



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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

Monday, 26 June 1989, at 2:00 p.m.
Lunes, 26 de junio de 1989, a las 2:00 p.m.

Chairman:
Presidente:

Dr. Eugene Laurent

Trinidad and Tobago
Trinidad y Tabago

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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 28 July 1989. 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 28 de julio de 1989. Los textos definitivos se publicarán en las Actas de la Reunión.

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

ITEM 5.2: INTERIM FINANCIAL REPORT OF THE DIRECTOR FOR 1988
TEMA 5.2: INFORME FINANCIERO INTERINO DEL DIRECTOR PARA 1988

Mr. McMOIL (PASB), introducing the Interim Financial Report (Official Document 227) said that the report and its addendum contained Financial Reports for PAHO and its Centers--the Caribbean Epidemiology Center (CAREC), the Caribbean Food and Nutrition Institute (CFNI) and the Institute of Nutrition of Central America and Panama (INCAP).

Reviewing the Financial Report for PAHO, he pointed out that the rate of collection of quota assessments during 1988 had been 62% of current assessments as compared to collection rates of 77.7% and 82% in 1987 and 1986 respectively, whereas WHO's rate of collection of contributions in respect to their effective working budget had been approximately 84% in 1988. Lower interest rates on PAHO investments had caused a decline in net miscellaneous income from \$3,695,888 in 1987 to \$3,157,324 in 1988; at the same time, the Organization's currency management efforts had resulted in a positive book exchange gain of \$41,622 against a book loss of almost \$1 million in 1987. The level of Trust Fund expenditures during 1988 had increased to almost \$31 million as compared to some \$22 million in 1987. The amount receivable for trust fund activities had increased by 48% in 1987. However, the Organization had a positive balance of some \$11 million in advances to finance expenditures as compared to \$6.9 million at the close of 1987.

The summary of expenditures for the period 1979-1988 showed that total expenditures for 1988 had been \$129,660,134, of which approximately \$45 million had come from the PAHO Regular Budget and approximately \$21 million from the WHO Regular budget.

According to the Consolidated Statement of Income and Expenditures of all Funds for 1988 (Table 1), income from all sources had totaled \$208,846,599, and expenditures had amounted to approximately \$135 million. Some \$19 million in income had been available at year-end for the continuation of regular PAHO-funded program activities in 1989.

Table 3 provided details of PAHO's cash deposits and securities. As of 31 December 1988, liquid assets had totaled \$74,302,932 as compared to \$55,118,845 at the close of 1987. That increase could be attributed to the traditional slow rate of program expenditure during the first year of the biennium and an increase of approximately \$9 million in special funds.

As indicated in Table 5, expenditures for procurement on behalf of Member Governments and institutions had amounted to \$4,840,313 during 1988 as compared to \$3.2 million in 1987.

The status of funds under the Emergency Procurement Revolving Fund and the Revolving Fund for the Expanded Program on Immunization (EPI), Tables 6 and 7, showed that vaccine and related procurement orders under the EPI Fund had totaled \$8,068,750, an increase of over \$2 million in vaccine purchases over 1987. The Revolving Fund for the Procurement of Essential Drugs (Table 8) was currently capitalized at \$3.24 million.

Table 9, indicating the status of Trust Funds under extrabudgetary projects for 1988, showed that PAHO had received approximately \$29.7 million in advances and reimbursements from sponsoring Governments and institutions and had expended approximately \$26.8 million for project activities. In 1987, expenditures in that category had amounted to some \$18 million.

With respect to the Caribbean Epidemiology Center (CAREC), 1988 expenditures against all funds had totaled about \$1.8 million as compared to approximately \$1.9 million in 1987. Expenditures under the PAHO/WHO Regular Budget had amounted to approximately \$298,000 as compared to about \$350,000 in 1987. Within the framework of the regular CAREC budget, income had decreased from \$1,577,210 in 1987 to \$1,031,000 in 1988, while there had been no significant change in the level of expenditure. The decline in revenues was a result of delays by the member countries in meeting their quota obligations to CAREC in 1988. Yet, notwithstanding lower revenues, CAREC's Working Capital Fund had contained a surplus of \$511,383 at year end, continuing a three-year trend of positive balances after several years of deficits. Finally, CAREC had participated in only four active extrabudgetary projects in 1988, expending some \$251,000 in project funds.

The financial statements for the Caribbean Food and Nutrition Institute (CFNI) indicated that expenditures against all funds had totaled approximately \$1 million. The level of expenditure for regular activities was roughly comparable to expenditures incurred in 1987 and 1986. Income had increased only slightly from 1987, leaving CFNI with a 1988 operating deficit of \$92,035, attributable to delayed payment of

quota assessments by Member Countries. CFNI's Working Capital Fund showed a deficit balance of \$265,044 at the close of 1988. Trust Fund expenditures in 1988 had totaled only \$103,224, reflecting a continued decline in extrabudgetary activity.

During 1988, the INCAP Administration had encountered serious difficulties in identifying and allocating to various accounts the expenditures incurred by PAHO Headquarters and PAHO field offices on behalf of INCAP; that situation had resulted in the rendering of a qualified audit opinion by the External Auditor, which was contained in the Report. Following a review of the problem by staff from INCAP and Headquarters, it had been mutually agreed that all necessary adjustments should be made in 1989 and would be subject to audit at that time. PAHO was in the process of reviewing the entire administrative structure of INCAP in order to identify staffing and training needs and to study the possibility of modifying or replacing the present accounting system.

Mr. BOYER (United States of America) expressed appreciation for the valuable information contained in the Interim Financial Report. In general, PAHO appeared to be in good financial condition.

