

directing council



**PAN AMERICAN
HEALTH
ORGANIZATION**

XXXVIII Meeting

regional committee



**WORLD
HEALTH
ORGANIZATION**

XLVII Meeting

**Washington, D.C.
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Provisional Agenda Item 3.1

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ANNUAL REPORT OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

Presented below, in compliance with the provisions of Article 9.C of the Constitution of the Pan American Health Organization, which establishes that the Directing Council shall review the annual report of the Chairman of the Executive Committee, is the report on the activities carried out by the Executive Committee and its various subcommittees between September 1994 and September 1995 and a series of proposals for consideration by the Directing Council at its XXXVIII Meeting in September 1995. During the period covered by this report, the 115th and 116th Meetings of the Executive Committee, the 23rd and 24th Meetings of the Subcommittee on Planning and Programming, and the 15th Meeting of the Subcommittee on Women, Health, and Development were held. The Standing Subcommittee on Inter-American Nongovernmental Organizations in Official Relations with PAHO also met.

115th MEETING OF THE EXECUTIVE COMMITTEE

The single plenary session of the 115th Meeting of the Executive Committee took place on 30 September 1994 at PAHO Headquarters in Washington, D.C. The session was attended by representatives of the following members of the Executive Committee: Argentina, Belize, Bolivia, Canada, Mexico, Saint Kitts and Nevis, the United States of America, and Uruguay.

Dr. Argentino Luis Pico (Argentina) was re-elected to serve as Chairman of the Committee for the period September 1994–September 1995. Mr. Edward Aiston (Canada) and the Honorable Ruben Campos (Belize) were re-elected Vice Chairman and Rapporteur, respectively. Dr. Carlyle Guerra de Macedo, Director of PAHO, served as Secretary ex officio of the Committee.

Bolivia, Saint Kitts and Nevis, and the United States of America were elected to replace Honduras, Peru, and Saint Vincent and the Grenadines on the Special Subcommittee on Women, Health, and Development.

The Committee undertook a thorough analysis of the process and content of the recently concluded XXIV Pan American Sanitary Conference and reviewed some of the resolutions adopted by the Conference. The discussion of these items is reflected in the record of the Meeting.

The Committee then discussed the items to be included on the agendas of the 23rd and 24th Meetings of the Subcommittee on Planning and Programming (SPP) and the 116th Meeting of the Executive Committee, and set the dates for those Meetings and for the 15th Meeting of the Special Subcommittee on Women, Health, and Development. Finally, the Committee considered Items 5.1, 5.2, and 7 on its Agenda. The discussion of those items is summarized briefly below. Further details may be found in the *Proceedings* of the 115th Meeting.

Item 5.1: New PAHO Headquarters Building

Mr. Thomas Tracy, Chief of Administration, reported that a lawsuit brought by a group of neighborhood associations and individuals to prevent PAHO from relocating in Montgomery County, Maryland, was being considered by the Fourth Circuit Federal Court in Richmond, Virginia, and told the Committee that a decision was expected within a month or two. The Committee adopted no resolution on this item.

Item 5.2: PAHO Field Office Buildings

Mr. Tracy informed the Committee of the status of construction projects in Barbados and Mexico. The Committee adopted no resolution on this item.

Item 7: Other Matters

Dr. Macedo reported to the Committee on several matters that had financial and budget implications for the Organization, namely:

- A judgment by the Administrative Tribunal of the International Labor Organization in relation to the closure of the Pan American Zoonoses Center (CEPANZO), which had ruled that the Organization had not followed proper procedures in closing the Center and had therefore ordered it to reinstate the CEPANZO staff and pay back salaries and benefits, plus costs and interest.

- An unexpected rise in costs as a result of currency fluctuations, inflation, and the implementation of a macroeconomic stabilization plan in Brazil, resulting in a significant impact on the Organization's regular budget.
- Two pending cases involving staff salaries at Headquarters and at the Pan American Foot-and-Mouth Disease Center, which might also have financial implications for the Organization.

The total potential cost of the situations described above had been estimated at between US\$ 6 million and \$8 million. The Director said that he had decided to set up a contingency plan to enable PAHO to meet these costs without asking the Governments to increase their contributions. He emphasized that the Organization's overall financial health would not be compromised by these unexpected expenditures, although it would have to adopt cost containment measures and its freedom to expand and execute programs would be constrained.

The Committee expressed its support for the Director's contingency plan and pointed out that one positive outcome of the situation might be that the Organization would gain a clearer idea of which activities were really essential and which were of lower priority. The Director assured the Committee that he intended to apply criteria of priority in deciding which expenditures to reduce and expressed his confidence that the contingency plan would succeed.

The Committee did not consider it necessary to adopt a resolution on this item.

116th MEETING OF THE EXECUTIVE COMMITTEE

The 116th Meeting of the Executive Committee was held at the Headquarters of the Organization in Washington, D.C., 26-29 June 1995. The Meeting was attended by representatives of the nine members of the Committee: Argentina, Belize, Bolivia, Canada, El Salvador, Mexico, Saint Kitts and Nevis, the United States of America, and Uruguay. Also present were observers for Brazil, Chile, Cuba, France, Jamaica, Spain, and Venezuela, as well as representatives of six intergovernmental organizations and two nongovernmental organizations.

The Officers of the Meeting were those elected at the 115th Meeting, as follows: Dr. Argentino Luis Pico (Argentina), Chairman; Mr. Edward Aiston (Canada), Vice Chairman; and Hon. Ruben Campos (Belize) Rapporteur. Dr. George A. O. Alleyne, Director of PAHO, served as Secretary ex officio.

The Executive Committee held seven plenary sessions. The presentations made by the Secretariat and the discussions and decisions of the Committee are summarized below. Further details may be found in the *Proceedings* of the 116th Meeting.

Item 2.1: Adoption of the Agenda

In accordance with Rule 5 of the Committee's Rules of Procedure, the members adopted the provisional agenda prepared by the Secretariat for the 116th Meeting.

Item 2.2: Representation of the Executive Committee at the XXXVIII Meeting of the Directing Council, XLVII Meeting of the Regional Committee of WHO for the Americas

Pursuant to Rule 14 of the Rules of Procedure, the Committee designated the Chairman, Dr. Argentino Luis Pico (Argentina), and the Rapporteur, the Honorable Ruben Campos, to represent the Executive Committee at the XXXVIII Meeting of the Directing Council, XLVII Meeting of the Regional Committee of WHO for the Americas. Dr. Joaquín Monasterio (Bolivia) and Dr. Federico Chávez Peón (Mexico) were chosen to serve as alternate representatives.

Item 2.3: Provisional Agenda of the XXXVIII Meeting of the Directing Council, XLVII Meeting of the Regional Committee of WHO for the Americas

The Committee adopted, with the addition of one sub-item on new, emerging, and re-emerging diseases, the provisional agenda submitted by the Director for the XXXVIII Meeting of the Directing Council, XLVII Meeting of the Regional Committee of WHO for the Americas.

Item 3.1: Report of the Subcommittee on Planning and Programming

The reports on the 23rd and 24th Meetings of the Subcommittee were presented by Dr. Joaquín Monasterio (Chairman, Subcommittee on Planning and Programming) and the Honorable Ruben Campos (Vice Chairman, Subcommittee on Planning and Programming), respectively. At those two Meetings the Subcommittee discussed several items which were subsequently considered by the Executive Committee, namely: Proposed Program Budget of the Pan American Health Organization for the Biennium 1996-1997; the American Region Planning, Programming, Monitoring, and Evaluation System (AMPES); Population and Reproductive Health; Emergency Preparedness and Disaster Relief; Agenda for the Pan American Conference on Health and the Environment in Sustainable Development; Implications of the Summit of the Americas for the Pan American Health Organization; and PAHO's Financial Management System (FAMIS). The presentations and discussion on these items are reflected in the final

reports of the Subcommittee's 23rd and 24th Meetings (Documents SPP22/FR and SPP23/FR). The Subcommittee also considered the following items, which were not taken up by the Executive Committee.

Analysis of the PAHO Health Policies Program (HDD) and Consideration of the Plan for the Implementation of the Joint PAHO/ECLAC Proposal on Health and Changing Production Patterns with Social Equity. The Subcommittee noted that the plan of action for implementing the proposal should not focus exclusively on health sector reform but should place greater emphasis on activities relating to the development of investment in health programs, the design of a basic package of health services, and health promotion. It was underscored that issues such as health sector reform and health legislation had to be approached within the specific context of each country. It was also emphasized that implementation of the PAHO/ECLAC proposal should be coordinated with other bilateral and multilateral cooperation agencies, as well as among the divisions within the Organization, given the initiative's broad, multi-program scope.

Decentralization and Local Health Systems. Pursuant to Resolution CD33.R15, adopted by the Directing Council in 1988, the Subcommittee heard the second progress report on the development of local health systems in the countries. In the ensuing discussion, the Subcommittee emphasized the need to reaffirm the leadership, coordination, monitoring, and regulatory functions of the ministries of health in a decentralized health care system. It was stressed that health planning at the local level should be participatory so that the health activities planned truly reflected the priorities and needs identified by people at that level.

Strategic and Programmatic Orientations (SPOs) for the Pan American Health Organization, 1995-1998. The Secretariat presented several revisions to the document, in response to recommendations of the 113th Meeting the Executive Committee and the XXIV Pan American Sanitary Conference. The Subcommittee expressed its satisfaction with the modifications to the document, which had been considerably improved since its first presentation to the Subcommittee in April 1993. The revised version was considered a good basis for the future.

Training of Researchers in Public Health. The Subcommittee underscored the crucial importance of developing human resources capable of undertaking public health research, given its significance for health service planning and development. It also noted the advantages of forging ties between those who train investigators and professionals working in the field of public health in order to foster a practical, "real world" approach.

Analysis of the PAHO Mental Health Program. The Subcommittee emphasized that mental health should be part of all national health plans and that mental health activities should stress prevention and education. The association between poor mental

health and social problems such as poverty and violence was highlighted, as was the need for attention to the mental health problems of children. The importance of respect for the human rights of mental health patients was underscored.

Analysis of the PAHO/WHO Technical Cooperation Program in Paraguay. The Subcommittee expressed satisfaction with the main orientations and achievements of the Organization's technical cooperation program in Paraguay, which were described by the country's Minister of Health and the PAHO/WHO Representative. The participants considered two of the most important effects of PAHO technical cooperation in Paraguay to be the inclusion of specific health provisions in the country's new Constitution and the creation of a National Health Council to support the implementation of the national health system. It was pointed out that much of the success of the program could be attributed to the fact that the Government and PAHO/WHO had identified clear priorities and objectives for technical cooperation.

Discussion and Action by the Executive Committee

The Committee's discussion of the report of the Subcommittee on Planning and Programming centered mainly on the issue of health reform and the role that PAHO would play in the countries' efforts. The delegates felt that the Organization's principal role should be to provide technical support and advice. The need to respect the decisions and traditions of the individual countries was underscored, and the importance of human resource development in the health reform process was also noted.

The Committee did not consider it necessary to adopt any resolution on this item.

