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FINAL REPORT
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The Twentieth Meeting of the Subcommittee on Planning and Programming of the Executive Committee was held at the Headquarters of the Pan American Health Organization in Washington, D.C., from 7 to 9 April 1993.

Present were representatives of the following countries, elected by the Executive Committee: Belize, Cuba, Mexico, and the United States of America. Also taking part, at the invitation of the Director, were representatives of Argentina, Barbados, and Canada.

OPENING OF THE MEETING

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

OFFICERS

The Officers of the Subcommittee were as follows:

Chairman: Mr. Branford M. Taitt Barbados
Vice Chairman: Dr. Argentino Luis Pico Argentina
Rapporteur: Mr. Edward M. Aiston Canada
Secretary ex officio: Dr. Carlyle Guerra de Macedo Director, PAHO
Technical Secretary: Mr. Mark Schneider Chief, Office of Analysis and Strategic Planning, PAHO

AGENDA

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

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

3. Adoption of the Agenda


5. Evaluation of PAHO/WHO Technical Cooperation in Mexico

6. Establishment of the Pan American Institute of Bioethics in Chile

7. Family Planning, Reproductive Health, and Population

8. Study of Operating Costs of the Pan American Institute for Food Protection and Zoonoses (INPPAZ) and Proposed Funding for the Biennium 1994-1995

9. Other Matters.

PRESENTATIONS, DISCUSSION, AND CONCLUSIONS

A summary of the discussions and conclusions on each item follows:

Item 4: Proposed Program Budget of the Pan American Health Organization for the Biennium 1994-1995

The Director introduced this item, noting that a preliminary version of the proposal was being presented to the Subcommittee for analysis and discussion, after which a final version would be presented to the Executive Committee meeting in June 1993. He pointed out that this budget proposal had been prepared taking into account the Strategic Orientations and Program Priorities of the Organization for the Quadrennium 1991-1994 and the policy orientations discussed by the Directing Council of PAHO the previous year, and that it also reflected the new lines of action of the Ninth General Program of Work of WHO. He indicated that the presentation would be divided into two parts.

In accordance with the Agenda, presentation of the program chapters was made by the Assistant Director, Sir George A. O. Alleyne, the Division Directors, and the Chiefs of the Special Programs, who outlined the purposes, objectives, and lines of action of each of the programs involved in delivering the technical cooperation provided by the Organization. He indicated the changes foreseen during the biennium and the results expected from their implementation, pointing out, in addition, the relationship between what is foreseen in the various programs and the orientations and priorities established and adopted by the Organization's Governing Bodies.
Discussion:

Several points in the presentations were clarified in reply to questions raised by the Subcommittee.

One of the members suggested that the Division of Health Promotion and Protection should intensify the effort to make health promotion the central feature of health policies, especially with regard to chronic diseases. He also suggested that this Division should deal with the problem of accidents and violence as an epidemic, which was the theme of World Health Day. Dr. Restrepo, Director of the Division, agreed with these suggestions and mentioned how difficult it is to attempt to assign political priority to chronic diseases. With respect to accidents and violence, Dr. Restrepo said that an alliance is being sought with other sectors in order to address this serious problem.

The Director took the floor to report that the Special Subcommittee on Women, Health, and Development, which had just concluded its meeting, had requested that the subject of violence be included on the agenda of the Executive Committee of the Directing Council. He promised that all possible efforts would be made to comply with that request.

Before turning to the second part of the presentation of the budget proposal, the Director noted that direction and general management activities, as well as the Regional Director's Development Program and the Program on Technical Cooperation Among Countries, needed to be added to the programs referred to above. He pointed out to the Subcommittee the new initiatives included in the proposed budget: the Regional Plan for Investment in the Environment and Health, in connection with which the Organization's resources are being organized in a different manner; the project to create an entirely new program, center, or institute of bioethics; and the consolidation of the Pan American Institute for Food Protection and Zoonoses. He noted that an attempt had been made in the budget proposal to reconcile the strategic orientations of the Organization with the policy orientations of the Ninth General Program of Work of WHO and the operational strategies presently in effect.