With regard to disbursements under the PAHO Regular Budget, the Report stated that detailed information on obligations incurred by the project had not been presented because the financial position at the end of 1988 did not represent a meaningful financial reflection of the rate of program implementation. From past discussions on the subject, it was his impression that the Director had suggested delaying commitments of program activity because of uncertainties regarding the payment of quota

contributions. Noting that the Organization had \$18 million more in the bank at the end of 1988 than it had at the end of 1987, he wondered if that increase reflected a slow-down in program implementation. Although it had been suggested that slower implementation was standard during the first year of the biennium, he wished to know if program implementation was being deliberately delayed for specific reasons by the Director.

With respect to the Revolving Fund for the Expanded Program on Immunization, the Report seemed to indicate the PAHO was successful in having money restored to the revolving funds by Member States. He would appreciate comments from the Secretariat regarding how well the Fund was working and how it would continue to operate. Similarly, he requested clarification on the Revolving Fund for the Procurement of Essential Drugs; while that fund was capitalized at \$3.2 million, no funds had been obligated from it during 1988.

While the Report indicated that PAHO continued to meet some of the cash needs of its trust fund activities by borrowing from its Working Capital Fund, the latter fund was fully capitalized at the end of 1988. In that context, he would appreciate some explanation on how the Working Capital Fund was used in relation to the trust funds and further clarification of the original intended purpose of the Working Capital Fund.

He had noted a sharp decrease in the amount of contributions from PAHO to the Pan American Health and Education Foundation (PAHEF). At the same time, Note 5 to the PAHEF Medical Textbook Program implied that more money should be allocated to PAHEF. He would appreciate comments on that situation.

Mr. McMOIL (PASB) said that the slowing down of disbursements during 1988 reflected the fact that certain professional posts had not been filled immediately. In addition, there had been an increased level of terminations and retirements in 1988. There had been no intentional delay in the areas of training, fellowships, procurement requirements or duty travel, however. Overall, he did not believe that there had been any delay in the rate of implementation that had not been seen in previous initial years of a biennium. Project activities were continuing, as were many of the larger extrabudgetary activities. The Organization's cash position had improved, mainly due to extrabudgetary projects where funds were received--from the Scandinavian countries, for example--well in advance of scheduled implementation, thus making funds available for investment.

The success of the Revolving Fund for the Expanded Program on Immunization had been based partly on active follow-up with the Member Governments. In addition, Rotary International, in providing reimbursements in excess of \$4 million, had been very helpful in meeting the commitments of certain Governments which were experiencing economic difficulties.

While not as great as it might have been, there had been obligation activity against the Revolving Fund for the Procurement of Essential Drugs. Procurement activities had been limited by the availability of funds and PAHO was pursuing measures to expand those activities and to resolve certain payment difficulties with respect to this Fund.

With respect to the Trust Funds, there was a positive cash flow measured on the basis of the extrabudgetary programs in their entirety. From time to time during the calendar year, the Working Capital Fund may have had to be used on a temporary basis to finance certain projects where advances had not been received or reimbursements were delayed. However, no harm had been done to the Fund itself and there was an overall surplus in the account.

There had been a very significant decrease in PAHO's funded activities being carried out by PAHEF; the intention was that PAHO should carry out those activities directly.

El Dr. GUERRA DE MACEDO (Director, OSP) desea complementar las explicaciones facilitadas por el Sr. McMoil y poner de relieve otros aspectos. Personalmente, opina que la situación financiera de la Organización es muy positiva, pese al bajo nivel de recaudación de las cuotas: en 1988, aproximadamente el 62%, y en lo que va de 1989, cerca del 30%. Esa situación financiera favorable que se manifiesta, por ejemplo, en el aumento de liquidez de la Organización, puede atribuirse a dos razones fundamentales: una es el extremo cuidado con que se han estado manejando los gastos, y otra el aumento, extraordinariamente rápido, de los recursos presupuestarios. Según el informe, en 1989 casi la mitad de los gastos totales de la Organización se costearon mediante fondos extrapresupuestarios: \$66 millones del Presupuesto Ordinario frente a \$64 millones de fondos extrapresupuestarios. Para 1989, ya se han programado más recursos extrapresupuestarios que ordinarios: aproximadamente \$185 millones en el Presupuesto Ordinario y algo más de

\$90 millones de recursos extrapresupuestarios. La Organización no solo ha mantenido el nivel de su acción programática y la ejecución de sus programas sino que, además, los ha ampliado en muchas áreas.

Ante la incertidumbre en lo que al Presupuesto Ordinario se refiere, se ha mantenido el ritmo de gastos de la Organización por debajo de su capacidad normal. Por ejemplo, se dejaron sin cubrir muchos puestos vacantes, llenándolos solo por períodos variables y, en cuanto a los recursos no vinculados a puestos, solo se utilizaron en un 85%. Como resultado de esas dos medidas, el ritmo de los gastos en 1988 correspondió solo a un 85% del normal, sin que ello haya afectado a la ejecución de los programas ya que la Organización, por otra parte, está aumentando su productividad.

