

*executive committee of  
the directing council*



PAN AMERICAN  
HEALTH  
ORGANIZATION

*working party of  
the regional committee*

WORLD  
HEALTH  
ORGANIZATION



107th Meeting  
Washington, D.C.  
June 1991

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Provisional Agenda Item 3.1

CE107/5 (Eng.)

16 April 1991

ORIGINAL: ENGLISH-SPANISH

REPORT OF THE SUBCOMMITTEE ON PLANNING AND PROGRAMMING

The Subcommittee on Planning and Programming has held two meetings since the last meeting of the Executive Committee, the first on 6 and 7 December 1990, and the second from 8 to 10 April 1991.

The following items were discussed by the Subcommittee:

- Implementation of the Strategic Orientations and Program Priorities for the Pan American Health Organization During the Quadrennium 1991-1994
- Proposed Program Budget of the Pan American Health Organization for the Biennium 1992-1993
- Development and Strengthening of Local Health Systems
- Nongovernmental Organizations (NGOs)
- Analysis of PAHO's Technical Cooperation in Uruguay
- Health in Development

The Final Reports of the two meetings of the Subcommittee are annexed.

Annexes



# PAN AMERICAN HEALTH ORGANIZATION

EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL



SUBCOMMITTEE ON PLANNING AND PROGRAMMING

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Fifteenth Meeting  
Washington, D.C., 6-7 December 1990

SPP15/FR (Eng.)  
7 December 1990  
ORIGINAL: ENGLISH-SPANISH

F I N A L R E P O R T

## FINAL REPORT

The Fifteenth Meeting of the Subcommittee on Planning and Programming of the Executive Committee was held at the Headquarters of the Pan American Health Organization in Washington, D.C., on 6 and 7 December 1990.

The following members of the Subcommittee, elected by the Executive Committee, were present: Barbados, Canada, Cuba, and Venezuela. Also taking part, at the invitation of the Director of the Bureau, in consultation with the Chairman of the Executive Committee, were representatives from Brazil, Mexico, and United States of America. Uruguay participated as an observer.

### OPENING OF THE MEETING

Dr. Carlyle Guerra de Macedo, Director, PASB, opened the meeting and welcomed the representatives.

### OFFICERS

The Officers of the Subcommittee were as follows:

<u>Chairman:</u>	Dr. Jesús Kumate Rodriguez	Mexico
<u>Vice Chairman:</u>	Mr. Branford Taitt	Barbados
<u>Rapporteur:</u>	Dr. Joaquín Molina	Cuba
<u>Secretary</u> <u>ex officio:</u>	Dr. Carlyle Guerra de Macedo	Director, PASB
<u>Technical</u> <u>Secretary:</u>	Dr. José Romero Teruel	Chief, DAP/PASB

### AGENDA

In accordance with Article 10 of the Rules of Procedure, the Subcommittee adopted the following agenda:

1. Opening of the Meeting
2. Election of Chairman, Vice Chairman, and Rapporteur
3. Adoption of the Agenda

4. Development and Strengthening of Local Health Systems (SILOS)
5. Nongovernmental Organizations (NGOs)
6. Analysis of PAHO's Technical Cooperation Program in Uruguay
7. Health in Development
8. Other Matters

#### PRESENTATIONS AND CONCLUSIONS

A summary of the discussions and recommendations for further action on each item follows.

##### Item 4: Development and Strengthening of Local Health Systems (SILOS)

Dr. José María Paganini, Program Coordinator, Health Services Development, gave a presentation reporting on progress in the implementation of Resolution XV of the XXXIII Directing Council of the Pan American Health Organization. Special studies were conducted for this purpose, which revealed that the majority of countries are making efforts to decentralize their national health systems with local health systems as a component of that effort.

Self-evaluation of local health systems in Central America reveal conceptual progress, such as honing the decision-making process, defining responsibilities, and identifying resources. However, there has been limited progress in the concrete aspects of putting this knowledge and resolve to work. Also, there is need for standardized indicators to compare national experiences, and there is confusion over the concept of social participation since it has no systematic framework. Another problem with local health systems is that they are identified with medical care services, a belief that hinders social participation.

Dr. Paganini then gave a review of the Bureau's cooperation activities, administered through the Country Representative Offices and all Regional programs. There has been a strengthening of the following areas: interprogram coordination, management of knowledge and dissemination of experiences, relations with NGOs and the private subsector, intersectoral coordination in the local area, management processes, strategic local programming, manpower training. Also, resources were channeled toward the local health services as part of a policy to stress the link between health and development.