Item 3.2: Report of the Special Subcommittee on Women, Health, and Development

Dr. Pamela Hartigan, Regional Program on Women, Health, and Development, presented the report of the 15th Meeting of the Special Subcommittee, held at PAHO Headquarters 3-5 April 1994. The Subcommittee's agenda included the following items.

Report on the Activities of the PAHO Program on Women, Health, and Development in 1994 and Proposed Activities for 1995. The Secretariat informed the Subcommittee of several changes that had taken place in the Regional Program during 1994, notably, its evolution from a special program under the Office of the Assistant Director to a regular program of technical cooperation within the Division of Health and Human Development. That change reflected the broadening of the Program's focus from a strict concentration on women's health to a concern for the impact that gender roles and needs have on health and human development. The Program's magnitude and activities also increased and its staff grew. The Secretariat indicated that in 1995 the

Program would, inter alia, promote scientific research in the Region on how the interaction between biological and gender factors influence health; continue to strengthen its collaboration with organizations of the United Nations system, other multilateral and bilateral agencies, and NGOs; and carry out specific projects focusing on violence against women and quality of care from a gender perspective. The Subcommittee expressed satisfaction with the Program's growth and development during 1994 and commended it for its success in drawing attention to women's health problems and their relationship to issues of gender and women's roles in society.

Report on Preparatory Activities for the World Conference on Women. The Secretariat updated the Subcommittee on the activities it had undertaken at the national, regional, and global levels in preparation for the Fourth World Conference on Women, to be held in Beijing, China, in September 1995, especially in terms of advocating the inclusion of women's health issues on the agenda and emphasizing the need to move beyond the concentration on women's reproductive roles and consider the impact of women's productive roles on their health. In the Subcommittee's discussion of this item, it was noted that one of the major advances in the area of human rights had been the emergence and recognition of the principles of reproductive health and reproductive rights, which had been affirmed in the document approved at the World Conference on Population and Development in Cairo in September 1994. It was emphasized that those principles must be upheld at the Beijing conference.

Report on the Health Situation of Women in Latin America and the Caribbean. As a major contribution to the Program's regional platform for action, the Secretariat produced an updated report on the situation of women in Latin America and the Caribbean, a summary of which was presented to the Subcommittee. The report not only described the health situation of women but also explored ways in which the social construct of gender leads to important differences between the sexes in health conditions. It also noted that one of the major impediments to data collection is lack of information disaggregated by sex, and it made several recommendations for increasing the volume of disaggregated information and developing appropriate indicators and methodologies for making the best use of the information.

Incorporation of a Gender Perspective in the Organization's Work with Indigenous Peoples. The Secretariat's report on this item described the Program's efforts to promote the incorporation of a gender perspective into PAHO programs and projects aimed at improving the health of indigenous peoples. It was pointed out that the perception of gender relations in indigenous cultures is different from the Western perception and may also differ substantially among indigenous cultures. The Subcommittee emphasized the need to include indigenous women as active participants in the development, implementation, and evaluation of programs and projects emanating from the Initiative on the Health of the Indigenous Peoples of the Americas currently underway at PAHO.

Training for PAHO Staff in Gender and Health. The Secretariat reported on the Program's efforts to design and conduct training seminars to provide PAHO staff with a conceptual framework and methodological tools for determining how the interaction between biological and social factors leads to the relative advantage or disadvantage of each sex in terms of access to and control of resources needed to protect health. The Subcommittee expressed strong support for PAHO's efforts to ensure that all staff at Headquarters and in the PAHO/WHO Representative Offices receive gender and health training, which it viewed as necessary for ensuring gender-sensitive policies, programs, and projects.

The Subcommittee made a number of recommendations on the items discussed. In particular, it recommended that the Executive Committee consider whether the word "gender" should be included in the title of the Women, Health, and Development Program in order to better reflect the nature of the technical cooperation provided by the Program. It also recommended that the Member States ensure that representatives from the health sector are included in the delegations they send to the Beijing conference and that the Governments foster the selection and promotion of women to decision-making positions within ministries of health. Among the Subcommittee's recommendations to the Secretariat were that it make every effort to ensure that the principles contained in the document approved at the Cairo conference are upheld; that it request ministries of health to demonstrate their support for women's health not merely in words but by allocating sufficient financial resources to their offices of women's health; and that it continue to promote the disaggregation of health data by sex.

Greater detail on the Subcommittee's Meeting and the full text of its recommendations may be found in Document MSD15/FR.

Discussion and Action by the Executive Committee

Members of the Executive Committee endorsed the importance of the gender concept, recommending that the Program should certainly continue its efforts to raise awareness of how gender factors affect women's health; however, it was not desirable to incorporate the word "gender" in the title of the Program. In regard to the Beijing conference, various delegates emphasized the need to cement the gains made at the Cairo conference and not reopen issues on which broad-based consensus had been reached. Support was expressed for the Subcommittee's recommendations on recruitment and promotion of women to policy- and decision-making posts, and the Secretariat was commended for its efforts to upgrade the status of women in the Organization. In addition, the importance of disaggregating health data by sex was underscored.

Dr. Hartigan said that the proposal to include the word "gender" in the title of the Program had been made because it had been felt that it would more clearly convey the

nature of the Program's work. However, given the intense controversy that has arisen over the term "gender" at the international level, the proposal should perhaps be reconsidered.

The Director said that, although the issue of gender and its relationship to health was extremely important, the program would retain its current title for several reasons. A programmatic reason was to maintain consistency with the WHO Classified List of Programs. A technical reason was to avoid giving the impression that all problems in the area of women, health, and development had been solved except those deriving from discriminatory practices against women that arise from the social construct of gender. A third, essentially political, reason was that he did not believe the Organization should become embroiled in the controversy over the term "gender" taking place in many of the countries. In regard to the recruitment of more women to fill senior positions in the Organization, the Director said the Secretariat would continue to look for appropriate ways of publicizing vacancies. Finally, he told the Committee he would be writing to the ministers of health to request that national delegations to the Beijing conference include someone who could speak with authority on women's health issues, since there was to be a specific agenda item on women's health.

The Executive Committee did not consider it necessary to adopt a resolution on this item. Dr. Hartigan's report and the representatives' comments are reflected in greater detail in the records of the Meeting.

Item 3.3: Report of the Award Committee of the PAHO Award for Administration, 1995

The Award Committee of the PAHO Award for Administration, 1995, consisting of the representatives of Belize, Canada, and Uruguay, recommended that the Executive Committee confer the Award for 1995 on Dr. Hipólito Vergara Muñoz, of Chile, for his pioneering work in the field of community medicine and primary health care, particularly in rural areas. The Award Committee also recommended that the Secretariat seek new mechanisms for encouraging the Governments to present more candidates for the award, especially women who had distinguished themselves in the field of health program administration.

Discussion and Action by the Executive Committee

The Committee took note of the decision to grant the award to Dr. Vergara Muñoz and adopted Resolution CE116.R4, transmitting the Award Committee's report to the Directing Council.

Item 4.1: Proposed Program Budget of the Pan American Health Organization for the Biennium 1996-1997

The Director began the presentation on this item with an explanation of the format of the budget proposal. He emphasized the following points:

- the program budget was crafted to respond to the mandate the Governments had given the Organization when they approved the Strategic and Programmatic Orientations (SPOs) for 1995-1998;
- the format and content of the program budget document reflected the Secretariat's commitment to indicating clearly the objectives to be achieved by the various programs and also specifying the indicators for measuring the achievement of those expected results;
- the format was intended to facilitate subsequent evaluation of performance and promote programmatic transparency, which he considered as important as fiscal transparency.

Dr. Alleyne invited the Committee members to comment on whether they thought the format was appropriate.

Mr. James Milam, Department of Budget, informed the Committee of the following:

- the figures contained in *Official Document 267* were largely incorrect owing to changes that had taken place in the WHO portion of the budget after the document had been published;
- the World Health Assembly, in May 1995, approved an increase of only 2.5%, or \$20,553,000, with respect to the 1994-1995 budget. That amount was to be distributed among the regions and WHO headquarters, but PAHO was informed that the Region of the Americas would receive no increase over the amount received for 1994-1995. Consequently, the WHO regular funds shown in the budget proposal would have to be reduced by \$7,222,000;
- in response to comments from the Subcommittee on Planning and Programming (SPP) on the PAHO regular portion of the budget, the proposed increase was reduced from 6.8% to 5.9%, the lowest increase ever requested in some 30 years. Thus, the combined increase in PAHO and WHO regular funds, given that the latter would not increase, would be 4.0% for the biennium, or 2.0% annually;

- the 1996-1997 budget proposal called for a program reduction of over \$2.0 million, not including the additional reduction of \$7,222,000 which would have to be made as a result of the decision not to increase the Region's share of WHO funds.

Discussion and Action by the Executive Committee

The Committee expressed concern regarding the decision by the Director-General of WHO not to increase the Region's share of the WHO budget and urged the Secretariat to keep negotiations open with WHO on the issue of how much money was available for the 1996-1997 budget. The Representatives of Canada and the United States of America noted that their governments were engaged in vigorous spending reduction efforts at the national level, which meant that the amounts available for paying assessments to international organizations would inevitably decline. Canada therefore called for zero nominal growth in the budget. The United States Delegation thought that the budget should not increase by 5.9%, as proposed, but should be reduced, possibly by as much as 10%. The representatives of both countries emphasized that PAHO would not be the only international organization affected by their Governments' decisions and expressed their appreciation for the Secretariat's obvious efforts to keep administrative costs low and to reduce the budget in response to the comments of the SPP. They also urged PAHO to reexamine its priorities and focus the available resources on the activities the Organization was best able to carry out. The Representative of El Salvador noted that although her country, like most in the Region, was undergoing economic reform, the Government had made a conscious decision not to reduce spending on health, which was considered a top priority. She said El Salvador accepted the budget proposal and was willing to make the necessary effort to pay a higher quota contribution to PAHO, although she recognized that her country was not subject to the same pressures as countries that were major contributors to the Organization because its assessment was relatively small.

The Representatives of Argentina, Mexico, and Uruguay also said that their governments were prepared to accept the budget proposal; however, in view of the reductions necessitated by the Director-General's decision and the economic difficulties facing many of the countries of the Region, they agreed that the Committee should authorize the Secretariat to seek a workable solution and present a revised budget proposal to the Directing Council. All the representatives recommended that the Secretariat seek to make the necessary reductions in areas that were considered lower priorities, rather than making across-the-board cuts.

Several representatives commented favorably on the distribution of expenditure in the 1996-1997 budget proposal. The Observer for Cuba noted that 80% of the budget was allocated to direct support for the countries and 20% to the Governing Bodies and

administrative and other costs, whereas in the WHO budget the proportions were almost totally reversed. In regard to the format of the budget, the consensus among the representatives was that, although the budget document was long, it provided the information and detail necessary to allow the Member Governments to understand how much the Organization was spending on the various programs.