El Director recuerda que los fondos fiduciarios han arrojado un saldo positivo de más de \$1 millón, lo que ha contribuido al incremento de las disponibilidades de caja. En cuanto a los fondos rotatorios, opina que 1988 fue también un buen año ya que, a pesar de la crisis, los países, salvo algunas excepciones, lograron estar casi completamente al día en el pago de los anticipos del fondo destinado a comprar vacunas, quizá como resultado indirecto o directo de lo mucho que ha avanzado el programa, sobre todo movido por la meta ambiciosa pero realizable de erradicar la poliomielitis. El Fondo Rotatorio para Compras de Medicamentos Esenciales solo se constituyó para Centroamérica, lo que significa una restricción en su utilización, y también mayores obstáculos, dada la situación de crisis particular de esa subregión. Lo concreto es que la mayoría de los países de Centroamérica tropiezan con

dificultades para restituir oportunamente, o incluso con demoras, el importe de sus compras. En cuanto a la posibilidad de capitalización, el Dr. Guerra de Macedo dice que, en lugar de los \$6,6 millones previstos, el Fondo ha mantenido su nivel de \$3,2 millones, ya que los países no están en condiciones de administrar bien ni de pagar las compras hechas mediante sus recursos. Señala que, además de los atribuibles a la crisis, las dificultades y obstáculos proceden de cierta falta de pericia de los Ministerios de Salud Pública para abordar los aspectos financieros y, particularmente, los relacionados con el comercio exterior. El control de la utilización de divisas--y el Fondo tiene que ser restituido en divisas--compete a los Bancos Centrales bajo la dirección de los Ministerios de Finanzas. Aparentemente, los Ministerios de Salud Pública no son demasiado convincentes cuando celebran negociaciones con los Bancos Centrales y los Ministerios de Finanzas de los diversos países. Se está estudiando otra posibilidad, que sería un mecanismo para que el Banco Interamericano de Integración Económica se ocupara de las transacciones realizadas con el Fondo. Lamenta el Director que una gran idea como la de este Fondo esté fracasando, precisamente debido a los países que más interesados deberían estar y que más necesidades tienen de utilizar un mecanismo como éste. El fracaso en Centroamérica significa la incapacidad de poder ampliar la ejecución de esta actividad para atender a otros países y otras subregiones.

El Sr. McMoil se ha referido ya, acertadamente, a las relaciones entre los fondos fiduciarios y el Fondo de Trabajo, así como a las relaciones con PAHEF. A este respecto, el Dr. Guerra de Macedo aclara

que, si bien el préstamo original para el Programa de Libros de Texto era del Banco Interamericano de Desarrollo, el programa ha sido administrado solo por PAHEF. Todavía quedan aproximadamente \$113.000 por restituir, lo que significa que durante los próximos años habrá que servir esa deuda con el Banco Interamericano de Desarrollo.

Por último, el Director se refiere a la administración de los Centros e Institutos de la Organización. En 1989, el nivel de actividad de CAREC tiende a la recuperación, mientras que el INCAP sigue acusando problemas mucho más serios. El nivel de la deuda de los Países Miembros con esos dos Centros es muy elevado: \$2,5 millones en el primer caso, esto es, más de una vez y media el total de gastos del Centro en un año, y de unos \$600.000 en el segundo.

El INCAP es objeto de particular preocupación. Este Centro registró un crecimiento muy importante en los últimos años, dado el aflujo de recursos presupuestarios. Actualmente, el programa del INCAP asciende aproximadamente a \$6 millones al año, de los cuales unos \$400.000 proceden de su presupuesto ordinario, y alrededor de \$1.100.000 de la Organización Panamericana de la Salud, y el resto de recursos extrapresupuestarios. Dados, por una parte, el crecimiento y la expansión de las actividades del Centro y, por otra, la falta de adecuación de sus sistemas administrativos, se plantearon los problemas que justifican la opinión de los Auditores Externos. La Organización está desplegando grandes esfuerzos para regularizar la situación y mantiene casi un régimen de intervención en la administración del Instituto. Pese a las reducidas contribuciones de los gobiernos miembros,

que representan solo el 5% o poco más del programa global del Centro, y a que el atraso acumulado es desmesurado, las cuentas del INCAP, comparadas con las anteriores o con las de CAREC, son favorables y han posibilitado la reconstitución del Fondo de Trabajo incluso con ciertos problemas, porque ya se han sobrepasado el límite autorizado por el Consejo Directivo del INCAP. El Instituto está en buenas condiciones financieras aunque no cuenta en estos momentos con una buena administración.

The CHAIRMAN said that he would ask the Rapporteur to prepare a proposed resolution to be distributed at a subsequent plenary session.

- ITEM 4.1: PROPOSED PROGRAM BUDGET OF THE PAN AMERICAN HEALTH ORGANIZATION FOR THE BIENNIUM 1990-1991
PROVISIONAL DRAFT OF THE PROGRAM BUDGET OF THE PAN AMERICAN HEALTH ORGANIZATION FOR THE BIENNIUM 1992-1993
PROVISIONAL DRAFT OF THE PROGRAM BUDGET OF THE WORLD HEALTH ORGANIZATION FOR THE REGION OF THE AMERICAS FOR THE BIENNIUM 1992-1993
- TEMA 4.1: PROYECTO DE PRESUPUESTO POR PROGRAMAS DE LA ORGANIZACION PANAMERICANA DE LA SALUD PARA EL BIENIO 1990-1991
ANTEPROYECTO DE PRESUPUESTO POR PROGRAMAS DE LA ORGANIZACION PANAMERICANA DE LA SALUD PARA EL BIENIO 1992-1993
ANTEPROYECTO DE PRESUPUESTO POR PROGRAMAS DE LA ORGANIZACION MUNDIAL DE LA SALUD PARA LA REGION DE LAS AMERICAS PARA EL BIENIO 1992-1993

The CHAIRMAN drew attention to Official Document 226 and Document CE103/22 and asked Ms. Kefauver, Rapporteur of the Subcommittee on Planning and Programming, to present the item.

