

directing council



PAN AMERICAN
HEALTH
ORGANIZATION

XIX Meeting

regional committee



WORLD
HEALTH
ORGANIZATION

XXI Meeting

Washington, D.C.
September-October 1969

Provisional Agenda Item 30

CD19/3 (Eng.)
14 August 1969
ORIGINAL: ENGLISH

SPECIAL FUND FOR HEALTH PROMOTION

The Director has the honor to transmit to the Directing Council a document on the Special Fund for Health Promotion (Document CE61/15), attached hereto, which was presented to the Executive Committee at its 61st Meeting. After considering the information contained in Document CE61/15, the Executive Committee approved Resolution XXIV which reads as follows:

"THE EXECUTIVE COMMITTEE,

Having studied the information in Document CE61/15 on the Special Fund for Health Promotion; and

Recognizing the desirability of augmenting the size and scope of the Fund, with the objective of further strengthening the health programs of the Americas,

RESOLVES:

1. To commend the Director for the care and efficiency with which he has managed the Fund.
2. To recommend to the XIX Meeting of the Directing Council that it give consideration to the expansion and augmentation of the Fund along the following lines:
 - a. Expansion of the program of the Fund beyond its present fields, to cover any other authorized health activities of the Organization.

- b. Augmentation of the resources of the Fund in the following ways:
- (1) By increasing the amount of regular budget contribution to the Special Fund for Health Promotion (Part IV) in years when the budgetary situation will permit.
 - (2) By transferring to the Special Fund for Health Promotion, with the approval of the Directing Council, any surplus which may occur and which is not required to maintain the Working Capital Fund at an adequate level.
 - (3) By requesting the Director to seek extra-budgetary sources of funds including voluntary contributions from public and private agencies."

Annex

*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION



*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



61st Meeting
Washington, D. C.
June-July 1969

Provisional Agenda Item 12

CE61/15 (Eng.)
26 May 1969
ORIGINAL: ENGLISH

SPECIAL FUND FOR HEALTH PROMOTION

The purpose of this document is to review the status and function of the Special Fund for Health Promotion and examine its potential for future expansion in size and subject scope, with the objective of further strengthening the health services of the Americas.

The creation of the Special Fund for Health Promotion was authorized by the Directing Council in Resolution XVI approved in October 1961 at its XIII Meeting. The occasion of establishing the Fund was to fulfill the agreement with the W. K. Kellogg Foundation under which the Foundation loaned to the Pan American Health Organization the sum of \$5,000,000 for construction of the Headquarters building, to be repaid in annual amounts of \$250,000, with the stipulation that repayment should be in the form of annual contributions of the specified amount to a Special Fund for Health Promotion to be established by the Organization. This Fund was then to be used by the Organization exclusively to finance certain expanded program activities related to: 1) Community water supplies; 2) Nutrition; and 3) Education and training activities, including fellowships. It was provided that the Organization may, from time to time, revise these expanded activities upon approval by the Directing Council or the Conference, and give notice thereof to the Foundation.

From the beginning flexibility was allowed for increasing both the size and scope of the Special Fund. The Directing Council, in Resolution XVI, paragraph 2, specified that "at least" the amount necessary to repay the loan to the W. K. Kellogg Foundation would be appropriated each year. The implication was clear that the Directing Council might, in future, assign additional resources to this Fund. Also, the terms of the agreement provided that, as social, health, and economic conditions change, the list of programs for which the Fund could be spent might be revised and expanded.

The amounts required under the agreement with the W. K. Kellogg Foundation have been duly paid into the Special Fund for Health Promotion. The following table presents annual payments and expenditures under the Fund, as well as expenditure by subject breakdown.

SPECIAL FUND FOR HEALTH PROMOTION
STATUS REPORT AS OF 31 DECEMBER 1968

<u>Year</u>	<u>Payment into Fund</u>	<u>Expenditure from Fund</u>	<u>Balance</u>
A. <u>INCOME AND EXPENDITURE</u>			
1962	187,500	187,500	-
1963	187,500	187,500	-
1964	250,000	-	250,000
1965	250,000	156,000	344,000
1966	250,000	250,000	344,000
1967	250,000	220,798 ^{a/}	373,202
1968	250,000	400,970	222,232
TOTAL	<u>1,625,000</u>	<u>1,402,768</u>	<u>222,232</u> ^{b/}

^{a/} Adjust \$1,003 excess reserve

^{b/} This balance has been fully obligated for the textbook program in 1969.

B. EXPENDITURE BY PROGRAM

Community Water Supplies	156,199
Nutrition	182,699
Education and Training	1,063,870 ^{a/}
TOTAL	<u>1,402,768</u>

^{a/} Expenditure on the textbook program represents \$234,341 of this amount.

Care and prudence have been exercised in the management of the Fund, and any amounts not required for essential health activities in a particular year have been held as a reserve for future important programs. A good example is the Textbook Program. In May 1967 the Executive Committee, at its 56th Meeting, approved Resolution XIX authorizing the Director to implement the Textbook Program on a gradual basis with resources available within the Organization. This was an essential step to prove the feasibility of this Program while seeking long-term external financing. During 1968 under the Fund, three medical textbooks were purchased and two more are in process. The early response to the first distribution to medical schools indicates that the program is very practicable.

To permit greater flexibility of response to urgent program needs of Governments, it would now appear timely to consider augmenting the size and scope of the Special Fund for Health Promotion, and also to use it as the repository for special purpose grants from Governments and private sources. Examples of the type of programs which may need assistance pending provision in the regular budget are discussed below:

Epidemic outbreaks or a serious rise in the number of cases of poliomyelitis, measles or other communicable diseases in a particular country may indicate urgent need to undertake an immunization campaign. Assistance from the Organization may be required in the form of short-term consultants and vaccine. Since such situations cannot be foreseen in the regular budget, it would be highly desirable to have some reserve capacity to respond to a Government request.

Aedes aegypti eradication budget requirements have proven very difficult to predict in advance. In areas where eradication has been completed, reinfestations occur which require emergency action to prevent growth of a much larger problem. Governments usually respond vigorously to this threat with the resources at their disposal in terms of local manpower as well as supplies and equipment. In addition to technical advice, what they find most difficult is to obtain imported supplies, such as vehicles, sprayers, and insecticides. In view of the priority which has been accorded to this subject by the Governing Bodies of PAHO/WHO, it is important that the Organization should be in a position to respond with consultant services as well as some supplies and equipment. Since such situations cannot be foreseen, additional resources must be sought to meet them.

There are of course, numerous other examples which could readily be cited. Since the program and budget is prepared two years in advance, it may happen that a new health administration in a particular country may wish to enlarge or alter the national health program and request new or additional participation by the Organization.

Bearing in mind the desirability of augmenting the Organization's capacity to meet program needs, the Executive Committee is invited to consider the potential of the Special Fund for Health Promotion, with a view to recommending action to the Directing Council along the following lines:

1. Expansion of the program scope of the Fund to cover any other authorized health activities of the Organization.
2. Augmentation of the resources of the Fund in the following ways:
 - a) By increasing the amount of regular budget contribution to the Special Fund for Health Promotion (Part IV) in years when the budgetary situation will permit.
 - b) By transferring to the Special Fund for Health Promotion, with the approval of the Directing Council, any surplus which may occur and which is not required to maintain the Working Capital Fund at an adequate level.
 - c) By requesting the Director to seek extrabudgetary sources of funds including voluntary contributions from public and private agencies.