Mr. Milam assured the Committee that the Secretariat had taken into consideration the financial situation of its members. He noted that Organization's budgets had been reduced repeatedly over the previous 10 years, and he pointed out that in constant dollars the proposed 1996-1997 budget was well below the 1986-1987 budget. With zero growth, the real reduction would be \$17 million. With the 10% cut suggested by the United States, the overall reduction would be \$33 million. He urged the delegates to consider PAHO's record in keeping its budgets low and to realize that Governments do have choices in how they make spending cuts. Dr. Alleyne said that, while he did not wish to take an adversarial position, he felt he would be irresponsible as Director if he did not make every attempt to maintain the budget of the Organization at appropriate levels. Accordingly, he would use all possible arguments to persuade the Governments that PAHO, given the nature and importance of its work, deserved their full support, even in times of economic austerity. He assured the delegates that he would make every attempt to respond to their requests for further reductions in the budget, but he stressed that it would be extremely difficult to shrink the Organization without reducing the level of technical cooperation it could offer the Member States. Nevertheless, the Secretariat would do its best to carry out whatever decision was ultimately made by the Directing Council.

In view of the need for further revision of the budget, the Committee decided not to recommend a specific budget figure for approval by the Directing Council. It also decided to delay discussion of the proposed program until the Secretariat had had the opportunity to make the needed changes in the budget. The Committee adopted Resolution CE116.R2, which thanks the Director for the Secretariat's efforts to prepare a clear and comprehensive program budget that reflects the technical cooperation needs in the Region, urges the Member Governments to give due priority to health in the allocation of their financial resources, and requests the Director to continue to refine the program budget proposal, taking into account the recommendations and suggestions of the Executive Committee.

Recommendation to the Directing Council

The Directing Council is requested to take note of the comments and concerns of the Executive Committee and to review and approve the revised program budget proposal submitted by the Director.

Item 4.2: Report of the Standing Subcommittee on Inter-American Nongovernmental Organizations in Official Relations with PAHO

Mr. Ruben Campos (Belize) presented the report of the Standing Subcommittee, composed of the Representatives of Argentina, Belize, and Bolivia. The report noted the following:

- Resolution CE113.R18 of the 113th Meeting of the Executive Committee recommended that the criteria regarding the establishment and maintenance of official relations between PAHO and inter-American NGOs be updated and requested that the Director prepare a proposal to be considered by the Committee at its 116th Meeting;
- the Standing Subcommittee reviewed the Director's proposal (presented in Document CE116/9, Add. 1) and decided to endorse it;
- Resolution CE113.R18 also requested three NGOs in official relations with PAHO to submit information to enable the Standing Subcommittee to recommend whether to continue or suspend relations. Only two of those NGOs responded. Accordingly, the Subcommittee recommended that PAHO continue official relations with the Latin American and Caribbean Association of Public Health Education (ALAESPE) and the Latin American Federation of the Pharmaceutical Industry (FIFARMA), but that it suspend relations with the Latin American Association of Pharmaceutical Industries (ALIFAR), which did not submit the requested information;
- the Subcommittee also reviewed documentation from the Inter-American Association of Sanitary and Environmental Engineering (AIDIS), which had requested admission into official relations with the Organization. The Subcommittee decided to recommend that PAHO establish official relations with AIDIS.

The Director added several observations, including the following:

- the Organization's first responsibility is to its Member Governments. Unlike some agencies, PAHO will never deal with nongovernmental organizations as an alternative to dealing with governments; rather, the Organization's policy is to stimulate communication, collaboration, and interaction between governments and nongovernmental organizations;
- it is essential to ensure that the NGOs with which PAHO establishes official relations are organizations of permanence and substance which are willing to

work collaboratively with the governments, not against them. For that reason, the proposed criteria for governing relations between PAHO and NGOs were deliberately made rather stringent.

Discussion and Action by the Executive Committee

The Committee agreed that care should be taken in establishing relations between NGOs and the Organization and that such relations should be established only with sound and stable organizations that had demonstrated capacity to provide cooperation and that represented regional interests, rather than the interests of only one or two countries. The need to look carefully at how much NGOs actually spent on activities to benefit the populations of the countries and how much they devoted to administrative expenses was emphasized. It was pointed out that NGOs could make a valuable contribution to health programs in the countries and that, given the Organization's current budgetary situation, in some circumstances NGOs might be better equipped to meet the countries' needs than PAHO. It was also noted that if governments and intergovernmental organizations were to take advantage of all potential resources, they must work together and they must work with NGOs.

The Committee adopted Resolution CE116.R6, which ratifies the recommendations of the Standing Subcommittee outlined above and recommends that the Directing Council approve the revised procedures governing relations between PAHO and national and inter-American NGOs.

Recommendation to the Directing Council

The Directing Council is requested to review and adopt the principles governing relations between the Pan American Health Organization and national and inter-American nongovernmental organizations, presented in Document CD38/10.

Item 4.3: Progress Report on the Organization of the Pan American Conference on Health and the Environment in Sustainable Human Development

Mr. Carlos Cúneo, Program on Environmental Quality, presented an update on the status of preparatory activities for the Conference, to be held 1-3 October, immediately following the XXXVIII Meeting of the Directing Council. He informed the Committee of the following developments:

- Dr. David Tejada de Rivero has been given primary responsibility for the Executive Secretariat of the Conference. Dr. Tejada's extensive experience includes 11 years as an Assistant Director-General of WHO, during which time he organized the Alma-Ata conference;

- a number of countries have drawn up documents and plans at the national level to serve as the basis for the Regional Plan of Action;
- PAHO has been negotiating with various cosponsors for the Conference. Both the Inter-American Development Bank and the World Bank made contributions toward operating expenses during the organizational phase and agreed to provide additional support for the Conference itself;
- PAHO has also been working closely with the OAS on the Conference. It invited the United Nations Development Program and the United Nations Environment Program to join the Organizing Commission and to participate as cosponsors, and it has encouraged other international and regional agencies and nongovernmental organizations to participate in the preparation of the Conference;
- the Secretariat planned to distribute the Plan of Action and the Pan American Charter on Health and Environment in Sustainable Human Development, the two major documents to come out of the event, to the countries for their approval prior to the Conference. During the Conference itself, discussion will center not on these documents or on conceptual or theoretical aspects of the relationship between the environment and human health and development, but rather on practical, action-oriented issues, such as how to incorporate the Plan of Action into the countries' plans for sustainable development and how to achieve broad participation by society in that process;
- the program for the Conference will include a series of panel discussions designed to promote maximum participation by the 55 ministers of health, environment, finance, and planning who are expected to attend.

Discussion and Action by the Executive Committee

The Committee felt that the Conference would help to highlight the interrelatedness of health and the environment and the way in which both are affected by development. Several delegates pointed out that indigenous populations are often most affected by development projects that alter the environment, and they suggested that representatives of these populations should be invited to attend the Conference. The importance of exchanging information, monitoring, and collecting data was underscored, as was the need for interdisciplinary approaches to the issue of sustainable human development.

Questions were asked regarding the budget for the Conference and its cost to the Organization. Several delegates also asked how the Secretariat intended to coordinate the process of obtaining comments and suggestions from the countries on the Plan of

Action in order to produce a final version that reflected a true consensus. In regard to the Pan American Charter, various delegates said they thought it should be shorter—preferably one page, which could be reproduced in poster form and widely disseminated—and that it should be adopted by consensus, rather than being submitted to all the countries for signature.

Mr. Cúneo said that the Pan American Charter had already been substantially reduced in length, but that an attempt would be made to shorten it even further. In regard to the consultation process, he said that during the early part of July the first priority for the Executive Secretariat and the Organizing Commission would be to devise a strategy for achieving maximum input and participation by the countries so as to arrive at the Conference with documents that represented a consensus. He agreed that inviting representatives of indigenous groups was a good idea, and he pointed out that, although the Conference would be mainly a meeting of governments, the organizers had made every attempt to allow for broad participation by representatives of society at large, as was evidenced by the fact that a number of nongovernmental organizations would be invited to participate.

The Director said he was gratified by the delegates' comments, which reflected the importance of an anthropocentric approach to environmental issues. He felt such an approach was essential, which was why he had insisted that the original proposed title of the Conference be changed to include the word "human." He stressed that, though the Conference would be important, the process that went on in the countries before and after it was held was even more important. The Conference was intended to galvanize awareness of the relationship between the environment and human health. In regard to the documents, he suggested that, after comments had been received from the countries, a small group representing the Member States meet with representatives of the Secretariat to discuss the comments and arrive at a common position. He acknowledged the difficulty of having the Pan American Charter signed by 38 countries and said he would consider the suggestion that it be adopted by consensus. He also agreed that the shorter the Charter was, the more impact it would have, and said the Secretariat would look into the possibility of reducing the document's length. As for the budget, he said the projected cost of the Conference had been reduced from approximately \$600,000 to around \$300,000, and thanks to negotiations with the cosponsors it had been possible to reduce the cost even further. Because there had been contributions in kind, such as translations, publications, and other items, he said it was impossible to say precisely what the cost to PAHO would be, but he assured the Committee that he would make every attempt to reduce the budgetary implications for the Organization. He indicated that \$45,000 of the Organization's funds had been committed to set up the Executive Secretariat.

Item 4.4: Implications of the Summit of the Americas for the Pan American Health Organization

Dr. Irene Klinger, External Relations Office, summarized the activities PAHO has undertaken pursuant to the Declaration of Principles and Plan of Action adopted at the Summit of the Americas in December 1994. She noted that the Declaration called for action to eradicate poverty and guarantee sustainable development and conservation of the Region's natural environment for future generations. The Plan of Action spelled out concrete activities to be executed for that purpose and assigned an important role to PAHO, especially in regard to Items 17 and 23 of the Plan: equitable access to basic health services and partnership for pollution prevention. Dr. Klinger noted that PAHO has undertaken the following activities in the areas of health sector reform, environment and development, HIV/AIDS, and child health:

- organization of the Conference on Health Sector Reform and Equitable Access to Services, to be held in Washington, D.C., 29-30 September 1995. The meeting has been planned in collaboration with a number of other agencies, including the OAS, ECLAC, IDB, and the World Bank, and will be attended by ministers of health and finance;
- organization of the Pan American Conference on Health and the Environment in Sustainable Human Development, discussed by the Executive Committee under Item 4.3 above. Also in the area of environment and development, PAHO is collaborating with the United States Environmental Protection Agency and other organizations on two projects—one to phase out the use of leaded gasoline and another to promote safe use of pesticides;
- formulation of the regional plan of action discussed by the Committee under Item 4.9. PAHO is also collaborating with the IDB in developing strategies for a joint approach to AIDS/HIV prevention in the Americas that will take advantage of PAHO's technical expertise and the Bank's financial and economic resources;
- the measles elimination initiative discussed by the Committee under Item 4.8 and participation in governmental and scientific meetings aimed at devising plans for addressing the complex issue of maternal mortality.

Discussion and Action by the Executive Committee

The members of the Committee commended PAHO for the role it had played at the Summit in highlighting the idea that health is an essential element in human development and for the speed with which it had followed up on the Summit's call for action in the areas of health and the environment. However, it was pointed out that,

while PAHO had been assigned responsibility for overseeing various activities in relation to the Summit, no funds had been provided to PAHO to carry out those activities. Given the existence of effective and efficient long-distance communications technology, some Committee members wondered whether some of the planned follow-up conferences and meetings could be avoided and more effective use made of scarce resources. It was also emphasized that the Organization's Summit-related activities should not interfere with its regular technical cooperation activities. On the subject of health reform, it was emphasized that the content of any basic package of health services must reflect national needs; a generic package could not be imposed on all countries. It was also underscored that the basic package should not be used as a means of keeping services to a minimum and promoting the fallacious view that private health systems were an effective and less expensive alternative to strong public health infrastructures.