Ms. KEFAUVER (Rapporteur, Subcommittee on Planning and Programming) said that the combined PAHO and WHO Regular funds for 1990-1991 represented an increase of 7.6% over the 1988-1989 level. PAHO

Regular funds would increase by 7.3% and WHO Regular funds by 0.1%. While there had been no overall program growth in the total proposal, program growth had occurred in country and multicountry programs and in regional programs. Such growth had been made possible primarily by program decreases in technical and administrative direction. Among the priorities highlighted by the Director had been the continuing improvement in the Secretariat's efficiency, special initiatives, subregional initiatives and cooperation among countries, more efficient use of water supplies and environmental protection, as well as attention to vulnerable populations and adult health. The present budget review did not accurately represent the overall program funding since extrabudgetary funds had not yet been included. During the last biennium, extrabudgetary funds had almost equalled total PAHO/WHO regular funds. The Subcommittee had carefully reviewed trends in increases and decreases in programmatic areas. Most changes had been considered insignificant in real program terms, the only noteworthy changes having occurred in the areas of health systems infrastructure and adult health. In addition, there had been a significant savings in program support.

With no budget growth and the very large number of programs covered by the budget, significant changes in budget allocation were not feasible. However, by addressing priority issues, it was possible to reorient the utilization of resources. In discussing the impact on the overall program allocations of decisions by Governments regarding allocations of PAHO funds, the Subcommittee had emphasized the need for more detailed information to ensure a correct interpretation of the program budget figures. Such information appeared in Document CE103/22, which was a useful addendum to the main budget book.

Mr. MILAM (PASB) said that the 1990-1991 program budget had first been projected in Official Document 210 of May 1987. At that time, an increase of 10.7% over 1988-1989 had been projected for PAHO Regular Funds, and an increase of 10.9% for WHO Regular funds. An increase of 10.7% had been projected for the combined regular funds. The current proposal for 1990-1991 regarding PAHO Regular funds requested an increase of 7.3%. The proposal for WHO Regular funds, recently approved by the World Health Assembly in Geneva, requested an increase of 8.1%. The combined regular funds increased by 7.6%. The requested increases were related solely to cost increases for inflation and increases mandated by the United Nations; there was no program growth in the overall proposal. Thus, the original projected budget had been reduced by almost \$8.5 million. Furthermore, it was estimated that the current proposal was absorbing approximately \$8 million in cost increases.

Graph A (page 12 of the budget document) presented the four major parts of the program, and the percentages of the Regular funds devoted to each of the parts. Those percentages changed very little with a budget proposed to increase only 3.7% annually for the combined PAHO/WHO Regular funds. The small increases in Direction, Coordination and Management, as well as Health Science and Technology, had been made possible by decreases in Program Support.

Graph B showed the Regular-funded programs distributed among the four main locations. The increase in Direct Cooperation with Countries had been achieved by reductions in Regional Programs and Centers, and Technical and Administrative Direction.

Graph D further detailed the amount of program growth made possible in Direct Cooperation with Countries by program decreases in other locations, especially in Technical and Administrative Direction.

Table A (page 16) summarized the PAHO and WHO Regular Budget history since 1970 and reflected the rather dramatic decline in budget increases in the past several years. The PAHO Regular proposal of \$130,023,000 showed an increase of 7.3%, or approximately 3.6% annually. Such an increase was the smallest in memory and was less than any inflationary projections in the Region. Because of the 1988-1989 WHO regular global reduction of \$25,000,000 approved by the World Health Assembly in May 1988, the Region's allocation had been reduced by \$2,470,000. Had that global reduction not been necessary, the WHO Regular proposal for 1990-1991 would have reflected an increase of 3.8% instead of 8.1%.

Tables B-1 and B-2 presented the post count by location. Table B-2 indicated the sharp decline in extrabudgetary funded post due to the unpredictability of future funds. The Regular-funded posts had declined by 10 positions between 1988-1989 and 1990-1991; in addition, 17 positions had been cut between 1986-1987 and 1988-1989. While 27 positions had been cut overall since 1986-1987, 19 positions had been added to Country Programs. The 1988-1989 post count on extrabudgetary funds in Table B-2 was the most accurate and current; that table showed 74% of the posts in the field and 26% at Headquarters.

Table C analyzed program and cost increases or decreases of regular funds among the various location categories. Program increases referred to new items in the 1990-1991 proposal which had not been

included in the 1988-1989 budget. Program decreases indicated a reduction in 1990-1991 of something which had been included in the 1988-1989 budget.

Table C also showed the percentage of the total regular budget devoted to each location category. In accordance with Governing Body resolutions, at least 35% of regular funds must be budgeted in Country Programs. In 1988-1989, Country Programs had amounted to 36.7% of the total. In 1990-1991, 37.1% of the total was budgeted in Country Programs.

While there was no overall program growth in the 1990-1991 proposal, Country Programs had program increases of \$715,200 and Multicountry Programs had program increases of \$311,300. The program increase in Regional Programs was basically related to moving the maintenance expenses for word processing and office computer equipment from Administration to Informatics Management under Regional Programs. The program decrease under Centers was primarily due to the savings achieved by the use of local conditions staff. The large 19.2% cost increase of \$292,000 under the Caribbean Program Coordination due to United Nations salary increases for local posts in Barbados.

In general, the program increases had been possible in some locations because of the large program decrease in Technical and Administrative Direction, which fell from 16.3% of the total in 1988-1989 to 15.8% in 1990-1991.

If recommended by the Executive Committee and approved by the forthcoming Directing Council, the draft appropriation and assessment resolutions related to PAHO Regular funds for 1990-1991 would be

approved. The proposed Effective Working Budget (Parts I-IV) was \$130,023,000, representing an increase of 7.3% over the previous year. Miscellaneous Income was estimated to be \$5,300,000, compared to \$4,800,000 in 1988-1989. As a result of that increase, assessments to Member Countries, excluding taxes, had risen by 7.18%, compared to the overall increase of 7.3%.