The report concluded that this assessment of compliance with Resolution XV of the Directing Council was a first step towards systematizing evaluation of the local health systems, which are in full operation or at least supported by a majority of the Member Countries. They are replacing the notion of isolated efforts with a comprehensive view of health and development in which equity and well-being are the basic aims of health. One of the greatest challenges of the local health systems is social participation, and as yet no operational framework has been established to attain it.

### Discussion

The report gave rise to an extensive discussion in which the following comments were made.

There was consensus over the importance of the topic and its inclusion on the agenda of the Subcommittee. Several participants pointed out the need to measure the impact the local health systems have on the health of populations, in order to validate the legitimacy of the system. Mention was also made that the document should go further in laying out future lines of action for PAHO/WHO collaboration.

It was pointed out that an essential factor in the implementation of the local health systems is the leadership role that the Ministries of Health should play. They can assume such a role by carrying out their own sectoral work in exemplary fashion, without losing the intersectoral perspective. It was noted that the local health systems are a means to decentralize the sector, which was illustrated with examples in several countries in which this has been the case.

The general responses to the comments indicated that the document was not an attempt to relate or evaluate experiences in each country. Rather, it sought to provide a data base for future comparison of development of the local health systems in the Region, recognizing the need to increase the sensitivity of the indicators used.

The Director commented that the implementation of Resolution XV has been impressive in two short years, though it is necessary to develop more sensitive indicators. He recognized that this process is a "movement" that is under way, with all the social implications which that involves, and that the local health systems are the meeting point of social and health programs in the community. Their point of reference is the community itself.

The Director made other general remarks on the need for the following elements: (1) an appropriate balance between centralization and decentralization; (2) instruments to measure the degrees of decentralization; (3) the design and evaluation of mechanisms of coordination and integration, both within and outside the sector; (4) strategic planning for the local health systems and their management; (5) an assessment of the impact of the local health systems and their processes of development, with an effort to increase the sensitivity of the indicators chosen; (6) specification of the contribution PAHO/WHO is to make to the process of developing local health systems in the Region; and (7) indicators of equity and social participation, with support for the countries in facing this challenge. He concluded that the local health systems are the most important connecting wire joining the policies of the 1987-1990 quadrennium to the present one.

#### Item 5: Nongovernmental Organizations (NGOs)

Dr. Pamela Hartigan, Department of External Relations Coordination, defined the various types of NGOs, illustrated with examples. She proposed the following in-house classification of them: Voluntary

Service Delivery Organizations (VOs)--including Voluntary Service Delivery Organizations, Developmental Catalyst Organizations, and Sector Support Organizations--People's Organizations, Public Service Contractors, private universities and research institutions, government-organized NGOs (GONGOs), and donor-organized NGOs (DONGOs).

The presentation then went into means by which PAHO can mobilize resources to maximize the contribution that NGOs and governments, together, can make to health. The PWRs are critical in this process because they are aware of the health needs of the host country, are sensitive to government and NGO concerns, and are capable of negotiating between the two. They can also mobilize national private sector support.

Technical units and regional centers become involved as they often contract NGOs to execute projects. The Office of External Coordination (DEC), as the PAHO unit responsible for coordinating cooperation activities, has an important role to play in promoting partnerships with NGOs in support of health strategies. It seeks to help the NGOs develop their capabilities, and to this end will organize seminars for them in collaboration with other NGOs in selected countries over the next year.

When PAHO receives NGO proposals, support is contingent upon the project's compatibility with the priorities established by the health sector of the Member Government, and the Member Government must be aware of the goals and methods of the NGO project. PAHO then channels resources to the NGO either through the Ministry, through the PWR office, directly, or through Debt for Health Swaps. Another, perhaps more desirable, possibility is through a fund, monitored by the PWR, for NGO projects in health. Member Countries have expressed interest in contributing to such a fund to match NGO contributions. This would thus provide the two sectors a vehicle for harmonized joint action.

The challenge before PAHO, then, is to strike a balance in which NGOs are partners in health with Member Governments, while the former remain autonomous and the latter remain sovereign in their ability to determine health priorities.

#### Discussion

Several of the Subcommittee members expressed satisfaction with the NGO document, both because of its high quality and because of the importance of this topic for PAHO/WHO work.

Many of the comments revealed different understandings of the relationship between NGOs, the Member Countries, and PAHO, due to varying interpretations of the concept of parity among the three. In fact, a need to point out the differences between North NGOs (those in the United States of America and Canada) and South NGOs (those in the rest of the Region) was mentioned. Whereas the former function comfortably on a par with governments, the latter are wary of being viewed as competitors with the Ministries of Health, which they view as their only source of funding, and look to PAHO as a means to access those government funds. Along these lines, the conclusions of the paper were lauded: a

relationship of complementarity is what PAHO should foster, in which governments set priorities, and NGOs play a unique role in shaping how those priorities will be met.