Dr. Klinger noted that the Organization's post-Summit activities were directly in line with priorities identified by the Governing Bodies of the Organization. She cited measles elimination and AIDS prevention as two examples. She assured the Committee that the Secretariat was taking measures to ensure that the Organization's activities in relation to the Summit did not go beyond the mandates approved by the Governing Bodies. The Director pointed out that the Organization was making every effort to discharge the responsibilities it had assumed at the Summit as efficiently as possible, for example by holding joint meetings, such as the conference on health reform, in collaboration with other agencies. He assured the Committee that the Secretariat was making every effort to prevent Summit-related initiatives from having any negative impact on the Organization's budget or interfering with its normal activities.

The Committee did not consider it necessary to adopt any resolution on this item.

Item 4.5: American Region Planning, Programming, Monitoring and Evaluation System (AMPES)

This item was presented by Dr. Juan Manuel Sotelo, Office of Analysis and Strategic Planning, whose report included the following points:

- a number of changes have been introduced into AMPES since its inception in 1976 to make it a better planning and managerial tool. One of the most recent modifications has been incorporation of a project management methodology known as the logical approach, which is used by many organizations, including some that provide extrabudgetary funds for PAHO projects;
- a key component of the logical approach is the definition of a hierarchy of objectives. The achievement of an objective at one level contributes to achievement of the next higher objective, the paramount objective being health for all. Indicators are also defined at each level of objectives to facilitate evaluation;

- application of the hierarchy of objectives within AMPES has made it possible to link the objectives of the WHO General Program of Work to those established under the Organization's Strategic and Programmatic Orientations (SPOs), which give rise to the biennial program budgets and the annual operating budgets;
- the logical approach offers several major advantages, namely: the responsibilities and commitments of the Secretariat and those of the countries that make up the Organization are clearly defined; it provides a sound basis for monitoring and evaluation; and it establishes a common language, which facilitates interaction with national counterparts and other agencies;
- the Secretariat is in the process of developing indicators to measure results in the various areas of work created under the SPOs. It is also working to incorporate two additional elements of the logical approach—sources of verification for each indicator and the most important assumptions that may affect the outcome of projects—which have not yet been incorporated into the system;
- training is being conducted within the Secretariat and in the countries with a view to disseminating the methodology as widely as possible. Colleagues from Geneva and from other WHO regions are learning how to use the AMPES system, which may ultimately be adopted by WHO worldwide.

Discussion and Action by the Executive Committee

The delegates commended the Secretariat for submitting the subject of AMPES for consideration by the Executive Committee, an act which they felt showed the Secretariat's willingness to improve communication with the Member Governments and enhance the efficiency of the Organization. The Committee welcomed the incorporation of the logical approach into AMPES. Several members described ways in which this approach had been applied successfully in their countries at the national and even at local levels. It was considered an efficient and user-friendly tool that facilitated monitoring and evaluation and that lent transparency to the managerial process. It was pointed out that the logical approach could become an important tool for identifying areas in which the investment of energy and funds would have real impact and eliminating activities that were less effective. Several delegates emphasized that training of personnel at the national level was essential in order to enable the countries to assume their responsibilities for planning, execution, and evaluation in the technical cooperation process, which by definition implied mutual responsibility on the part of the Secretariat and the countries. AMPES was considered an excellent instrument for facilitating dialogue between the PAHO/WHO Representatives and the Governments and for identifying the countries' priorities within the Strategic and Programmatic Orientations.

Dr. Sotelo noted that, with the improvements in AMPES, the quality of the dialogue between the Secretariat and the countries during the programming of annual technical cooperation and in the preparation of the biennial program budgets has grown steadily better. He said that the system had been very well received within the Secretariat and that it had aided greatly in preparation of the 1996-1997 biennial budget, the first to use the new format showing the linkage between the programs and projects and the SPOs and defining expected results and indicators for the various areas.

The Director stressed that it was absolutely fundamental for the Governing Bodies to understand how the Organization planned and conducted its work, which was why he had felt it important for the Executive Committee to discuss AMPES. He felt that there were sometimes grave misconceptions regarding what results could be expected from an Organization such as PAHO and that it was essential to clearly define the areas for which the Organization could be responsible and the areas for which the countries had to assume responsibility. One of the main thrusts of the Organization's planning and programming was to clearly define the Secretariat's managerial responsibility. He said he believed that the Secretariat had demonstrated considerable flexibility in attempting to present achievable results at the time it presented its programs—not common practice in the public sector—but he underscored that it would have been impossible to do so without a system of programming that made it possible to define what the programs were intended to achieve.

The Executive Committee did not consider it necessary to adopt any resolution on this item.

Item 4.6: Population and Reproductive Health

Dr. José Antonio Solís, Program on Family Health and Population, presented the document prepared by the Secretariat on this item (Document CE116/13), noting that it was not the definitive version, but would be revised and enriched, incorporating the comments and suggestions of the delegates. He emphasized the tremendous importance that the Organization attaches to the issue of population and reproductive health and assured the Committee that, in drafting the document, the Secretariat had taken due account not only of the Program of Action on Population and Development approved at the International Conference on Population and Development in Cairo in 1994 but also of the reservations and exceptions registered by 10 countries of the Region in regard to the issues of family, reproductive health, and abortion. He then summarized the document's contents, highlighting the following:

- the document's three main purposes were: (1) to promote continued discussion of population, development, and reproductive health issues by the Governing Bodies of the Organization; (2) to explore ways of adjusting the Program of

- Action adopted at the Cairo conference to the particular characteristics and needs of the countries of the Region, with emphasis on respect for human rights, national sovereignty, strengthening of the family, and due attention to national political, legal, social, economic, and cultural factors; and (3) to present eight lines of action and a series of proposals for concrete program activities, most aimed at strengthening the delivery of health services and improving their quality;
- the document emphasized certain aspects of the Program of Action, including those relating to the empowerment of women, reproductive rights and reproductive health, family planning, safe motherhood, AIDS and sexually transmitted diseases (STDs), adolescent health, and abortion. It also stressed the importance of integrating family planning, prenatal care and childbirth, and AIDS/STD services;
 - the lines of action and the Organization's technical cooperation in this area are intended to focus efforts and resources on meeting the reproductive health needs of the most underserved segments of the population of the Americas.

Discussion and Action by the Executive Committee

The Committee found the document to be a balanced and accurate reflection of the consensus reached by the countries at the Cairo conference. It was pointed out that PAHO's budget of over \$11 million for activities relating to family and population health and AIDS/STD prevention was indicative of the importance the Organization attaches to these issues. Support was expressed for the proposals in the document regarding integrated delivery of family planning, STD prevention, and maternal and child health services. The emphasis on adolescent health was also applauded. It was suggested that the document should include more discussion of specific actions to be taken at the country level and that it should give greater attention to the importance of sexually transmitted as a cofactor in HIV/AIDS; the empowerment of women within society, the family, and the economy as a way to improve reproductive health; and the need for a long-term strategy on sustainability of services.

The delegates stressed the need for an intersectoral and interinstitutional approach to reproductive health and population activities and underscored the importance of participation by nongovernmental organizations and the private sector in those activities. The crucial role of education was emphasized and it was pointed out that investment in reproductive health and sex education for the population is one of the most cost-effective investments countries can make toward development. It was also pointed out that population and reproductive health problems and related issues—including underdevelopment, poverty, violence, and social inequity—cannot be solved without a firm financial commitment from governments. The Representative of UNICEF noted the need

to seek consensus and form alliances through a process of social mobilization, an area in which he said there was enormous potential for collaboration between UNICEF and PAHO.

Dr. Solís said that the Organization attached great importance to its adolescent health program and noted that the program was gaining momentum at the country level throughout the Region. He reported that 12 countries currently have national policies relating to adolescents that include reproductive health. He said that the document's lack of proposals for specific activities at the country level was due in part to the fact that the countries were at different stages of development in their national programs and in part to the increasing scarcity of resources at the regional level, which would mean that PAHO's technical cooperation would more often be geared toward helping the countries to negotiate financing for projects developed at the national and local levels. He pointed out that one of the reasons why PAHO was urging the integration of reproductive health, AIDS/STD, and maternal and child health services was that operating those services separately was more costly. He agreed with the need for social mobilization and community participation, which he noted also helped to reduce costs. Finally, he stressed the importance of coordinating PAHO's work with that of other agencies and institutions, such as UNICEF, and said that within the Organization his program was working with the programs on women, health, and development and AIDS/STDs to present joint proposals to funding agencies for new regional projects.

The Executive Committee did not consider it necessary to adopt a resolution on this item.

Item 4.7: Plan of Action for the Elimination of Congenital Syphilis

Dr. Fernando Zacarías, Program on AIDS and Sexually Transmitted Diseases, presented the proposed plan of action for the elimination of congenital syphilis, the main components of which are summarized below:

- the plan envisages action in a number of areas at the national level in order to eliminate the disease, including establishment and strengthening of systems for epidemiological surveillance of congenital syphilis, screening of all pregnant women for syphilis, conducting epidemiological studies of all cases, strengthening of prenatal care services and encouraging women to utilize them, development of standards for the treatment of pregnant women who test positive, and training of medical and paramedical professionals in the detection and clinical management of syphilis;
- the plan calls for action at two levels. At the regional level, PAHO's role would be to provide technical cooperation for the formulation of plans of action at the national level, establish laboratory quality control networks to facilitate detection

of the disease, and monitor the effect of the activities carried out on the incidence of congenital syphilis. At the national level, each country would establish a national plan of action and a quality control network, and implement national standards for the surveillance of congenital syphilis and monitoring of the management of syphilis during prenatal care;

- in regard to the budgetary implications of the plan of action, the annual cost at the regional level would be between \$375,000 and \$400,000. The countries would need to mobilize between \$10,000 and \$1 million, depending on the size of the country and the scope of its national plan. The average per country would be about \$100,000.

The Director made the following observations:

- Resolution CSP24.R17, adopted by the Pan American Sanitary Conference in 1994, requested the Secretariat to prepare a plan of action for the elimination of congenital syphilis. The Secretariat had complied with that mandate; however, the success of the initiative would depend on whether the countries had the capacity and will to make the initiative a priority and allocate the necessary resources for prenatal services, testing, and treatment;
- in view of the Committee's comments concerning the 1996-1997 budget proposal, the prospects for establishing a program estimated to cost some \$400,000 were not very good. Moreover, given the nature of sexually transmitted diseases, it was doubtful that congenital syphilis could ever be entirely eliminated.

He asked the Committee to comment on the feasibility of establishing a special program to eliminate congenital syphilis, and he also pointed out that PAHO could provide other forms of technical cooperation to assist the countries in their efforts to eliminate the disease.