The document also contained summaries of the various funds committed to the Organization for 1988-1989 as of April 1989, and commitments for the coming four years. During recent years, there had been a dramatic increase in extrabudgetary funds, leading to the expectation that the trend would continue. It should be noted that the sharp increase in extrabudgetary funds must be supported by a reliable core Regular Budget if that increase was to continue.

The summary tables (pp. 26-37) presented the budget by fund in the program classification structure. In the 1990-1991 proposal, almost 67% of the funds came from PAHO Regular and 33% from WHO Regular. The question to the members of the Executive Committee and the forthcoming Directing Council was whether that proposed program distribution basically reflected the priorities collectively approved by the Member Countries.

Section II of the document contained an overall analysis and description of the programs and funds proposed. In that connection, he wished to call attention to Document CE103/22, which went into some detail in describing the movement of funds rather than dramatic shifts in program emphasis.

Section IV continued PAHO's organizational chart followed by a description of its structure. The budget was also shown in the organizational structure. It was important not to compare the organizational presentation of the budget with the previously described tables related to the program budget, since the two presentations differed.

It was the responsibility of the Executive Committee to make recommendations on the PAHO regular program budget proposal for 1990-1991 to the next Meeting of the Directing Council. Those recommendations would be taken into consideration by the Director, who would revise the program budget document as appropriate.

El Dr. GUERRA DE MACEDO (Director, OSP) señala a la atención del Comité, en primer lugar, el contexto en que se preparó el presupuesto por programas que se examina y se supone va a ser ejecutado en 1990-1991. La situación de crisis afecta a los países latinoamericanos y del Caribe, sobre todo los cambios y la modificación de la naturaleza de los problemas de salud y las profundas diferencias que subsisten entre los diversos países y grupos de población. Destaca las distintas fases del proceso de elaboración del documento y se refiere detenidamente al problema del crecimiento del presupuesto y a los esfuerzos que la Secretaría ha hecho para reducirlo al mínimo necesario.

Al igual que el Sr. Milam, el Director pone de relieve que el aumento propuesto representa la absorción de más de unos \$8 millones. Estimando la inflación anual en los Estados Unidos de América en un 5,8, se obtendría aproximadamente un 12% en el bienio; si esa es la parte que

se absorbe cuando se propone un aumento del 7,3 en el presupuesto de la Organización Panamericana de la Salud. Lo que no se dice en la introducción del documento es que, si se compara lo que los países reciben mediante la acción de la Organización y lo que tienen que pagar en concepto de cuotas el balance es positivo desde el punto de vista financiero.

Aunque no se tenga en cuenta la utilidad o el beneficio de la cooperación de la Organización, hay un balance positivo en términos de intercambios de divisas, y esto vale para todos los países exceptuando el Canadá. Ese saldo es menor para los países más grandes y en cambio muy favorable para los pequeños. En algunos casos el país recibe aproximadamente 20 veces el valor de sus cuotas. El Dr. Guerra de Macedo insiste en la importancia de este argumento, ya que a menudo se ha aducido que, debido a la crisis financiera, la falta de disponibilidad de dólares impide que los Países Miembros cumplan con sus responsabilidades. La Organización Panamericana de la Salud lleva más divisas de las que recibe, incluso en el caso de los Estados Unidos de América, debido a los gastos que se efectúan en su territorio. El Canadá es la única excepción.

A pesar de que no se traduzcan en cambios espectaculares de las cifras del presupuesto, el Director hace especial hincapié en los esfuerzos desplegados para cumplir con las orientaciones sobre las prioridades fijadas por los Cuerpos Directivos, y particularmente en el principal documento aprobado por la Conferencia Sanitaria Panamericana. Lo que se procura es concentrar recursos en las áreas que responden a la

situación y a las tendencias de la Región: la infraestructura, los problemas especiales de determinados grupos de población y sus problemas de salud y la administración del conocimiento. Espera que en el futuro algunas otras áreas temáticas adquieran mayor importancia en el quehacer de la Organización: la descentralización y el fortalecimiento o la implantación de los sistemas integrados locales de salud como principal estrategia para la transformación de las infraestructuras de salud es una de ellas; el control de enfermedades, y particularmente de las enfermedades transmisibles y de aquellas que pueden ser evitadas con los recursos tecnológicos disponibles seguirá siendo una preocupación constante; el crecimiento de las enfermedades de naturaleza crónica y degenerativa, sobre todo utilizando las estrategias de fomento de los cambios en los estilos de vida y de la integración de las actividades correspondientes a nivel de los sistemas locales de salud y de la atención primaria de salud; los problemas ambientales más allá de la prioridad preponderante hasta la fecha; abastecimiento de agua y el saneamiento; la protección ambiental desde la perspectiva de salud, y la participación de la mujer en la salud y en el desarrollo, sin dejar de lado aspectos como la cooperación entre países, la coordinación o la movilización de recursos.

El Dr. Guerra de Macedo puntualiza que las orientaciones esbozadas en la introducción no se refieren exclusivamente a las actividades que se costearán mediante el Presupuesto Ordinario sino que regirán todo el quehacer de la Organización, incluso las actividades que se sufraguen con recursos extrapresupuestarios.

Para poder movilizar recursos extrapresupuestarios y apoyar prioridades se necesita esa base mínima que son los recursos del Presupuesto Ordinario, aunque a veces sea preciso movilizar otros medios.