Mr. James A. Milam, Chief of Budget, summarized the Organization's proposed program budget, which he said would be revised before being presented to the Executive Committee in June and then would be revised again before being submitted for consideration by the Directing Council at the meeting to be held in September 1993. He indicated that the proposed amount of $250,958,000 for 1994-1995 included $170,888,000 in PAHO Regular funds and $80,070,000 in WHO Regular funds. In May 1993 the World Health Assembly would make a decision concerning the WHO funds.

The overall increase in the funds from both organizations for 1994-1995 is 12%, considerably lower than the 17% required for the previous biennium. The 12% increase is composed of cost increases of 12.2% and program decreases of 0.2%. A 12% increase in PAHO Regular funds would require a quota increase to Member Countries of 17.7%.
The rise in inflation-related costs and United Nations-mandated increases have been estimated at 6.8% per year for all areas outside Headquarters and at 4.0% per year for activities in Washington.

The large increase—approximately $1,248,000—in Multicountry Programs relates to the establishment of the Executive Secretariat for the Regional Plan for Investment in the Environment and Health. The increase for the Centers is related to the proposed Institute of Bioethics. These program increases are offset by reductions in the Regional Director's Development Program, the Regional Programs, and, in particular, Technical and Administrative Direction, which accounts for 73.0% of the program reductions. The proportion of the budget allocated to Technical and Administrative Direction will decline from 15.6% of the total in 1992-1993 to 14.6% in 1994-1995.

Dr. Macedo noted that a number of serious challenges were facing PAHO, including the potential reduction in the WHO portion of the budget in 1994-1995, funding availability for special programs such as AIDS and TDR, and the increasing role of the international banks in the health sector.

With regard to the budget figures, the Director said that although the cost increase of 12.2% was justified he found it unsatisfactory because it would necessitate an excessive increase in the contributions from the countries. He added that even if the amount of Miscellaneous Income were equal to that of the previous biennium, which was unlikely in view of the lower interest rates, the country quotas would have to be increased by 17.7%. The Director considered that rate of increase unacceptable in view of the economic, and especially the fiscal, difficulties of the countries.

The Subcommittee recognized the efforts expended in presenting the budget proposal and in formulating the alternatives suggested by the Director to eliminate or reduce costs and to avoid an inordinate increase in the quotas of the Member Countries. All the members agreed that the costs of the Organization must be reviewed in order to determine whether or not there was a need for an increase and to establish an order of priorities. It was observed with satisfaction that the Country Programs had increased by only 1%, and many of the participants congratulated the Director on his efforts to control administrative costs. It was also noted that setting up a bioethics institute would increase the costs of the Centers.

The Representative of Canada pointed out that his country's PAHO assessment had more than doubled since 1990, when Canada had joined the OAS, rising from $3 million to $7.18 million. That, added to the fact that the country had still not emerged from its recession, would prevent Canada from even considering an increase in its contribution to PAHO. In a more positive vein, the representative reported that Canada was maintaining its level of assistance to Latin America and the Caribbean, despite other demands for assistance from eastern Europe.

Several delegations, including those of the United States of America and Mexico, noted their concern about the increases proposed in the budget. The United States delegation also
suggested that the "lapse factor" should be taken into account, and an effort should be made to lower costs.

It was mentioned that the question of the bioethics institute should possibly be approached in a different manner in order to reduce the costs. With regard to the Regional Plan for the Environment and Health, it was observed that perhaps some of the new funds required by the Secretariat could be obtained through the Inter-American Development Bank.

Mr. Milam said that the doubling of Canada's quota between 1990 and 1992 was due to the fact that, since it had joined the OAS, its contribution was being calculated in accordance with the scale established by that Organization. In reply to a question from the members, he promised to include the program growth and cost increases in the table to be presented to the Executive Committee along with the program budget.

The Director pointed out that the problem was not the application of a policy of zero real growth, since the Organization already has implemented that policy. Instead the problem is trying to avoid an unacceptable rise in the assessments of Member Countries. For the past several years, the biennial budgets have not kept up with rising costs. In fact, for the past five biennial budgets, there has been a cumulative reduction of 31%-32% in regular funds. In the period since 1980, the total number of posts under the United Nations system has been reduced by 40%. As a result of the Organization's internal rationalization and managerial innovations, the country programs have been maintained and even increased.
Dr. Macedo proposed a number of strategies to ensure that quotas did not rise beyond 12%. These included a recalculation of the program costs to reduce the budget increase to 10% and the possibility of increasing miscellaneous income through better investments. He also planned to freeze the costs of fellowships. Finally, he added that he would explore and negotiate with the Member Countries in order to encourage them to pay their outstanding 1992-1993 contributions and to make their future quota payments on time, and would consider possible program reductions, provided activities in the countries were not affected. With regard to the bioethics institute, he pointed out that a new approach had been devised that would make it possible to reduce the costs involved in its establishment.