Discussion and Action by the Executive Committee

Some members of the Committee shared the Director's reservations regarding the feasibility of both eliminating congenital syphilis and launching a relatively costly new program in the current economic climate. They agreed that PAHO should provide whatever technical assistance it could to countries that were particularly concerned with the issue, providing it could do so without straining the Organization's meager resources. Other members, however, considered congenital syphilis to be a surmountable problem and pointed out that the proposed plan of action would be implemented not as a special program but as part of the existing program on sexually transmitted diseases. They noted that the countries would bear the main financial responsibility for implementing the plan

and that support could also be sought from external sources. In addition, they emphasized that it had been the Member States that had called for the formulation of a plan of action at the Pan American Sanitary Conference.

The Director stressed that his primary concern was the budgetary impact that implementing the plan would have on the Organization. He assured the Committee that the Secretariat was not trying to avoid carrying out the Conference's request. Dr. Zacarías noted that by September studies underway in a number of countries would have been completed and the Secretariat would be able to present more detailed information about the situation of congenital syphilis in the Region and more exact estimates of the cost of implementing the Plan.

The Executive Committee decided to adopt Resolution CE116.R3, which recommends that the Directing Council adopt a resolution taking note of the plan of action on congenital syphilis elimination in the Americas, urging the Member States to adopt the strategies outlined in the plan of action and allocate the resources needed for its implementation, and congratulating governments for the strides made thus far toward eliminating the disease.

Recommendation to the Directing Council

The Directing Council is asked to review the proposed plan of action on elimination of congenital syphilis and adopt a resolution along the lines indicated in Resolution CE116.R3.

Item 4.8: Measles Elimination in the Americas

Dr. Ciro de Quadros, Special Program on Vaccines and Immunization, presented this item. The highlights of his presentation are summarized below:

- enormous advances have been made in the Region under the Expanded Program on Immunization (EPI), the most noteworthy being the interruption of the transmission of wild poliovirus. In addition, the Region of the Americas is the only WHO region that has consistently maintained high levels of vaccination coverage in recent decades;
- an independent commission charged with assessing the impact of national immunization programs, and in particular the polio eradication campaign, determined that the countries' efforts in this regard not only improved health through increased immunization coverage but also yielded the additional benefit of helping to strengthen health services delivery systems and increase social mobilization and participation;

- with respect to the measles elimination initiative launched by the Pan American Sanitary Conference in September 1994, the plan of action formulated by the Secretariat will seek three main objectives: to eliminate indigenous transmission of measles in the Region by the year 2000, to maintain high vaccination coverage and ensure adequate surveillance of the disease, and to promote the overall development of the EPI in the countries;
- the fundamental strategies for achieving these objectives will be immunization campaigns aimed at all children between 9 months and 14 years of age and expansion of the surveillance system already in place for polio to include fever and rash illnesses. In addition, efforts will be made to improve laboratory capabilities to ensure proper diagnosis;
- measles vaccine coverage in Latin America is over 80% and almost 90% of children aged 9 months to 14 years have received at least one dose of the vaccine. As a result, the incidence of measles is the lowest ever recorded in the Region, and in many Latin American countries measles has been controlled and possibly eliminated. In order to achieve the goal of elimination it will be necessary to maintain a coverage level of at least 95% in each cohort of newborns;
- vaccination coverage is not synonymous with immunization and the measles vaccine is not 100% effective. Even if almost total coverage is achieved, every year a certain number of susceptibles will accumulate. It will therefore be essential to carry out catch-up campaigns every 4-5 years in order to immunize susceptibles. This is considered to be the greatest challenge to achieving the goal of measles elimination;
- in regard to the funding and financial components of the initiative, approximately \$53 million in external resources will be required between 1996 and 2000 to complement the estimated \$700 million to be invested by the countries in their national immunization programs. The volume of resources expected from the countries indicates a trend toward increased national investment in immunization programs and other activities that have great social impact. Of the projected \$53 million, about \$7 million will come from the PAHO regular budget. The remaining \$46 million is to be mobilized from various international and national agencies.

Discussion and Action by the Executive Committee

All the delegations congratulated the Program for its achievements and commended the Organization as a whole for its effective and efficient leadership in the area of immunization. They also voiced unanimous support for the proposed Plan of

action for measles elimination and expressed the firm conviction that, like the goal of polio eradication, the elimination of measles would be achieved. Several of the delegates mentioned the efforts already being undertaken in their countries to eliminate measles. It was pointed out that Dr. de Quadros' report showed how much could be accomplished when there was sufficient political will, accompanied by sufficient allocation of resources. It was also underscored that, despite financial and budgetary constraints, funds could always be found for activities that were considered truly worthwhile, and immunization was unquestionably such an activity, given its tremendous social impact and cost-effectiveness. A number of delegates emphasized the importance of community participation, which helped to reduce the cost and facilitate the implementation of immunization activities. Several noted the significance of the independent commission's finding that immunization programs had helped to strengthen health services systems in the countries. The Representative of UNICEF pointed out that the interagency collaboration within the Program provided a good model for joint effort in other areas to achieve the goals set by the World Summit for Children, and also noted that the EPI was the only program in which UNICEF had collaborated in which the immense organizational resources of Latin America had been effectively mobilized. He reiterated the unequivocal support UNICEF had expressed for the measles elimination initiative at the Pan American Sanitary Conference.

The Director pointed out that while the praise voiced for the Organization's work was gratifying, the credit really belonged to the countries. Moreover, interagency coordination had been effective because the ministries of health had taken responsibility for overseeing that coordination locally. He expressed gratitude to UNICEF and all the other agencies and individuals that had joined PAHO in the polio eradication campaign and had pledged their support for the measles elimination initiative.

The Executive Committee adopted Resolution CE116.R7, taking note of the Secretariat's report and recommending that the plan of action for measles elimination be approved. The full text of the resolution appears in the final report on the 116th Meeting.

Recommendation to the Directing Council

The Directing Council is asked to review and approve the plan of action for measles elimination in the Americas.

Item 4.9: Acquired Immunodeficiency Syndrome (AIDS)

Dr. Fernando Zacarías, Program on AIDS and Sexually Transmitted Diseases, updated the information in the document prepared by the Secretariat (Document CE116/16) and then outlined the changes that would take place in the Organization's

activities in this area as a result of the advent of the new Joint United Nations Program on AIDS (UNAIDS). The major points of this presentation are summarized below:

- although awareness of the epidemic and its impact exists in all the countries and technical and scientific professionals know what needs to be done to combat it, there continue to be obstacles to effective AIDS prevention and control activities at the national level. These include the following: (1) the time lag between infection with HIV and the development of AIDS, as a result of which the infection may exist for years before its effects on the population are recognized; (2) the persistence of biases and stigmas about the disease; (3) the lack of sufficient resources and a functional structure capable of responding to the constant changes in the epidemic; and (4) the tendency for AIDS to get lost among the many other priority problems that must be addressed not just by the health sector but by the social sector as a whole;
- the factors cited above, coupled with a desire to foster a more comprehensive, intersectoral approach to the problem at the national and international levels, led to the proposal to establish a joint, cosponsored program on AIDS within the United Nations system. The new joint Program is to be based in Geneva and administered by WHO. At the country level the Program will operate by means of "theme groups," which will be linked directly to the Program's headquarters in Geneva;
- PAHO fully supports the new Program's objectives of enhancing interinstitutional coordination and improving the efficiency and effectiveness of cooperation. However, the Organization is concerned about how technical and financial cooperation will be handled, since there is no provision for an intermediate regional structure between the countries and UNAIDS headquarters;
- the Organization considers it essential to ensure that the gains made thus far by the national programs in AIDS prevention are not lost. PAHO is also concerned about how the continuity of technical and financial support for the countries will be maintained, since UNAIDS is not expected to be launched at the same time in all countries;
- in response to these concerns, PAHO has prepared a plan of action on AIDS/HIV and STDs, which includes the following objectives: strengthening of interagency and intersectoral linkage at both the national and regional levels, adoption of methods and interventions that are tailored to the specific needs of the Region, strengthening of the institutional response of the health sector in prevention and patient care activities, and strengthening of programs on sexually transmitted diseases by seeking to integrate them at all levels of the health system;

- at the regional level, the PAHO technical program on AIDS will be maintained in order to ensure continuity in the delivery of technical cooperation, the training of human resources, and the mobilization of consultants and financial resources to support UNAIDS. The PAHO program will also play a key role in mobilizing the participation of the inter-American system in AIDS control activities in the Region.

Discussion and Action by the Executive Committee

The Committee commended the Secretariat for having developed a constructive approach to working with UNAIDS. The importance of taking full advantage of PAHO's technical expertise and leadership in the context of the new program was emphasized, and it was underscored that PAHO would play a crucial role in ensuring the continuity of technical cooperation during the transition period while the new program is getting under way. The need for mass communication and health education for all age groups was stressed, as was the need for activities aimed at persuading people to change lifestyles and behaviors that put them at risk for AIDS. It was also pointed out that success in combating the disease would ultimately depend on whether the governments had the political will to make AIDS prevention and control a priority and allocate the necessary financial resources. Several questions were asked regarding funding for the PAHO program once the Global Program on AIDS is disbanded, the input of UNAIDS into the process of developing PAHO's plan of action, efforts to prevent perinatal transmission of HIV, and PAHO's role in facilitating vaccine trials in Brazil.

In response to the delegates' questions, Dr. Zacarías said that the Organization was investigating the degree of interest of several countries in participating in a trial on prevention of perinatal transmission of HIV. He noted that PAHO was also following the process of vaccine trials with great interest, although it was WHO that was actually undertaking the initiative.

The Director said that the Secretariat has been in close contact with the leadership of the new United Nations program and he assured the Committee that PAHO was committed to doing everything possible to ensure that UNAIDS went forward. He also noted that three countries from the Region—Barbados, Mexico, and Paraguay—had been elected to the Coordinating Board of UNAIDS. He said that PAHO would continue to consult and share expertise with UNAIDS, but would also continue to explore the possibilities for a regional approach, since the maintenance of a regional presence had been supported by the Summit of the Americas and the Member Governments of the Organization. He told the Committee that a meeting would be held in August with other agencies, including IDB, OAS, UNICEF, UNDP, and USAID, to discuss how to maintain that regional presence, without creating another bureaucracy. In regard to the questions concerning funding for the Organization's efforts, he said that, although PAHO

funds would be used to maintain key staff from the Regional AIDS program, PAHO's resources were not sufficient to cover the cost of the activities proposed for 1996-1999, but he was optimistic about the Organization's capacity to mobilize external resources. Finally, the Director said that he was confident that the new United Nations program would recognize the wisdom of utilizing the advice, leadership, and accumulated expertise of the health sector, since AIDS, although it has many facets, is essentially a health problem.

The Executive Committee adopted Resolution CE116.R8, which recommends that the Directing Council adopt a resolution affirming PAHO's continued role in HIV/AIDS prevention efforts in the context of the new joint program.