Refiriéndose al ejemplo del SIDA, el Director dice que actualmente los gastos se cifran en torno a los \$15 ó \$16 millones al año. Recalca que si bien la prioridad que merece un programa no se refleja necesariamente en la consignación de recursos del Presupuesto Ordinario, si se los utiliza con inteligencia se incrementa la capacidad de la Organización para movilizar recursos financieros institucionales, políticos, morales, humanos, científicos y tecnológicos y sustentar las prioridades fijadas.

Por último, el Director indica que no ha sido posible incluir en el documento que se examina una previsión de los recursos extrapresupuestarios con que se espera contar en 1990-1991. Estima, no obstante, que estos excederán de \$200 millones. Se pone a disposición de los participantes para facilitarles las informaciones suplementarias que deseen durante el exámen del documento.

The meeting was suspended at 3:40 p.m. and resumed at 4:05 p.m.
Se suspende la sesión a las 3:40 p.m. y se reanuda a las 4:05 p.m.

The CHAIRMAN invited comments on the program budget, section by section.

El Dr. BORGONO (Observador de Chile) se refiere a la Introducción del Presupuesto por Programas 1990-1991 para la OPS (Documento Oficial 226), y señala que la Organización está realizando un esfuerzo digno del

mayor encomio para no suspender ni reducir programas, a pesar de que maneja menos fondos en términos reales, porque "más piensa un hambriento que cien letrados", como dice el refrán remozado por la crisis económica.

Recuerda que muy pronto irá a Ginebra a solicitar fondos extrapresupuestarios para el Programa de Control de las Enfermedades Respiratorias Agudas, pero observa que esos recursos no solo se encuentran frente a los fondos del Presupuesto Ordinario en una relación que excede de la ideal--35% a 65%--sino que muestran tendencia a aumentar su participación. En parte es una ventaja pero a la vez un grave inconveniente, habida cuenta de que las políticas de la OPS podrían quedar supeditadas a donantes que deberían obrar con suprema sabiduría para evitar todo tipo de problemas. Esta preocupación debe inducir a mantener un presupuesto ordinario razonable si de verdad se quiere alcanzar a breve plazo la meta de salud para todos. Por otra parte, los cambios de los problemas de salud se reflejan en el presupuesto. Al respecto, acoge con beneplácito el aumento destinado a programas como el de Salud del Adulto, que interesa mucho a Chile, o el de la evaluación de la situación sanitaria y de sus tendencias, por la importancia fundamental que asigna a la epidemiología.

De todas maneras, lo fundamental es no escudarse en la crisis económica que a todos afecta para dejar de progresar. Varios países de América Latina, lo mismo que los Estados Unidos de América y el Canadá, han demostrado que tienen una firme voluntad política y una infraestructura de salud adecuada para avanzar sin desmayos hacia el bienestar integral de la Región.

No obstante, pone de manifiesto que el crecimiento por inflación del presupuesto de la OMS es más alto que el de la OPS y que ésta, como Oficina Regional, aporta asimismo al presupuesto de la OMS un porcentaje inferior al que recibe en el proceso inverso. Señala además que hubiera preferido considerar partidas presupuestarias no solamente para el bienio 1990-1991 sino para un futuro un poco más mediato, aunque reconoce que no es posible hacer cálculos a largo plazo. Pone como ejemplo el presupuesto del programa relativo al SIDA que ha aumentado últimamente de \$60 a \$100 millones, sin que nadie se atreva a vaticinar a cuánto ascenderá en los años venideros.

Por último, hace hincapié en el hecho de que hay todavía muchos países que reciben más fondos extrapresupuestarios cuanto menos aportan al Presupuesto Ordinario y se pregunta si encontrarse al día en el pago de las cuotas no resulta hoy un pésimo negocio. De todas maneras recuerda que la OMS ya dispuso que a partir de 1991 se extiendan determinados beneficios a los países que cumplan puntualmente sus compromisos, y formula votos para que esos incentivos permitan el pronto aumento de los bajos porcentajes de recaudación que en la actualidad se observan.

Mr. BOYER (United States of America) expressed appreciation of the documents submitted to the Committee. He expected that the Committee's verdict on the proposal would ultimately be positive and that the Committee would recommend that it be adopted by the Directing Council. He would, however, urge the Secretariat to make any adjustments that

might become necessary either in the light of the Committee's discussion or as a result of changing circumstances which might develop before the Directing Council's Meeting in September.

From the financial point of view, he thought the budget proposal was very good. It provided for zero program growth while allowing some program growth for the countries, and both those elements were in accordance with the wishes of most Members. The provision for cost increases was lower than the actual rate of inflation, and the Organization had chosen to absorb some cost increases, thus demonstrating that it was possible to achieve the basic program goals in a more cost-effective manner.

Commenting on the general development of the program budget, he observed that the budget gave mixed signals regarding the performance of Member Governments in relation to their health needs. Its opening sections gave the clear impression that things were going very badly, but the section on PAHO's response to the crisis seemed, in contrast, to be a report of growing success. No doubt was cast in that section on the effectiveness of any of PAHO's program activities or the countries' implementation of those programs, and paragraph 23, in referring to the "final stretch of the drive toward the health for all objective" seemed to imply that the Region was about to reach that goal. Those sections of the Introduction should be adjusted to make them more consistent before the meeting of the Directing Council in September.

The most extensive claims concerning the effectiveness of program activities made in the Introduction related to extrabudgetary programs. The emphasis thus placed on the extrabudgetary programs rather than the

more mundane but important strengthening of a local health systems under the Regular Budget seemed to him to be out of proportion in a document intended to introduce and justify the Regular Budget.

There were several references in the Introduction to new program activity in relation to environmental protection. It was good that PAHO was keeping pace with the growing global interest in the subject. But there was already a great deal of activity relating to the environment in international organizations and if PAHO was to make an effective contribution, it would need to be both creative and active in relating to work already under way and to proceed with a clear sense of achievable objectives.