There was also discussion of NGO contributions through Debt for Health Swaps. It was noted that such transactions should be viewed cautiously as they are sometimes mere financial operations for profit making purposes; other remarks indicated that such commercially-motivated NGOs are not necessarily bad and can be used to the advantage of the health sector. In response to the concern raised that the Swaps may be inflationary, it was clarified that while this is true, the inflation that they may produce in the economy is minimal compared to the health benefits that are gained.

There was a general consensus that NGOs are important actors in the health sector in the Region, though they need to be handled with caution. Therefore, PAHO should continue to encourage the PWRs and the DEC to reach out to them, and create a climate of trust between NGOs and the Organization. Coordinated NGO/Member Government work in the health sector under PAHO's leadership would avoid duplications of efforts and conflicting ones, and it would save time, reinforce the priorities set by the Ministries of Health, and establish clear objectives.

Item 6: Analysis of PAHO's Technical Cooperation in Uruguay

Sir George Alleyne, Assistant Director, provided an overview of the evaluation process noting the importance of evaluation as an integral part of the American Region Programming and Evaluation System (AMPES). The main purpose for the joint evaluation is to analyze the national health situation and the health services systems and review trends in technical cooperation and, in light of these and the priorities for technical cooperation, adjust PAHO/WHO's program of technical cooperation to ensure its relevance, efficiency, and effectiveness.

To facilitate the review process, documents are prepared prior to the meeting which (1) assess the country situation; (2) analyze the technical cooperation; and (3) assess the country office. The country assessment reviews the national health situation. The technical cooperation analysis highlights the application of the strategic approaches, i.e.: resource mobilization; information dissemination; training; generation of norms, plans, and policies; and research promotion. The country office assessment reviews its capacity to provide technical cooperation to the country as needed.

The PWR-Uruguay, Dr. Vladimir Rathauer, summarized the joint evaluation meeting conducted in August 1990 in Montevideo by the Assistant Director of PAHO, the Minister of Health of Uruguay, and other government officials and PAHO/WHO advisors.

The epidemiological situation of the country was found to be similar to that of most developed countries, while there are still some health problems typical of underdevelopment. Technical cooperation has been strong in the area of maternal and child health, and should continue

to be so. Other areas to be given priority in the future are adult health, epidemiological surveillance, and strengthening of the cancer registry and of the national capacity for epidemiological analysis.

In the area of sectoral infrastructure, PAHO cooperation for the system of production, yield, and costs (PRORECO) has been important, and decentralization has been strengthened through the promotion of local health systems. Also, health institutions have been bolstered by PAHO cooperation in the development of managerial capacity, including scholarships and seminars. This will continue to be an important area of assistance within a general strategy of making the Ministry of Health the leader of the system of services, rather than an agent reacting to temporary situations.

There is a need to gear the development of health personnel to the country's demographic needs to rectify such problems as the surplus of doctors and the shortage of nurses and other health professionals. PAHO will continue to provide cooperation, through the University, for the formation of public health personnel, for the designing of a national human resources policy, and in managerial development.

The area of biomedical information has been a very strong one in Uruguay, however there are signs that the statistical system may deteriorate. Therefore PAHO technical cooperation in the future should be geared toward modernizing the technology of information systems, improving the analysis and utilization of the data, improving circulation of periodicals, and creating a PAHO/Ministry of Health Documentation Center.

In 1987 the State Health Services Administration (ASSE) was created to handle management aspects of health for the Ministry. PAHO has assisted it in the transformation of the national health system via short-term consultants. Future PAHO cooperation will target managerial development, including hospital administration and information systems, redesign of the services network, and the system of family doctors.

The Ministry of Health has 12 priority programs aimed at alleviating significant problems in the short- and medium-term. PAHO support for them has taken the form of consultations, seminars, and scholarships. In the future it was deemed that support be given to mobilizing resources, training, information, and exchanges with neighboring countries.

Dr. Alfredo Solari, Minister of Health of Uruguay, reinforced the validity of the joint evaluation as a rigorous approach to identifying appropriate areas for technical cooperation, evaluating past contributions, and laying the groundwork for future technical cooperation. He outlined the changes now being made in the Ministry to reflect the current reality of the health situation in Uruguay and noted that the priorities for technical cooperation are being refocused to reflect this reality.