Recommendation to the Directing Council

The Directing Council is asked to review the plan of action formulated by the Secretariat and to adopt a resolution supporting PAHO's continued participation in the delivery of technical cooperation with regard to HIV/AIDS and STDs and requesting the Director to, inter alia, continue to provide technical cooperation in the Organization's areas of technical expertise in keeping with the Strategic and Programmatic Orientations and in the context of the new joint United Nations program, and continue consultations with other agencies in the United Nations and inter-American systems with a view to establishing coordination mechanisms that will guarantee broad participation and have a demonstrable impact in reducing HIV infection and the social consequences of AIDS in the Region.

Item 4.10: Workers' Health

Dr. Maritza Tennessee, Program on Workers' Health, presented the Secretariat's report on this item. The report emphasized the following ideas and accomplishments:

- workers' health plays an essential function, both in furthering economic growth and productivity and in improving the well-being of the population in general. Nevertheless, the magnitude and severity of the health problems that affect the Region's workers have been insufficiently studied, in part owing to the lack of information systems that would permit detailed study and the formulation of effective programs in this area;
- work-related illnesses and accidents can be considered signs and symptoms of social injustice, of the inequalities in the distribution of national income, and of the prevalence of poverty among large segments of the population. In addition, social, economic, and political changes in the Region have produced changes in

the labor market and in working conditions that have led to an increase in psychosocial, biological, chemical, and physical risks in the work environment;

- during the 1993-1994 biennium the following objectives were achieved in the area of workers' health: (1) promotion of policies on the subject, as well as implementation of national plans on workers' health in 10 countries of the Region and formulation and review of plans in the countries of the English-speaking Caribbean; (2) initiation of a study on health regulation and coverage in border areas in the framework of the North American Free Trade Agreement; (3) support for research on various issues relating to workers' health; (4) initiatives to improve technical resources and enhance the capacity of specialized personnel to provide comprehensive health care services using a preventive approach, with emphasis on extension of primary health care coverage through local health systems and social security programs; (5) technical cooperation to assist countries in implementing workers' health initiatives in the context of health care reform efforts; (6) mobilization of additional resources through the involvement of WHO collaborating centers in workers' health and the creation of a network of more than 20 reference centers on the subject; and (7) establishment of strategies and systems to facilitate access to information on workers' health;

- the challenges for the future will be to strengthen the promotion of workers' health and the prevention of occupational accidents and illnesses, increase the availability of comprehensive health care services for workers, and establish information systems and research programs that would permit ongoing monitoring of the situation. Meeting these challenges will require close coordination of efforts between sectors and countries, as well as collaboration by governments and international agencies.

Dr. Tennessee recalled that Directing Council Resolution CD36.R22 called for a report on workers' health in the Region every two years. However, in view of the fact that the most recent and reliable information on the subject appears in *Health Conditions in the Americas*, the Secretariat is proposing that the biennial reports be replaced by the information published in that quadrennial publication.

Discussion and Action by the Executive Committee

The Committee underscored the need for participation and coordination of efforts among the health and social security sectors, government agencies, private enterprise, and universities in order to address the health problems of workers. The importance of policies and laws to protect workers' health was also emphasized, and it was noted that PAHO has an important role to play in providing technical cooperation and support to

assist the countries in formulating policies and drafting legislation. It was also pointed out that diseases such as malaria, leishmaniasis, and tuberculosis—which had been fairly well controlled but are now becoming increasingly prevalent—are often directly related to working conditions.

Dr. Tennessee agreed that a number of diseases are re-emerging as a result of the conditions in the environment in which people work and live. She pointed out, however, that changes such as the globalization of the economy and reform processes were positive developments, which had created an environment in which ideas about workers' health that had been debated for years could finally be put into practice. She also agreed fully on the need for participation by all concerned actors, including workers, employers, governments, NGOs, and, in particular, the communications media.

The Director noted that in the previous two or three years the Workers' Health Program had focused predominantly on promoting the development of national plans and policies and said that the Secretariat was attempting to shift the focus somewhat toward prevention and raising awareness of the impact the environment has on workers' health, which was why the Program had been transferred from the Division of Health and Human Development to that of Health and Environment. He then invited Mr. Horst Otterstetter, Director of the Division of Health and Environment, to comment on the approach to workers' health within his Division.

Mr. Otterstetter explained that the Division comprises three units: the unit at PAHO Headquarters, the Pan American Center for Human Ecology and Health (ECO), and the Pan American Center for Sanitary Engineering and Environmental Sciences (CEPIS). The Headquarters unit is mainly concerned with coordinating the programs on workers' health and chemical safety and with coordinating activities with other PAHO programs in areas of common interest. ECO carries out activities relating to assessment of occupational hazards, training, and development of laboratory capacity, while CEPIS is oriented toward controlling health risks in the work environment.

The Executive Committee considered it in the best interests of the Organization to accept the proposal to eliminate the biennial reports on worker's health and accept as sufficient the information on the subject presented every four years in *Health Conditions in the Americas*. The Committee therefore adopted Resolution CE116.R1, which recommends that the Directing Council authorize the change.

Recommendation to the Directing Council

The Directing Council is asked to review the proposal to modify the mandate to submit a report every two years on the progress in worker's health and to adopt a resolution modifying operative paragraph 6(d) of Resolution CD36.R22 so that the publication *Health Conditions in the Americas* replaces the biennial progress report.

Item 4.11: Report on the IX Inter-American Meeting, at the Ministerial Level, on Animal Health

Dr. Primo Arámbulo, Program on Veterinary Public Health, reported on the IX Inter-American Meeting, at the Ministerial Level, on Animal Health (RIMSA), which took place at PAHO Headquarters from 25 to 27 April 1995. The main points of his report are summarized below:

- RIMSA is the only high-level political forum in the world for the coordination of collaboration between the health and agricultural sectors, one of the central strategies in the Declaration of Alma-Ata;
- the meeting was attended by delegations from 32 Member States and two participating governments, most of which were headed by ministers or deputy ministers of agriculture or health. The purpose of the meeting was to strengthen ties in areas of common interest for the two sectors;
- reports were presented on the advances achieved under the PAHO technical cooperation programs for rabies elimination, food protection, and eradication of foot-and-mouth disease and bovine tuberculosis. The program budgets of the Pan American Foot-and-Mouth Disease Center (PANAFTOSA) and the Pan American Institute for Food Protection and Zoonoses (INPPAZ) for the 1996-1997 and 1998-1999 bienniums were also reviewed. The delegates unanimously recommended that the Governing Bodies of the Organization approve those budgets;
- two panel discussions were held during RIMSA: one examined the public health implications of food production and marketing at both the national and international levels, and one looked at various issues relating to intersectoral linkage and collaboration among the agricultural, livestock, health, and environmental sectors. Two special presentations were made on the sociocultural and economic determinants of teniasis/cysticercosis and on the regional situation and intersectoral methods of combating plague;
- RIMSA adopted eight resolutions, which together urge the Governments to promote greater intersectoral action to ensure the availability of safe foods, protection of the environment, and improvement of health conditions in agricultural areas, and ask PAHO to continue to provide cooperation through its Veterinary Public Health Program in the areas of food safety and zoonosis control and to promote intersectoral action and coordination among international organizations. The full text of the resolutions appears in the Final Report of the meeting (Document RIMSA9/FR).

Dr. Arámbulo also informed the Committee that at the V Meeting of the Hemispheric Committee for the Eradication of Foot-and-Mouth Disease (COHEFA), which took place during RIMSA, Uruguay was officially recognized as a country free of foot-and-mouth disease without vaccination. At the same Meeting, Argentina announced that it had had no reported cases during the preceding 12 months.

Discussion and Action by the Executive Committee

The Committee commended PAHO for its efforts to eradicate foot-and-mouth disease and congratulated Uruguay on its success. Several questions were asked regarding collaboration between PAHO and the Inter-American Institute for Cooperation on Agriculture (IICA) and regarding contributions by the Government of Argentina to INPPAZ. The Representative of Uruguay thanked the Committee for its recognition of his country's achievement of disease-free status and noted that the victory over foot-and-mouth disease had been the result of firm political commitment and long years of collaborative effort between successive governments and civil society in Uruguay. In regard to INPPAZ, the Representative of Argentina informed the Committee that the Ministry of Health's payment to the Institute was being processed and would be made shortly.

The Director said that he had recently discussed points of collaboration between PAHO and IICA with the leadership of the Institute. The subject of responsibility for animal health had not been discussed, because it had been decided by the Governing Bodies in the early 1980s that PAHO would be responsible for that area. However, he was willing to reopen discussion of the issue with IICA and report on the matter to the Subcommittee on Planning and Programming in December 1995. He thanked the Governments that had directly supported the Organization's veterinary public health and food safety programs, in particular those of Brazil and Argentina.

Dr. Alleyne confirmed that the Secretariat had received personal assurances from the Minister of Health of Argentina that the Ministry of Health would be paying its contribution to INPPAZ shortly, and said that the Organization was making every effort to obtain the same degree of commitment from the Ministry of Agriculture. He pointed out that the food protection activities of INPPAZ were of enormous economic importance to the countries and, in keeping with the decisions of the Governing Bodies, were the Institute's major focus. The Director added his congratulations to Uruguay and commended PANAFTOSA and all the countries affected by foot-and-mouth disease on the tremendous strides that had been made toward eradicating the disease. He noted that, thanks to PANAFTOSA's efforts, it was possible to envisage the eradication of foot-and-mouth disease from the Southern Cone countries and eventually from the entire South American continent.

The Executive Committee did not consider it necessary to adopt a resolution on this item.

Item 4.12: Emergency Preparedness and Disaster Relief

Dr. Claude de Ville, Emergency Preparedness and Disaster Relief Program, outlined the Program's evolution since its inception in 1977 and briefly described PAHO's humanitarian assistance activities in Haiti. His presentation included the following major points:

- the Program's focus has expanded to include not only natural disasters but also technological and complex, political disasters. In addition, the Program has shifted from a narrow medical orientation to a broad multisectoral approach and has moved from a philosophy of preparedness, which considers disasters inescapable, to one of prevention and mitigation, which seeks to reduce vulnerability to disasters;
- at the management level, the Organization has taken several measures to improve the efficiency of its actions in this area, including placing the Program under the Assistant Director's office in order to facilitate the necessary high-level political access, implementing a specialized and flexible approach to resource mobilization for disaster management, and designating disaster focal points in the PAHO/WHO Representative Offices in the countries;
- at the technical level, several new initiatives have been launched, including the relief supply management project (SUMA), a communication project designed to facilitate the management of disaster-related information, and an initiative on hospital disaster mitigation;
- in regard to PAHO's humanitarian assistance activities in Haiti, the Organization was called on to undertake activities such as distribution of fuel and organization of charter flights, which went considerably beyond the scope of its traditional health-related activities but were essential to maintain public health;
- an external evaluation of the Haitian experience identified several areas in which improvement or attention from the Governing Bodies was needed. In particular, the evaluation team determined that administrative rules and procedures should be revised to improve the Organization's capacity to intervene in emergency situations, mechanisms should be found to enable the Organization to work around United Nations-imposed economic sanctions in order to protect public health, and PAHO/WHO's role as the chief coordinating and policy-setting agency in the health sector should be reaffirmed.