Paragraph 14 of the Introduction was very persuasive in pointing out that international organizations must examine the ways in which they provided cooperation with Member Governments in the light of the kinds of financial and economic problems confronting those Governments. That was something that not only the PAHO Secretariat but the Members should do on a continuous basis.

Paragraph 15.4 made a point that his Delegation had been making for many years, namely that PAHO's and WHO's resources should be concentrated according to the priorities defined by the Organizations' Governing Bodies.

However, paragraph 46 of the Introduction revealed that five new programs were being added to the budget classification structure. The idea behind concentration of activity was that PAHO should limit itself to a relatively basic list of things that it could do well and not try to

provide programs on every subject that might arise. Although the programs being added appeared to be important, there was a danger that PAHO might be stretching itself too thin by adding to its list.

The Committee had talked in the past about the differences between the program classification structure of WHO and that of PAHO. That, apparently, was a concern, at least in general, of the new WHO Director-General, because his document on guidance for development of the next budget for WHO contained the sentence: "I wish to emphasize that the classification structure should be strictly adhered to so that one organizational program structure and direction can be projected." It seemed pertinent to reiterate that the PAHO structure should not differ too markedly from the program structure of the entire Organization.

With regard to the shifting of priorities, there was very useful information in the new supplementary document (CE103/22) which explained the decreases and increases that appeared in the various tables.

Mr. Milam had earlier summarized some of them, but it remained difficult to determine exactly what was going on in terms of shifts of priorities within the budget. The Introduction to the budget, in paragraphs 43 and 44, acknowledged that the new budget did not show dramatic shifts in the allocation of resources. Many of what appeared to be shifts were really the result only of changing labels on some programs, or of moving activity from one place to another in the budget. In some cases, they did not reflect real changes at all although they appeared to do so. On the other hand, the Introduction to the program budget also talked about a number of new activities, in paragraph 44 for example, that would require significant shifts in the lines of action of

the program. However, this paragraph implied that the budget framework was not going to be changed to reflect the shifts. It stated that the changes would be carried out "within the framework of a relatively stable allocation of resources among the different parts of the budget," and which implied "re-routing many of the current efforts and resources of the Organization in a functional rather than a structural way." He was at a loss to understand what was meant by that. It implied that new things were going on, but that they would not be seen in terms of the budget lines. It seemed to him that most Member Governments would like the budget to be transparent, that is, to show what was actually going on. If the priorities had changed, that should be reflected in the lines of the budget so that it was possible to see what actually was being changed.

Lastly, he wished to note that in maintaining a zero growth budget, PAHO had been able to allow for real growth in substantive programs while achieving a reduction in administrative expenses. That achievement was worthy of great praise. His Delegation had raised the same issue in Geneva on several occasions in relation to the budget of the World Health Organization. The question was whether, when a budget was cut or kept steady, the percentage given to substantive program activities could be increased while reducing the amounts spent on administrative activities. The answer in WHO was almost always "no." But, if the budget was reduced, the proportion of administrative expenses actually went up because the costs were fixed. It appeared that the case was different at PAHO. He was very pleased that it had been possible for

PAHO to cut the proportion of administrative expenses, and he hoped that was a lesson that the World Health Organization would be able to emulate.

Mr. PREFONTAINE (Canada) said that his Delegation was not yet ready to offer a final appreciation of the program budget, but wished to thank Mr. Milam and the Director for the explanations they had given. He recalled that at the last meetings of PAHO it had been agreed that infrastructure was one of the priorities that the Organization should maintain over time. If priorities were established, it should be possible to see some budgetary realignment to support them; yet, there was no movement of expenditures with regard to infrastructures in the program budget. He would welcome an explanation. While most of the new initiatives referred to in the Introduction had considerable merit, they did not appear to be particularly consistent with the priority placed on strengthening the health services infrastructure.

Mr. MILAM (PASB), referring to the comment on classification structures made by the Representative of the United States of America, said he thought the classification structures employed by PAHO and WHO were very close. The WHO document to which Mr. Boyer had referred used a general program of work classification, which was more like the classification structure of PAHO than of WHO. In any event, PAHO's budget always reproduced the WHO budget as an annex.

With regard to Mr. Boyer's comments on paragraph 44 of the Introduction, he wished to point out that paragraph 44 also referred to thematic and subregional initiatives that would be drawing resources from different programs and applying them in a more unified and integrated approach.

El Dr. GUERRA DE MACEDO (Director, OSP) se refiere a la última intervención del Observador de Chile y, sin ánimo de criticar a ninguna Administración anterior, señala con satisfacción que durante su mandato se han reducido costos y se ha aumentado la productividad. Se han logrado así progresos ciertos, pero es imprescindible seguir avanzando hacia la meta inalcanzable de la perfección.