The Minister identified eight areas in which the Ministry and the health sector would now be receiving technical cooperation. These areas were discussed during the joint evaluation process. There is a need to: (1) strengthen the role of the Ministry as the leader in developing health policy; (2) monitor the health situation and improve the epidemiological surveillance system; (3) formulate and implement a national policy for human resources; (4) strengthen the decentralization and deconcentration within ASSE; (5) support the rehabilitation and maintenance of public and private health establishments; (6) strengthen the managerial capacity within the health sector; (7) improve the collection and--more importantly--the use, of biomedical information; and (8) mobilize the resources necessary to achieve the items listed above.

#### Discussion

In the discussion which followed the presentation it was observed that: (1) the purpose of the joint evaluation cannot be to determine cause and effect, it can only focus on the process of providing technical cooperation; (2) the Secretariat should continue to provide a review of a joint evaluation at each Subcommittee Meeting; (3) one of the side effects of the joint evaluation process is the bringing together of health sector personnel and personnel from other sectors to discuss common problems; and (4) the Subcommittee should devote some effort to evaluating the evaluation process.

The Director observed that: (1) the joint evaluation meeting is a singular event in a continuous evaluation process; (2) in the case of Uruguay the technical cooperation is being reformulated based on the discussions held during the evaluation meeting in Montevideo; (3) the measurement of impact is only possible in specific, isolated cases such as the elimination of polio; (4) the joint evaluation is an important segment in the process of adopting technical cooperation to the current needs of the countries; and (5) if the Subcommittee so desired, a written report could be provided for each evaluation held during a given year.

#### Item 7: Health in Development

Drs. Vieira, Campino, and Torres presented this document, which they explained was the product of extensive work by the Working Group on Health in Development. The document asserts that development is not only economic growth, but the political will to orient that growth and distribute it socially in order to satisfy needs. Health is the attainment or maintenance of a "bio-psycho-social balance" upheld not only by scientific and technological progress, but also political decisions in the economic and social areas.

Though economic progress over the centuries has brought about a gradual reduction of mortality, development can also be harmful to health. The greater these negative effects are, the greater the portion of health care that must be devoted to offsetting the effects of unhealthful development. Thus countries should maintain their commitment in the social sphere so that medicine can complement development.

Health has contributed to development as a factor of social equity. It can be viewed in the economy as a "social" good worthy of investment because of its high yields in increased life expectancy, improved conditions for productivity and consumption, and in the quality of life.

The roots of the problems with development in Latin America and the Caribbean go beyond the external debt crisis; they reside in a process of growth characterized by an inequitable distribution of wealth. Also, internal heterogeneity--differences between regions, subregions, and national areas--is increasing.

The two typical modes of development are described: one which exclusively focuses on production growth, and one of economic development with social compensation. These are inadequate in addressing human health issues. Their main flaws are that they: do not act on risk factors through health promotion or disease prevention, are characterized by low quality services, and exclude large masses of the population from basic medical services. The alternative option for development is growth with equity, which seeks to generate a substantial surplus and expansion to face the problems of efficiency, competitiveness, savings and investment, macro-economic stability, and a dynamic place in the world economy. It gives priority to meeting the needs and fulfilling the hopes of society as a whole by providing a "minimum social floor of health coverage." Steps toward this third option of development and health coverage can be taken through greater coordination of public services, particularly with social security, and by developing the leadership role of the public sector.

Many countries are opting for intermediate solutions, and international cooperation agencies also recognize that economic development must be more effectively combined with the demands for social equality. PAHO/WHO must actively lobby for this more favorable consideration of health in socioeconomic development plans, and its priority policies and programs must explicitly state this emphasis.

To achieve such goals, countries should consider the adoption of changes in the operation, financing, and even structure, of their national health systems so as to enable them to more adequately handle health in development. In the same way, PAHO must adjust itself to better support its Member Countries in the implementation of these changes.

#### Discussion

The presentation spawned a lengthy and animated discussion. Each member of the Subcommittee who took the floor congratulated the Working Group for the document, which was described as excellent in both form and substance.

The strategy of health in development put forth in the document was welcomed by the members of the Subcommittee, who emphasized that development with equity must prevail. In order to attain this, the

Ministries of Health and PAHO will have to change their medically driven orientation and adopt one more suited to addressing the role of health in development. Stress was placed on the need to enhance the analytical capacity of PAHO in the areas concerned, in order to better help national health authorities handle their relationships with other government sectors and the socio-political actors on health issues. To this end, it is imperative to develop the leadership capacity of the sector, in light of the identified need that health play a more important role in the economic planning of the countries, and the fact that the ministries will have to be up to this task.