Discussion and Action by the Executive Committee

The Committee expressed unanimous support for the Program and for its humanitarian assistance efforts in Haiti. The Program's efforts to improve communication and information management in the area of disaster prevention and management were applauded, as was its emphasis on country-level responsibility. It was pointed out that the term "disaster" encompasses a broad range of phenomena and that, in some cases, diseases may create a disaster situation as serious as that created by any natural disaster. Support was expressed for the recommendations of the Haiti evaluation team, in particular those concerning the need to adapt rules and procedures in order to provide the Organization more flexibility and ensure its timely response to future disasters. In regard to future activities, it was suggested the Program should consider increasing its use of applied epidemiological research in the aftermath of disasters and also focus more on environmental health issues related to disasters. Several delegates mentioned the White Helmets initiative proposed by the Argentine Government and recently incorporated into the United Nations system. It was noted that the initiative had also been endorsed by the Summit of the Americas.

Dr. de Ville pointed out that the White Helmets have a dual function: to combat poverty and foster development, and to serve as a support group in disaster situations. He also noted that, in the framework of the White Helmets initiative, PAHO was in the process of training volunteers in supply management in Argentina, an undertaking which might be extended to the other Southern Cone countries. In regard to future activities, he said that the Program intended to initiate cooperation activities in the area of epidemiology and operations research with the United States Centers for Disease Control and Prevention.

The Director said that, in his opinion, not only the Program but the Organization as a whole deserved congratulations for the disaster preparedness and relief efforts that had been carried out in Haiti and elsewhere in the Region. Those activities reflected the spirit of Pan Americanism that had inspired the Organization's creation. In regard to the Program's change of focus, he said the Secretariat looked at mitigation, prevention, relief, and development as a continuum. In the future the Organization could be expected to take a more active role in the development efforts that logically must follow disaster relief activities. He noted that PAHO's support for training members of the White Helmet corps was part of that expanded role.

The Committee did not consider it necessary to adopt a resolution on this item.

Item 5.1: Report on the Collection of Quota Contributions

Mr. Mark Matthews, Department of Finance, presented the following information on the status of quota collections as of the date of the Executive Committee's meeting:

- quota contributions for 1995 stood at 21 % of 1995 assessments. Eight countries had paid their 1995 assessments in full, eight countries had made partial payment, and 23 had made no payment;
- between 1 January 1995 and 15 June 1995 the Secretariat had received \$15,877,219 in payment of arrears of contributions for years prior to 1995. That sum plus additional payments received since 15 June represented 48% of total outstanding assessments for prior years;
- seven countries in arrears in the payment of their contributions were potentially subject to suspension of their voting privileges under Article 6.B of the PAHO Constitution.

The Director reported that most of those seven countries had indicated they intended to either make payment or submit deferred payment plans.

Discussion and Action by the Executive Committee

The Executive Committee adopted Resolution CE116.R9, thanking the Member Governments that had already paid their 1995 assessments and urging the other Member Governments to do so as soon as possible.

Recommendation to the Directing Council

The Executive Committee recommends that the XXXVIII Meeting of the Directing Council strictly apply the voting restrictions contained in Article 6.B of the PAHO Constitution to those Member Governments that fail to make substantial payments toward their quota commitments or do not submit and comply with deferred payment plans.

Item 5.2: Interim Financial Report of the Director

Mr. Mark Matthews, Department of Finance, presented the interim financial report of the Director for the period 1 January to 31 December 1994 contained in *Official Document 268*, which also included 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), as well as a report from the Organization's external auditor on INCAP. He noted that, because the report covered only the first year of the 1994-1995 biennium, it did not include a report by the external auditor. However, he said various aspects of the Organization's financial activities had been reviewed by the external and internal auditors during the year and had been found to be in satisfactory condition. Some of the highlights of the report are summarized below:

- CAREC's expenditures in 1994 exceeded available income, and as of 31 December 1994 the Center had an accumulated deficit of \$333,485 and outstanding quota balances of \$4,931,527;
- the financial situation of CFNI, on the other hand, improved. Income exceeded regular budget expenditures and the Center's accumulated deficit was reduced from \$221,274 to \$133,251;
- as for INCAP, the external auditor's report contained favorable comments regarding managerial matters at the Center and the continued improvement of its financial status. INCAP ended 1994 with a net budget surplus of some \$57,000, and, as a consequence of positive results over the last four financial years, it now has a working capital fund of over \$1 million.

Discussion and Action by the Executive Committee

One of the delegates pointed out that for several years PAHO had received more miscellaneous income than expected. That being the case, the delegate wondered if the projection for miscellaneous income in the 1996-1997 budget was high enough. He noted that it was important to have as realistic a projection of miscellaneous income as possible because increases in that income reduced the assessments of Member States. It was pointed out that the report made it clear that some of the Organization's major Centers still faced serious financial difficulties, and questions were asked regarding the extent to which the PAHO regular budget would be used to help the Centers. Questions were also asked about the advisability of waiving program support costs for some projects, when rigorous application of the normal 13% charge would help cover more of the costs of operation.

Mr. Matthews explained that the waiver of some program support costs was a management decision based on negotiations between PAHO and the donor. In regard to miscellaneous income projections, he said it was difficult to forecast the amount of income that investments would generate. The excess miscellaneous income in 1994 was due to higher than expected returns on investments of the 1993 budget surplus.

The Director observed that projecting miscellaneous income was very difficult because it required predicting interest levels. He assured the Committee that the Secretariat was quite mindful of the need to keep the countries' quota contributions as low as possible, but he believed that the miscellaneous income projection of \$11.7 million for 1996-1997 was as high as it could possibly be, given the Organization's investment capacity. Dr. Alleyne also informed the Committee that the CAREC deficit for 1994 had been considerably reduced in 1995 by significant payments to the Center from the host country and another member country. He said that the Secretariat was

strongly encouraging all the countries to pay their contributions in order to avoid financing the Center from the Organization's regular budget, which the Secretariat did not consider a good policy. As for the program support costs, the Director agreed it was certainly in the Organization's interest to collect the 13% charge whenever possible. However, in the case of Member Governments the fee was often waived because the Organization was in essence spending the Governments' own money, although it did still insist that Governments pay a 3% charge for purchase of equipment.

The Executive Committee did not consider it necessary to adopt a resolution on this item.

Item 5.3: PAHO's Financial Management System (FAMIS)

Mr. Thomas Tracy, Chief of Administration, reported to the Committee on the Secretariat's progress in resolving the problems with the Organization's new financial management system. He noted, *inter alia*, that:

- conversion from the old system to the new system had delayed closure of the 1992-1993 financial accounts by several months; however, closure was completed in June 1994 and the External Auditor issued an unqualified opinion on those accounts;
- since that time, the system's performance has improved substantially from an accounting standpoint, although it remains a rather difficult system for the staff to use. The Secretariat is seeking ways of making FAMIS more user-friendly.

Discussion and Action by the Executive Committee

Several members of the Committee recalled that in earlier reports on FAMIS the Secretariat had expressed doubts regarding the system's viability and had indicated that it might have to be replaced with another system. They wondered whether FAMIS was indeed a workable system for the Organization. Questions were also asked about the number of errors that had been detected in the process of converting from the prior system to FAMIS and about the possible financial repercussions of the delays that had occurred as FAMIS was being implemented.

Mr. Tracy said that the Secretariat was firmly convinced that FAMIS was a workable system for the Organization, although it would never be perfect because it had not been designed specially for PAHO. However, he pointed out that a custom-designed system would be much more expensive in terms of maintenance and staff costs. The Secretariat had calculated that use of FAMIS would save some \$1.9 million per biennium

in staff costs alone. As for the errors detected in the conversion process, he reported that they had all been definitively resolved. The system was working well and there had been no delay in closing the accounts for 1994.

The Director said that, while FAMIS was not perfect, the consensus in the Secretariat was that it was much better and cheaper than the previous system. There were no plans to switch to another system. He also commended the staff of the Finance Department on its efforts to make the transition process as painless as possible.

The Executive Committee took note of the Secretariat's report but did not consider it necessary to adopt a resolution on this item.

Item 5.4: PAHO Building Fund, and Maintenance and Repair of PAHO-owned Buildings

Mr. Thomas Tracy, Chief of Administration, reported on the following past and future building and repair projects:

- the contractor hired to repair the concrete screen wall on the exterior of the Council Chamber presented a claim for cost of materials in excess of that originally estimated. After the Organization's structural engineering consultants and legal office reviewed the claim and decided that it was correct, PAHO agreed to a final settlement of \$174,493;
- three new projects were proposed to modernize and upgrade the PAHO offices in Venezuela, Brazil, and Argentina;
- the Secretariat considered it necessary to seek a one-time recapitalization of the PAHO Building Fund, in view of the number of maintenance projects pending in the field offices.

The Executive Committee was asked to authorize funding for the three new projects and to approve the recapitalization of the Building fund.

Discussion and Action by the Executive Committee

One of the delegates voiced concern about the amount the Organization was proposing to spend on real estate, given that it was entering a period of financial difficulty. The delegate felt that spending on buildings should be carefully scrutinized to see if the money might not be better spent on country programs. Mr. Tracy pointed out that the purpose of the Organization's real estate fund was to protect the money available for country programs and emphasized that no money from the budget was ever

used for the PAHO Building Fund, for which the main source of funds was rental of facilities such as the conference rooms at Headquarters. The delegate noted that, although the money for building projects came from miscellaneous income, if that income were not spent it would go back into the following year's budget, thus reducing the assessments of the Member States.

The Committee took note of the payment of \$174,493 as a final settlement for the concrete screen on the Council Chamber and decided to approve the projects in the offices in Venezuela, Brazil, and Argentina at an estimated cost of \$40,000, \$204,000, and \$109,500, respectively. The Committee also authorized the one-time recapitalization of the PAHO Building Fund in an amount not to exceed \$500,000 from excess miscellaneous income. These decisions are reflected in Resolution CE115.R5.

Item 5.5: New PAHO Headquarters Building

Mr. Thomas Tracy, Chief of Administration, and the Director informed the Committee of the following developments in the effort to construct a new headquarters building, namely:

- the Organization has been barred by recent court rulings from constructing a new building in Montgomery County, Maryland, which has effectively quashed the project to construct a new Headquarters;
- the Administration is examining its options, one of which is to refurbish the existing Headquarters building. The Secretariat plans to submit recommendations on the matter in September 1995.

The Director also reported that the Administration intends to take immediate steps to improve security at the existing headquarters building.

Discussion and Action by the Executive Committee

The Committee took note of the Secretariat's report but did not consider it necessary to adopt a resolution on this item.

Item 5.6: PAHO Field Office Buildings

Mr. Thomas Tracy, Chief of Administration, updated the Committee on the status of two ongoing projects and one new one:

- in Barbados, the Government has agreed to lease the Organization a site for 99 years at \$1 a year and has agreed to contribute one-third of the cost of constructing a building;
- in Mexico, the Government has offered an acceptable site and negotiations for a long-term lease have begun;
- a new project has been proposed to build an office in Tegucigalpa, Honduras, on municipal land. The World Health Organization will be asked to provide, out of the WHO Real Estate Fund, 25 % of the estimated \$275,000 cost of the project.

