, es de extraordinaria importancia, porque las cuotas de los Gobiernos Miembros representan solamente un 6% del total de los recursos administrados por el Instituto y, sin embargo, hay atrasos en el pago de esas cuotas.

La afirmación que se hace en el informe del Director, de que la Organización terminó el bienio con un estado financiero extraordinariamente bueno, no es tan satisfactoria si se considera que ello se obtuvo a costa de actividades que quedaron sin realizar, y que ocurrieron muertes, sufrimientos y enfermedades que hubieran podido evitarse si se hubiese tenido estos recursos. Más allá de las buenas prácticas administrativas, que se han intentado aplicar y mejorar continuamente, se trata también de preservar la finalidad y los objetivos de la Organización.

Mr. McMOIL (PASB), replying to the question concerning the Nicaraguan contribution to PAHEF, said that Nicaragua had participated in the Organization's special program to facilitate the procurement by Member Governments and institutions of needed supplies, but in late 1986 or early 1987 had become dissatisfied with the Organization's insistence that the program be used for priority health requirements and had reached

an agreement with PAHEF to represent it as a funding source. As a result, the Organization had closed the reimbursable procurement account of the Nicaraguan Ministry of Health and transferred the funds to PAHEF. That original deposit had subsequently been enhanced with other deposits. He could provide no information on how the funds were used, as that was now a PAHEF activity. Mr. Marks, the Executive Director of PAHEF, might be able to provide that information and more facts about the contribution by the Glenmede Trust Company.

Mr. MARKS (PAHEF) said that PAHEF had become involved in the program with Nicaragua at the request of the PAHO technical program involved, which was the country office in Nicaragua. Half of the funds for the project were being provided by the Nicaraguan Ministry of Health, and the funds were being used for normal technical cooperation activities.

The Glenmede Trust Company contribution was being channeled through PAHEF because Glenmede was apparently reluctant to have a donation made directly to the World Health Organization. It had therefore asked PAHEF to serve as intermediary; the channelling was also being done partly at the request of WHO headquarters staff. The funds normally did not remain with PAHEF for more than a week.

With regard to the repayment of PAHEF loans by PAHO. He noted that the textbook activity was being financed by two loans. The first, for the Medical Textbook Program, had been made in 1971; the other, for what was called the Expanded Textbook Program, in 1979. Both loans were part of the technical activity of the Organization, in that they were intended to raise the standards of medical and health education and to help some of the Ministries to gain experience in procuring or adapting

their own materials. Therefore, the activity had always been a joint PAHO/PAHEF project, and PAHO had made substantial contributions without reimbursement to both loans. For the first loan, the agreement had been that PAHO would assume responsibility for making the principal payments to the Bank. The first payment had been made in 1976, and the last would be made in 1996.

The Organization would not be making the principal payments in regard to the Expanded Program loan; however, it had provided a substantial subsidy for the elements he had mentioned earlier. The sum involved was \$2 million over a period from 1979 to 1988, and PAHO would be making its last payment for that purpose in 1988.

Mr. BOYER (United States of America) said he was troubled by the size of the funds going to PAHEF from the Organization's regular budget. It seemed to him that the Organization needed to look in more depth into the relationship between PAHO and PAHEF and whether the Foundation's activities were still justified in terms of its original purposes.

El Dr. GUERRA DE MACEDO (Director, OSP) está de acuerdo con la indicación del Sr. Boyer de que las relaciones entre la OPS y la Fundación deben ser objeto de evaluación permanente y, dentro de esas relaciones, en particular los programas que se ejecutan a través de la Fundación, como el Programa de Libros de Texto, del que se hizo ya una evaluación. La distribución comercial de libros de texto no ha llegado todavía al punto en que se pueda decir que ese programa no tiene ya

sentido, especialmente en los países más pobres, donde la actividad editorial es muy baja y la importación de libros es una actividad muy cara que tiene que ser pagada con divisas.

La reducción del precio debe de ser por lo menos de alrededor del 40% y debe mantenerse así para que se justifique el subsidio, pero el Programa además cumple aun otros objetivos. El primero es ese de facilitar el acceso a libros de lo que de otra manera no se dispondría, por falta de divisas. Pero más importante aún es que se trata de libros que representan un instrumento de realización de las políticas de la Organización y están de acuerdo con sus principios. La evaluación hecha hace un año y medio indica que el Programa se justifica, pero hay que evitar por todos los medios que se repitan las pérdidas ocurridas en el pasado.

The CHAIRMAN requested the Rapporteur to prepare a proposed resolution on agenda item 5.2 for consideration at a later session.

The session rose at 5:10 p.m.  
Se levanta la sesión a las 5.10 p.m.