Mention was made of the need to continue to work on the topic of health in development by creating a data base and finding health indicators to facilitate measurement of progress made in this field. Several members of the Subcommittee said that there is no linear relationship between economic growth and social progress. This was corroborated by the need to assist the most vulnerable sectors of the population, an area in which the State will have to play a decisive role, even in times of economic crisis.

In summing up the topic, the Director stated that the health in development debate is laying the foundations for a new sectoral doctrine and for technical cooperation.

Item 8: Other Matters

The afternoon of 6 December, the Director of PAHO asked for a special private session of the Subcommittee on Planning and Programming to report on the review of salaries of the General Services (GS) personnel at Headquarters.

According to the Staff Rules, GS salaries are to be determined by comparison with the "best employers" in each location, it being incumbent upon the United Nations Agency with the largest local presence the responsibility of periodically conducting the respective salary surveys. In Washington that responsibility falls to PAHO/WHO. Bearing in mind that four (4) years had passed since the last survey (1986), the Director accepted the staff's request to conduct a survey in September/October 1990. The process and methodology for this have been prepared by the United Nations (IGSC) and they entail:

- a) A joint Working Group (Administration and Staff Association) of four (4) members, who on that occasion had the additional participation of an expert sent by WHO headquarters;
- b) The collection and analysis of data from a representative number of the "best" employees in the area, and a selection of the five best, for the construction of final scales of comparison.

Application of this methodology by the Working Group concluded in the selection of five employers, those with the highest salaries in the area: Washington Gas Light Co., Inter-American Development Bank (IDB), Fairfax County Government, International Monetary Fund (IMF) and World Bank Group (WBG), which represent the top percentiles of the wage structure in the area, and in some cases are not similar to PAHO/WHO.

The U.S. Civil Service (OPM), which represents around 50% of the comparable work force in the area, and the Organization of American States (OAS) were excluded.

Consequently, the findings showed differences of more than 7.37% at minimum for level G3, up to 27.36% at maximum for level G8, with a weighted average of 18.88%. The scale recommended by the Working Group contemplates increases from 16.04% (G3) to 23.72% (G8), with a weighted average of 19.14%.

Acceptance of those recommendations would imply:

- a) comparison with a group of employers that distort the labor market and with whom PAHO/WHO does not compete;
- b) ignoring two employers--U.S. Civil Service (OPM) and the OAS--with obvious similarities to PAHO/WHO in terms of political and functional relationships, and which also represent more than 50% of employment in the area for the categories under consideration;
- c) distortion of the wage policy of the Organization with much larger increases at the higher levels (G7 and G8), where PASB does not have recruitment or turnover problems, and excessive overlapping of the GS scale with the professional scale;
- d) an overall additional cost of US\$2.6 million annually, or more than \$5.2 million in one biennium.

In consideration of the above, the Director asked WHO/Geneva to recompute the findings after eliminating the IMF and Fairfax County from the five comparative employers, and substituting them with OPM (U.S. Civil Service) and the OAS. The new results yielded differences between 3.33% (minimum, G3) and 24.01% (maximum, G8), with a weighted average of 12.14%. The scale constructed based on that new data contemplates increases from 9.00% (minimum, G3) to 13.51% (maximum, G7), with an overall weighted average increase of 11.25%.

It must be pointed out that the Organization has readjusted the GS scale every year based on the consumer price index (CPI) of Washington, thus maintaining purchasing power. The increase would now include the CPI for the period November 89-90. In the case of the previous revised wage scale, the 11.25% increase would mean an almost 6% real increase over the CPI of 5.2% observed for the period.

Because of its financial implications for the Organization and possible refutation by the Staff Association, the Director brought the matter up for consideration by the Subcommittee. In his opinion, an increase of 11.2% is acceptable, although the 6% real increase would mean an additional expenditure of approximately US\$1.1 million during this biennium (90-91), and around US\$1.7 million for 92-93. The Director also reported that he had authorized a provisional increase of 9% for all GS personnel starting in November, as an advance while the matter was being decided.

The Subcommittee, after some clarifications and discussion, recommended an increase of 10.2% pending ratification by the Executive Committee. The increase is equivalent to the sum of the CPI (5.2%) plus an additional real 5%, equal to that granted to professional staff. The Subcommittee considered an increase of this magnitude to be very generous, above all taking into account the policy of zero growth of the Organization's budget, and the economic crisis that the countries are experiencing, with tremendous restrictions on their own personnel. In that vein, it was mentioned that the Government of the United States of America has granted an increase of only 4.1% to its personnel.

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At the close of the meeting it was agreed that a copy of the Final Report would be sent the following week to all the participants.