Discussion and Action by the Executive Committee

The Executive Committee took note of the Secretariat's report but did not consider it necessary to adopt a resolution on this item.

Item 5.7: Amendments to the Staff Rules of the Pan American Sanitary Bureau

Dr. Diana LaVertu, Department of Personnel, outlined the changes to be made in the Staff Rules pursuant to Resolutions EB95.R20 and EB96.R2 of the Executive Board of WHO, noting that many of the changes were the result of a decision taken by the United Nations General Assembly at its forty-ninth session in December 1994. Most of the changes concerned salary scales, assessments, and allowances. One significant change in recruitment policies would allow spouses of staff members to compete for positions in the Organization. Dr. LaVertu informed the Committee that the costs of the proposed changes would be absorbed within established budgets.

The Director cautioned that the new provision regarding the hiring of spouses would have to be applied carefully within the Organization, especially given that it restricted the employment of spouses in units in which the head of the unit was the spouse of the person to be employed. That restriction might create some difficulties in small offices, such as the PAHO/WHO Representative Offices in the countries. Accordingly, he proposed that the provision be implemented on a trial basis for two years, after which the matter would be reexamined by the Executive Committee.

Discussion and Action by the Executive Committee

The Executive Committee accepted the Director's proposal and agreed to review the matter of spousal employment at its 120th Meeting in 1997. That provision was incorporated into Resolution CE116.R10, which confirms the amendments to the Staff Rules submitted by the Director in the annexes to Documents CE116/24 and CE116/24, Add. I. The Committee also adopted Resolution CE116.R11, which sets the annual

salary of the Deputy Director at \$85,972 at dependency rate and \$77,763 at single rate; sets the annual net salary of the Assistant Director at \$84,972 at dependency rate and \$76,763 at single rate; and recommends that the Directing Council establish the annual net salary of the Director at \$93,735 at dependency rate and \$84,232 at single rate.

Recommendation to the Directing Council

The Directing Council is requested to take note of the Executive Committee's recommendation in Resolution CE116.R11, and to set the salary of the Director at the recommended level.

Item 6.1: Statement by the Representative of the PAHO/WHO Staff Association

Mr. Rolando Chacón addressed the Committee on behalf of the PAHO/WHO Staff Association. The major areas of concern for the Staff Association are summarized below:

- the situation of the staff of the now-defunct Pan American Zoonoses Center (CEPANZO). PAHO has been ordered to reimburse the United Nations Pension Fund approximately \$4.7 million in connection with the successful appeal and subsequent reinstatement of the CEPANZO staff, but the Director recently informed the Staff Association that the Administration is consulting with the Tribunal of the International Labor Organization in regard to whether or not it is obligated to pay that amount. The issue is a source of concern for the Staff Association because the CEPANZO staff will be deprived of their pensions until PAHO makes the reimbursement, and additional expenses might be incurred due to the Organization's delay in carrying out the ILO Tribunal's judgment;
- the Organization's critical financial situation and the possible consequences for the staff. The Staff Association strongly opposes any freezing of salaries in response to the situation, as it believes that such measures are not really effective in reducing costs and do not benefit organizations that apply them. The Staff Association has asked the Director to authorize the creation of a joint committee composed of staff and Administration representatives and is pleased that the Director has tentatively agreed to the creation of the committee. The Association has proposed several other mechanisms for the establishment of dialogue and cooperation between the Administration and the staff;
- the system of contracts used by the Organization and its practice of hiring former staff members to serve as long-term consultants, which the Staff Association feels discriminates against current staff and also reduces contributions to the pension fund;

- the status of women in the Organization. The Staff Association notes that some progress has been made in promoting women to upper-level professional posts; however, it also notes that there are large discrepancies in the remuneration of men and women within the Organization. The Association is pleased with the recent institution of a policy on sexual harassment and hopes that it will be applied equally to all staff, regardless of sex or grade level. The Association also welcomes the recent modification of the policy on employment of spouses of staff members;
- the compression of the salary scale for general services staff from eight grades to seven, which is being carried out pursuant to a recommendation of the International Civil Service Commission to standardize the classification of general service posts throughout the United Nations system. The Staff Association is preparing a document that will highlight the potential problems that need to be addressed in order for this process to take place as transparently as possible and to avoid future labor conflicts.

Discussion and Action by the Executive Committee

Several members commented that the Staff Association presentation reflected the existence of constructive dialogue between the staff and the Administration. It also showed the Director's willingness to listen to and address the staff's concerns. The Committee expressed support for the Director in his effort to limit the financial impact of the CEPANZO situation and conserve scarce resources to support the Organization's health programs. Although the Committee members sympathized with the Staff Association's concerns regarding the consequences of budget reductions, they stressed that the chief goal of the Member States was to protect the programs and they expressed the hope that the staff would be flexible and cooperative in helping to achieve that goal. One delegate noted that the tone of the document prepared by the Staff Association was rather distrustful of the Organization's new Director and said that a more cooperative, conciliatory tone would have been more conducive to establishing a good relationship with Dr. Alleyne, who had said on several occasions that he did not want to place himself in an adversarial position to the staff. Mr. Chacón responded that the document was more a reflection of past problems and that in his oral presentation had tried to emphasize the Staff Association's desire to establish a good relationship with the Director. It was precisely in order to facilitate relations with the Administration that the Staff Association had proposed the creation of the joint committee.

The Director felt that the Executive Committee was not the proper forum to rebut any of the comments made by the Staff Association representative. He pointed out, however, that many of the issues raised by Mr. Chacón were being addressed and several were very near the point of resolution. He suggested that the Staff Association, in its

presentation to the Executive Committee, could enhance its image by putting more emphasis on the positive things the Association was doing, rather than dwelling on problems and complaints. He stressed the need to remain calm in the face of the Organization's financial difficulties, examine all the options, and take the necessary decisions. He hoped there would be no wild rumors or speculation about what would happen. Finally, the Director was emphatic that the Staff Association's insinuation that women at PAHO were being paid less than men for the same work was not true. He assured the Committee that the principle of equal pay for equal work was fully observed at PAHO.

The Executive Committee did not consider it necessary to adopt a resolution on this item.

Item 6.2: Resolutions and other Actions of the Forty-eighth World Health Assembly of Interest to the PAHO Executive Committee

Dr. David Brandling-Bennett, Deputy Director, reviewed the 32 resolutions adopted by the World Health Assembly in May 1995 that were relevant to the Americas. Regarding Resolution WHA48.13, which concerned new, emerging, and re-emerging infectious diseases, Dr. Brandling-Bennett informed the Committee that the Secretariat had organized a meeting of experts on this subject to develop a regional plan, identify institutions that could participate, and formulate guidelines for national plans. He said the Secretariat would present the proposed plan to the Governing Bodies in the near future. The presentation on this item is reported in greater detail in the summary record of the 116th Meeting.

Discussion and Action by the Executive Committee

Several members commended the Director for having organized meetings of the delegations from the Americas prior to the start of the World Health Assembly in order to discuss the budget and other issues of common interest. It was requested that this practice be continued. It was also noted that an extraordinarily large number of resolutions had been sponsored by countries of the Americas and that the countries had demonstrated considerable solidarity in supporting resolutions presented by other countries of the Region. A question was asked regarding the appointment of the external auditor for WHO and for PAHO, in response to which Dr. Brandling-Bennett explained that, although WHO had selected the Auditor-General of South Africa to serve as external auditor, the Directing Council of PAHO had the right and the responsibility to designate the external auditor for PAHO. The Council could choose to appoint the same individual as WHO, it could reappoint the incumbent external auditor for PAHO, or it could select a different external auditor.

The Director said that his objective in convening the meetings prior to the World Health Assembly had been to strengthen the national capacity of the countries of the Region to participate actively in the Assembly. He told the Committee that documentation would be sent to the Governments and meetings and working groups would be convened prior to future World Health Assemblies. The Director also underscored that new, emerging, and re-emerging infectious diseases constitute an extremely important area of public health and one that must be addressed ever more aggressively. The Committee requested that this topic be included on the agenda of the XXXVIII Directing Council Meeting

The Committee did not consider it necessary to adopt a resolution on this item.

Item 7: Other Matters

The Committee considered two topics under this item. The first was the budgetary consequences of the closure of CEPANZO and the second was the Organization's initiative related to renewing the commitment to health for all. Mr. Tracy updated the Committee on the following developments that had occurred in the CEPANZO situation since the Committee's 115th Meeting:

- in compliance with the judgment of the ILO Tribunal, the Organization reinstated the CEPANZO staff as of 30 April 1991 and paid the salaries, allowances, and other benefits due under their contracts, plus interest and \$500 per staff member in costs. PAHO then instituted new reduction-in-force procedures and issued new termination notices to CEPANZO staff;
- the total cost of executing the ILO judgment as of November 1994 came to \$5,107,468. One issue remains to be resolved, namely, whether or not the Organization is required to pay the additional actuarial costs to the United Nations Joint Staff Pension Fund as a consequence of the judgment. Those costs have been estimated to amount to \$4,751,978. Given the impact that such a large outlay would have on the Organization's financial well-being, the Director has filed a formal request for clarification of the ILO judgment.

The Director emphasized that he had decided to request clarification not in an attempt to deprive the former CEPANZO staff of any benefit to which they were entitled but because he believed it would be managerially indefensible to spend \$4.7 million of the Organization's money without being absolutely certain of the Tribunal's intention.

In regard to the initiative to renew the health-for-all strategy, the Director told the Committee that it had been decided that the Region of the Americas, as part of the global initiative, should begin its own process of trying to renew enthusiasm in the countries for

health for all. He outlined the steps that had already been taken in that process and those planned for the future, namely:

- a consultative group was formed to analyze the changes that had occurred in the Region since the Declaration of Alma-Ata, evaluate the countries' capacity to carry out the strategy, and assess whether the ethical values underlying the strategy were still relevant. The group affirmed that those values were indeed relevant and also considered that the Organization's Strategic and Programmatic Orientations (SPOs) provided a good framework for the countries' pursuit of health for all;
- the next step will be to prepare a basic document incorporating the decisions of the World Health Assembly and the ideas pertinent to the Americas.

Dr. Alleyne emphasized the need to reaffirm the basic principles underlying the goal of health for all and also to stress the focus on equity, solidarity, and sustainability embodied in the SPOs. He also pointed out that health sector reform should be seen not as a separate process but as part of the effort to renew the call for health for all.

Discussion and Action by the Executive Committee

In regard to the CEPANZO situation, the Committee decided to adopt Resolution CE116.R13, presented by the delegations of Mexico and the United States. The resolution expresses the Committee's full support of the Director in his efforts to have the ILO judgment clarified and requests the Director to pursue all appropriate mechanisms to alleviate the financial impact of that judgment on the Organization's ability to meet the needs of its Member States.

As for the effort to renew the health-for-all strategy, the Committee emphasized the need to protect the gains that have already been made while at the same time working toward further improvement of the health situation. It was pointed out that many negative health indicators are basically a reflection of poverty and related structural problems, such as poor sanitation. Accordingly, any effort at health reform must seek not only to improve the quality of health care and the coverage of health services, but also to address these underlying structural problems. Health reform should also fully incorporate the primary health care strategy.