Con respecto a los mayores recursos extrapresupuestarios, considera que lo fundamental es mantener el control sobre su orientación para alcanzar un alto margen para el crecimiento sin las desventajas de distorsiones e imposiciones incompatibles con las políticas de la Organización. Si se llegara a perder ese control bastaría con un 30% de los recursos extrapresupuestarios con que hoy se cuenta. Por otra parte, en la gran mayoría de los casos la decisión de buscar recursos extrapresupuestarios ha partido de la propia Organización que además ha establecido siempre de antemano los objetivos perseguidos, aunque es cierto que a veces haya ofrecido alternativas para atender de alguna manera las preferencias de los donantes. Sin embargo, el hecho de que casi el 80% de los recursos de la institución provenga de fuentes extrapresupuestarias y de que el 80% de ese total reconozca una sola fuente de origen no deja de entrañar peligros; por eso los Cuerpos

Directivos tendrán que mantenerse alerta para corregir cualquier desviación parcial que se pueda producir. También es importante perseverar en el esfuerzo por aumentar los recursos asignados directamente a los programas de país, teniendo en cuenta que todo lo que haga la Organización solamente se justifica si es un apoyo efectivo a las actividades que se desarrollan en los países para resolver los problemas de salud de su población. El Observador de Chile ha dicho también que no hay que escudarse en la crisis económica para dejar de hacer todo lo posible por solucionar los problemas de salud y de vida de las poblaciones. El Director dice que una de las últimas personas a la que escuchó enunciar con énfasis esa misma gran verdad fue el actual Presidente de Venezuela. La preocupación por los problemas de la economía, el servicio de la deuda externa y los problemas políticos han contribuido a que los Gobiernos y las sociedades se olvidasen un tanto de que son los mayores responsables del bienestar general, lo que de hecho ha significado el aumento de las desigualdades y de los problemas más anunciados, como el de la salud.

Por otra parte, el Director aclara que las discrepancias observadas en las tasas de crecimiento de los presupuestos de la OMS y de la OPS (8,1 y 7,3 respectivamente) tienen una sencilla explicación: los cálculos se efectuaron con más de un año de diferencia, un lapso demasiado largo. Por esta misma razón no se incluyeron proyecciones a más largo plazo en el proyecto de presupuesto sometido a estudio, pero en 1990 la Conferencia Sanitaria Panamericana podrá volver a examinar las orientaciones y prioridades de la Organización para un período de cuatro

años. Además, todavía son válidos en sus propuestas globales los planes de salud para todos en la Región de las Américas. Considera el Dr. Guerra de Macedo que una de las deficiencias más grandes de las administraciones nacionales de la OPS es la preocupación tan absorbente por el cortísimo plazo, por la coyuntura que impide vislumbrar verdaderas soluciones para los problemas. Recuerda luego que una afirmación que había hecho se refería exclusivamente al gasto de la Organización en su presupuesto ordinario; de ahí sus afirmaciones sobre los países con un saldo positivo en sus gastos.

Con respecto a las observaciones hechas por el Representante de los Estados Unidos de América, reconoce que la Introducción del Documento Oficial 226 no tiene la claridad de otras veces aunque tampoco encierra las contradicciones que se le imputan.

A pesar de la crisis y de la magnitud de las dificultades, se plantean innovaciones en las legislaciones o en la formulación de políticas globales, o simplemente se desarrollan programas correctamente. Los ejemplos ostigados son el Programa Ampliado de Inmunización y la ambiciosa meta de erradicación definitiva de la poliomielitis. Los recursos aparecen siempre que las propuestas estén bien hechas y sean comprendidas y valoradas por los Gobiernos.

En el proceso de mejorar la vigilancia epidemiológica, para lograr la erradicación de la poliomielitis se gastan unos \$500 millones, de los cuales más de \$420 millones son aportados por los países, a pesar de la crisis. Esto no significa que se hayan creado recursos nuevos, sino que se están movilizand o los ya existentes para cumplir una tarea muy particular.

Hay muchos ejemplos positivos de países y de programas satisfactorios, gracias a la utilización de recursos que no siempre han sido extrapresupuestarios. Los recursos ordinarios no solo sirven para hacer cosas valiosas en Centroamérica, el Area Andina, el Cono Sur o la subregión del Caribe, sino para movilizar fondos extrapresupuestarios y ponerlos al servicio de los objetivos definidos por la Organización. La necesidad de concentrar todos los esfuerzos entraña cierta contradicción con respecto de la incorporación de cinco nuevos programas, de los cuales solo uno (el de alimentación) es creación de la Organización Panamericana de la Salud. Los otros cuatro (Gerencia de Información, Salud y Adolescencia, Tabaco o Salud, y Legislación de la Salud) fueron aprobados por los Cuerpos Directivos de la OMS y encomendados a la OPS para su aplicación en la Región de las Américas.

En la elaboración de un presupuesto, sobre todo de un presupuesto que no crece, disminuye el margen de libertad para introducir cambios. No es fácil reducir costos administrativos porque hay una fisiología basal de la Organización que se debe mantener. Además, la institución ha adquirido o ha asumido durante su historia una serie de compromisos que tiene que cumplir rigurosamente. Todo esto crea restricciones que impiden que la totalidad de sus actividades alcancen la plena transparencia que siempre se pretende lograr. De todas maneras, durante la ejecución del presupuesto se dispone a veces de más libertad para introducir cambios que durante todo su proceso de elaboración.

Señala por último que cuando se define un conjunto de prioridades para un período determinado, esta definición es una orientación, no una camisa de fuerza. Si la realidad cambia, existe la obligación de ir

dando respuestas a los problemas nuevos o mayores. En materia de drogas o del medio ambiente, las áreas de los problemas son las mismas, pero requieren un tratamiento distinto que necesariamente debe reflejarse en el presupuesto. Sobre estos y otros temas se piden fundamentalmente orientaciones para desarrollar mejor la tarea que a todos incumbe, movilizandoo muy pocos recursos adicionales.

Para terminar, el Director informa de que el 1° de julio se emitirá desde Miami, Florida, un programa especial de televisión bajo el lema SALUD PARA TODOS, que será retransmitido por UNIVISION a Washington, D.C., y otras ciudades de los Estados Unidos de América el 2 de julio. El espectáculo, que combinará información sobre salud con entretenimiento, se podrá ver también en forma diferida en 26 países de América Latina y Europa.

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