Annex



PAN AMERICAN HEALTH ORGANIZATION

SPP15/FR (Eng.)  
ANNEX



EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL

SUBCOMMITTEE ON PLANNING AND PROGRAMMING

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Fifteenth Meeting  
Washington, D.C., 5-7 December 1990

SPP15/2, Rev. 1  
7 December 1990  
7 diciembre 1990

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Secretario ex officio

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PAN AMERICAN HEALTH ORGANIZATION



EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL

SUBCOMMITTEE ON PLANNING AND PROGRAMMING

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Sixteenth Meeting  
Washington, D.C., 8-10 April 1991

SPP16/FR (Eng.)  
10 April 1991  
ORIGINAL: ENGLISH-SPANISH

F I N A L   R E P O R T

## FINAL REPORT

The Sixteenth Meeting of the Subcommittee on Planning and Programming of the Executive Committee was held at the Headquarters of the Pan American Health Organization in Washington, D.C., from 8 to 10 April 1991. The following members of the Subcommittee, elected by the Executive Committee, were present: Barbados, Canada, Cuba, and Venezuela. Also taking part, at the invitation of the Director of the Bureau, in consultation with the Chairman of the Executive Committee, were representatives from Brazil, Mexico, and the United States of America.

## OPENING OF THE MEETING

Dr. Carlyle Guerra de Macedo, Director, PASB, opened the meeting and welcomed the representatives.

## OFFICERS

The Officers of the Subcommittee were as follows:

<u>Chairman:</u>	Mr. Branford M. Taitt	Barbados
<u>Vice Chairman:</u>	Dr. Gustavo Baz Diaz Lombardo	Mexico
<u>Rapporteur:</u>	Dr. Joao Jose Candido da Silva	Brazil
<u>Secretary</u> <u>ex officio:</u>	Dr. Carlyle Guerra de Macedo	Director, PASB
<u>Technical</u> <u>Secretary:</u>	Dr. Jose Romero Teruel	Acting Area Director, HSI

## AGENDA

In accordance with Article 10 of the Rules of Procedure, the Subcommittee adopted the following agenda:

1. Opening of the Meeting
2. Election of Chairman, Vice Chairman, and Rapporteur
3. Adoption of the Program
4. Participation in World Health Day Activity

5. Implementation of the Strategic Orientations and Program Priorities of the Pan American Health Organization during the Quadrennium 1991-1994
6. Proposed Program Budget of the Pan American Health Organization for the Biennium 1992-1993
7. Other Matters

#### PRESENTATIONS AND CONCLUSIONS

A summary of the discussions and recommendations for further action on each item follows.

Item 5: Implementation of the Strategic Orientations and Program Priorities for the Pan American Health Organization during the Quadrennium 1991-1994

On behalf of the Secretariat, Dr. José Teruel, Acting Area Director, Health Systems Infrastructure, presented this document, which is the culmination of efforts carried out since September 1990 to define the criteria for implementation of the 1991-1994 Strategic Orientations and Program Priorities (SOPPs) approved by the XXIII Pan American Sanitary Conference. The SOPPs represent the framework for PAHO activities, including the need to concentrate interventions on areas that can have a high impact on the development of health in the countries of the Region.

Dr. Teruel reminded the Subcommittee members of the origin of the SOPPs, that is, the definition of priorities for quadrennial periods. An analysis was conducted of the Resolutions passed by the Governing Bodies of PAHO between 1942 and 1982, which revealed that 2,252 resolutions had been passed establishing guidelines for the Organization's activities. The economic crisis obliged a further streamlining of resources and the establishment of priorities. In September 1986 the XXII Pan American Sanitary Conference adopted a set of strategic orientations and program priorities for the Secretariat and the countries. The XXIII Conference, in September 1990, approved Resolution XIII establishing the SOPPs for the 1991-1994 quadrennium.

It was explained that essentially, the nine strategic orientations are converging lines that empower each other as they lead in a common direction: confronting the main challenges to health and the transformation of the sector during the 1990s. The axis around which they will revolve is the first orientation, health in development, in order to promote greater equity in health, improved living conditions, and reduced risks and health problems through effective sectoral and intersectoral interventions. The nine strategic orientations and the main program priorities work in complementary fashion to address the great challenges to health the Region faces during this decade.

The document outlines one or more regional quadrennial goal, followed by an implementation plan, for each strategic orientation and program priority: health in development; reorganizing the health sector; focusing action on high-risk groups; health promotion; using social communication; integrating women into health and development; management of knowledge; mobilizing resources; cooperation among countries; development of the health services infrastructure; and development of health programs.

