

*directing council*

*regional committee*



**PAN AMERICAN  
HEALTH  
ORGANIZATION**

XXXVI Meeting



**WORLD  
HEALTH  
ORGANIZATION**

XLIV Meeting



Washington, D.C.  
September 1992

Provisional Agenda Item 6.2

CD36/25 (Eng.)  
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**FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL  
AUDITOR FOR 1990-1991**

The Director has the honor to present the Financial Report of the Director and the Report of the External Auditor for 1990-1991 Official Document 248, distributed separately). The Report contains the details of the financial transactions of the Pan American Health Organization for the period 1 January 1990 to 31 December 1991 and statements depicting the financial position of the Organization as of 31 December 1991. It also includes financial statements for the Caribbean Epidemiology Center (CAREC), the Caribbean Food and Nutrition Institute (CFNI), and the Institute of Nutrition of Central America and Panama (INCAP).

The Executive Committee at its 109th Meeting considered various aspects of the Organizations' financial activities during 1990-1991 and adopted Resolution II, which is reproduced in Annex I. In Annex II, information is provided in support of the Executive Committee's recommendation to allocate US\$545,161 in surplus funds to three priority programs: Cholera, Workers' Health, and Health Promotion.

Annexes

**RESOLUTION II**

**FINANCIAL REPORT OF THE DIRECTOR AND REPORT  
OF THE EXTERNAL AUDITOR FOR 1990-1991**

**THE 109th MEETING OF THE EXECUTIVE COMMITTEE,**

Having examined the Financial Report of the Director for 1990-1991 as contained in Official Document 248 and taking note of the report presented by the External Auditor on the accounts of the Organization for this financial period; and

Noting the \$3,341,780 transfer from Part I of the appropriation exceeded the Director's ten per cent transfer authority by \$1,608,510 due to transfers from the Regional Director's Development Program of \$2,230,745 to specific programs in Parts II and III,

**RESOLVES:**

1. To transmit the Financial Report of the Director and the Report of the External Auditor for 1990-1991 (Official Document 248) to the XXXVI Meeting of the Directing Council.
2. To thank the External Auditor for presenting a clear and comprehensive report for the biennium 1990-1991.
3. To approve the transfer of \$1,608,510 from Part I of the appropriated budget for 1990-1991 to other parts of the budget, as required by Financial Regulation 4.5.
4. To note that the financial condition of the Caribbean Epidemiology Center (CAREC) and the Caribbean Food and Nutrition Institute (CFNI) reflect a decline in their finances and to encourage the governments that are members of these institutions to continue efforts to pay their outstanding quota contributions as early as possible.
5. To note that the financial condition of the Institute of Nutrition of Central America and Panama (INCAP) has continued to improve and to encourage its Administration to continue its efforts to improve the managerial effectiveness of the Center.
6. To recommend to the Directing Council that it approve the use of the surplus of \$545,161 to provide more resources to the following high-priority programs that are currently underfunded: cholera, workers' health, and health promotion, and to request the Director to report this proposal to the XXXVI Meeting of the Directing Council.

7. To congratulate the Director on his successful efforts to maintain a sound and balanced financial position for the Organization.

*(Adopted at the sixth plenary session,  
24 June 1992)*

**UTILIZATION OF SURPLUS FUNDS OF THE  
1990-1991 BIENNIUM**

The 109th Meeting of the Executive Committee of PAHO decided, among other things, to recommend to the Directing Council that it approve the use of a surplus of \$545,161 to provide more resources to three high priority programs: Cholera, Workers' Health and Health Promotion.

The following is a presentation of the intended distribution and use of these funds.

- 1) **CHOLERA** . . . . . \$150,000

The appearance of the cholera epidemic in Peru in 1991, with its subsequent spread to eighteen countries in the Region, is a public health disaster that has impacted the entire hemisphere. Although the future course of the epidemic is uncertain, it can be predicted from areas of the world already affected in the current pandemic. Firstly, it is likely that the epidemic will continue to spread to new areas in the Caribbean and to those countries of South America not yet infected. Secondly, unlike cholera pandemics in the past which have retreated after a few years, the current pandemic has persisted for 30 years in Asia, 20 years in Africa, and shows no signs of relenting. Finally, in areas where cholera has become endemic, increasingly it affects children less than five years of age, representing approximately 10% of the hospitalizations for diarrhea.

In order to maintain, and improve PAHO's response, to the increasing demand for technical cooperation, additional funding is required. PAHO's Cholera Task Force indicates that the critical areas that would benefit most from additional funds are: proper management of cholera cases; surveillance and outbreak investigation; water disinfection of municipal systems, smaller communities and households; food protection; laboratory capacity for analysis and monitoring of water, waste and foods; dissemination of technical information; and social communications. Using the funds in the manner described, the Organization will continue its efforts to assist and prepare all Member Countries to deal with the threat of cholera and to mobilize the necessary resources to effectively fight this epidemic.

- 2) **WORKERS' HEALTH** . . . . . \$150,000

Resolution XIV of the XXIII Pan American Sanitary Conference (1990) requests the Director, in developing the program budget proposals for the 1991-1994 quadrennium, to give priority to workers' health. Resolution XII of the 109th Meeting of the Executive Committee (1992) requests the Directing Council to support the

**Declaration on Workers' Health and the Plan of Action for the Initiative "1992: Year of Workers' Health."** The Plan of Action envisages a comprehensive set of minimum activities which are required to foster workers' health. These activities, particularly in their preventive aspects, would contribute to the health goals of the Member Countries and of the Organization by making the workplace a focal point for preventive health actions.

New strategies for action should be implemented focusing on those workers with low service coverage. Development and implementation of these strategies require the allocation of financial resources to provide the technical cooperation sought for development of national plans and activities.

A portion of the funds will be used for carrying out the Plan of Action of the Initiative, aiming toward the approval of a national plan for the development of workers' health in all Member Countries, as well as its early implementation in some of them. This approach requires an increased number of advisory missions and greater activity on the part of PAHO's Secretariat vis-à-vis the national committees on workers' health. Funds will also be used to organize workshops to increase technical capabilities at the national level, prepare informational materials and mobilize resources.

The remainder of the funds will be used to develop projects in line with the priorities adopted by the Governing Bodies in terms of workers' health. Particular attention will be given to presenting these projects to international cooperation agencies, especially those projects dealing with agricultural workers, small enterprises, the "informal" sector, working women, working children and other working groups with low health coverage.

**3) HEALTH PROMOTION . . . . . \$245,161**

Implementing strategies aimed at modifying lifestyles and related circumstances is the focus for the efforts of PAHO's Health Promotion program. Its purpose is to increase people's awareness and participation to prevent major health problems and to increase the quality of their lives, utilizing the mechanisms and approaches of social marketing and health education. At the level of policy formulation, a special effort is being made to promote those policies aimed at: a) addiction prevention (particularly tobacco, alcohol and illegal drugs), and b) fostering the adoption of healthy behaviors.

Workshops on the use of social marketing techniques will be supported to train participants from Ministries of Health, nongovernmental organizations, and from schools of social communication working in the health field. Educational modules and materials for health promotion campaigns will also be developed.

Special support will be aimed at projects involving the implementation of health promotion strategies at the local level. This will include activities fostering the development of healthy communities (e.g., lifestyles, environment, the well-being of special groups) using multiprogrammatic and intersectoral approaches.

Support will also be given to the formulation of national health promotion and risk reduction policies through: a) workshops aimed at influencing the allocation of the health budget toward health promotion and disease prevention, and b) workshops to define national goals and objectives for health promotion and disease prevention.