The Secretariat will facilitate implementation of the 1991-1994 SOPPs in several ways. It will establish a strategic quadrennial framework for technical cooperation at the level of each country, and incorporate the SOPPs into the annual and biennial budgets. It will make some functional changes, such as strengthening activities at the country level, intensifying interprogram coordination and linkage between regional and country programs, and promoting decentralization, deconcentration, and administrative simplification. Some regional centers will be rescaled, special task groups formed, and operating resources will be allocated to ad hoc projects. The AMPES system will be continuously improved, and more authority will be delegated in managerial practice. PAHO will modernize the profile of its professional staff, increase activities to mobilize resources, and strengthen interagency coordination. The structural changes the Secretariat will have to make include changing the program structure to focus on new areas of activity, such as health promotion and women, health, and development. This will require restructuring some organizational units at Headquarters.

Finally, Dr. Teruel stressed the fact that this document is not finished, and encouraged the Subcommittee members to give input for revisions to the draft on the table before it is presented to the Executive Committee in June.

#### Discussion

The document generated a long and animated discussion. Some members felt that it made significant progress towards putting into practice the SOPPs approved last year, while all members had several observations and suggestions for its improvement. There was a question related to Section II, regarding the relationship between the strategic orientations, the program priorities, and the regional challenges. The Secretariat pointed out that the key feature is the complementarity of the three, and Table 1 in the document was prepared with the intention of clarifying this nonlinear relationship.

Section III, on the quadrennial goals and their plans for implementation, gave rise to numerous remarks. Several Subcommittee members felt the goals should be more specific, measurable, perhaps fewer in number, and have mid-point or benchmark evaluations. On the topic of mobilizing resources it was agreed that more emphasis should be placed on external financing, because, although the governments are primary sources of funding for health in the countries, there are several national and

international sources that can be tapped for this purpose. It was also noted that there may be a problem of establishing the strategies before the goals, when specific goals are usually established first, and then the strategy for their attainment. The Secretariat responded that targets, rather than goals, may be the better word choice in English for the concept intended, and agreed that these targets and their implementation plans could be more specific. The number of SOPPs, however, has already been decided by the Governing Bodies of the Organization. The Director pointed out that this document should not be turned into just another plan of action, but that it should serve to provide guidelines for activity in the Region.

There was a lengthy discussion of Section IV on Actions of the Secretariat, as many Subcommittee members sought clarification and further details. The Secretariat was also eager to get their input. The concepts of decentralization, managerial improvements, and restructuring at Headquarters were illustrated with examples. The Subcommittee commended the Director for PAHO's high level of deconcentration, and encouraged him to continue to develop this policy. Also, many members inquired about application of the SOPPs to the annual and biennial budgets; while it was noted that they had been carefully considered in the elaboration of the proposed program budgets, it was agreed that the numerical specifics of their application would be taken up under the budget discussion. It was in fact noted that these two agenda items, implementation of the SOPPs and the proposed program budget, are intimately linked and cannot be viewed in isolation.

In conclusion, it was decided that there would be a further revision of this document before it is sent to the Executive Committee along with the present Final Report. The delegations were invited to make any suggestions, including those on the deletion of goals or targets, in writing, and to send them to the Secretariat within two weeks, so that the final document can be prepared for submission to the Executive Committee in June.

Item 6: Proposed Program Budget of the Pan American Health Organization for the Biennium 1992-1993

The Director and his staff presented the proposed program budget for the Organization for the upcoming biennium. The 1992-1993 proposal of \$244,067,000 is made up of PAHO Regular funds of \$152,576,000, an increase of 17.3%, and WHO Regular funds of \$71,491,000, an increase of 9.9%. The proposed increase overall is 14.9% over 1990-1991. This increase is composed of cost increases of 19.7% and program decreases of 4.8%. Of these decreases, only 18% occur in Country Programs, which remained at 37.1% of the total proposal as in the previous biennium. While the overall increase is proposed to be 14.9%, the 22 priority programs increase by 23.6%. Personnel cost increases were kept to a minimum of 15.5% through a reduction of 75 posts, only 7 of which occurred in Country Programs.

The Director explained the context in which the 1992-1993 biennial program budget (BPB) should be considered. The severe economic crisis in Latin America and the Caribbean persists. Thus the greatest challenge for health in the upcoming decade will be finding new forms of development, not only to overcome the crisis, but to attain growth with equity. Such a comprehensive perspective is necessary because development is the means through which countries address the health situation. PAHO's strategic orientations and program priorities for 1991-1994 define the health challenges of the Region and how they can be faced.

Costs for the upcoming biennium are higher than anticipated for several reasons. First, the UN-mandated increases in salaries and fringe benefits, which caused a 23.3% increase in personnel costs for staff under the UN system. Second, inflation in the United States has been higher than usual in this biennium. And finally, the relationship between inflation in Latin America and exchange rates for the U.S. dollar have yielded up to 500% increases in operating costs in dollars in some countries. The overall increase in operating costs for PAHO in the Region due to devaluation of the dollar is 18.7%.

However, one serious limitation on the budget was imposed by WHO in the form of a ceiling on its budgetary allocations to the Regions. The Region of the Americas was limited to a 9.9% increase in funds in the global budget, despite the fact that the overall WHO proposal contemplates a 16.8% increase. The Director argued that the regional ceilings were unfair because the same practice was not applied to WHO headquarters, which allowed itself a 24.27% increase including adjustments for exchange rate fluctuations. Also, this Region's portion of that global budget is decreasing to 9.36% in 1992-1993, from 9.95% in 1990-1991, meaning that PAHO will now have to finance 68.1% of its BPB, instead of 66.7% as in the present biennium. Furthermore, the Region is having difficulties in procuring extrabudgetary funds, as crises in other areas have shifted the interests of international cooperation to other parts of the world.

The Director then explained how the PAHO budget was reduced from the proposals that came from the countries and program coordinations, which would have required an actual increase of 32.8% in PAHO Regular funds. After extensive revisions, taking into consideration the program priorities approved by the Governing Bodies, the Secretariat has arrived at the present proposal. It provides for an increase of 23.6% for the priority programs, including insignificant reductions in a few of them, and an increase of 6.9% for the remaining programs. Also, the country assessments are projected to increase by 14.55% overall, the largest increase being for Canada with an 88% increase pursuant to its new membership in the OAS. The exact quotas will be set by the OAS General Assembly in June. The tentative quota scale actually decreases for a majority of the Member Governments. Where there is an increase, efforts have been made to ensure that the budget increase exceeds assessment increases.



### Discussion

One Subcommittee member expressed concern that too much of the budget may be devoted to administration and management, and not enough to vital programs. In response it was pointed out that administrative costs account for only 11% of the budget in Regular funds, and are less than 9% when extrabudgetary funds are considered. Another delegate congratulated the Secretariat for this, because it means that PAHO's overhead may be the lowest for any international or national organization.

One delegate commented on the possibility of inserting the dollar figures from this budget back into the SOPP document to show the inseparable relationship between the budget and program priorities. He expressed satisfaction that the Women, Health and Development, and Health Promotion programs have been raised to the status of budget line items, but regretted that their allocations are not larger. In addition, he suggested that more emphasis be placed on the Tobacco or Health program in light of the regional situation, because with just a little help from PAHO to reduce smoking, the countries can save many resources in other areas.

Other suggestions made were: to separate PAHO funds from WHO funds in the tables, since PAHO will only approve the appropriation of PAHO funds; that some of the figures given orally by the Secretariat are not reflected in the tables and should be added; and that fiscal frugality is important.

After a general discussion of the budget between the delegates and the Secretariat, the Program Coordinators gave brief presentations on the technical programs by program category. The Director invited the Subcommittee members to suggest changes in the budgetary allocations for the respective programs based on the presentations.

In summarizing the discussion, the Director noted the Subcommittee's concurrence with the proposed level of the budget. The distribution of resources and other general characteristics are the basis for the preparation of the complete document. He reminded the delegates that this is only the first stage of consultation with the Governing Bodies for approval of the 1992-1993 BPB, and that no decision made at this meeting would be binding on the governments. Rather, their considerations and recommendations on this preliminary document will be incorporated into the full BPB to be presented to the Executive Committee. The Director assured the Subcommittee members that the final document will present the budget in the context of the regional situation, and will clearly demonstrate how PAHO's strategic orientations and program priorities guide the activities of the Organization, and consequently its disbursement of funds.

Item 7: Other Matters

The Director reminded the Subcommittee members of the decision discussed at the last meeting to allow a 10.2% wage increase for General Services staff at Headquarters. He informed them that he did not carry out this recommendation: instead an average increase of 12.2% was applied as a result of the revision of the original survey, including the change of two final comparators. The Subcommittee members took note of this and expressed satisfaction with what was done.



PAN AMERICAN HEALTH ORGANIZATION  
EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL  
SUBCOMMITTEE ON PLANNING AND PROGRAMMING

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Sixteenth Meeting  
Washington, D.C., 8-10 April 1991

SPP16/2, Rev. 1  
8 April 1991  
8 abril 1991

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