Item 5: Analysis of PAHO/WHO Technical Cooperation in Mexico

This item was presented by Dr. Juan Manuel Sotelo, PAHO/WHO Representative in Mexico, and Dr. Federico Chávez Peón, Director of International Affairs of the Ministry of Health of Mexico, who reported that on 30 March and 3 April 1992 a joint evaluation had been carried out of PAHO/WHO technical cooperation in Mexico. The evaluation had looked at 20 technical cooperation programs in which the Organization collaborated during the bienniums 1988-1989 and 1990-1991.

The evaluation was made to determine whether or not PAHO/WHO technical cooperation program had been and continued to be pertinent, efficient, and effective. Its specific objectives were to evaluate the quality and impact of technical cooperation, to analyze the extent to which the cooperation program coincided with the priority needs expressed by the country and with global and regional objectives and strategies, and to indicate areas in which changes should be made.

Special mention was made of the evaluation’s multi-institutional and intersectoral approach, in which collaboration had been provided by more than 100 national officials from 26 institutions, 22 PAHO/WHO Headquarters staff members, ECO, and the PAHO/WHO Representative Office in Mexico.

The joint evaluation had translated into instruments for programming and budgeting technical cooperation, changes in the profile of the personnel in the Representative Office, and a PAHO/WHO response that would be more in keeping with the cooperation needs of the country and with the Strategic Orientations and Program Priorities of the Organization during 1991-1994.
Discussion

The members of the Subcommittee agreed on the need that had been expressed for flexibility in cooperation between PAHO and the countries, and expressed the belief that evaluation made it possible to undertake the adjustments needed in order to increase the effectiveness of technical assistance.

It was observed that it was important to take optimum advantage of local specialists who could serve as consultants, and it was noted that in Mexico the Organization frequently called upon an excellent group of institutions and people for that purpose.

The importance of cooperation between the countries was also emphasized. The Representative of Belize referred to the joint activities carried out between his country and Mexico and Guatemala, in which health problems common to the three countries had been identified and addressed in a coordinated manner. Mutual technical support had been important in malaria control and in the recent cholera epidemic. Praise was expressed for the support which PAHO had provided from the outset for this process through the PAHO/WHO Representative Offices in the countries.

The Director expressed his satisfaction with the relations PAHO maintains with the Government of Mexico, thanks to the leadership of the Minister of Health and President Salinas. He said that Mexico provided ideal possibilities for technical cooperation and that PAHO would do everything in its power to strengthen that cooperation. Finally, he reiterated that the objective of joint evaluation was to orient PAHO cooperation activities.

Item 6: Establishment of the Pan American Institute of Bioethics

Mr. Hernán Fuenzalida, Office of Legal Affairs, presented a revised version of the proposal for the establishment of a Pan American Institute of Bioethics, which had been submitted by the Director to the last meeting of the Executive Committee. This version incorporated the observations made at the 19th Meeting of the Subcommittee on Planning and Programming.

It was pointed out that bioethics has emerged as a new field of applied study and research and an area of universal interest and concern. Its influence is considerable in the scientific and technological community, in the sociocultural sphere, and in the political arena. However, in the Latin American and Caribbean countries, discussion of bioethics is limited. Most of the progress in this field and the solutions designed to
resolve bioethical problems have come from countries outside these subregions. Reflection on bioethical issues, as well as the solutions proposed, no matter how pertinent, must be approached within a framework of scarce resources.

Mr. Fuenzalida explained that, although in principle the establishment of an institute was being proposed, other options consonant with budgetary constraints were also being considered, including the establishment of a regional program on bioethics. The University of Chile would contribute the physical plant, maintenance, and personnel. The Ministry of Health of Chile would make an annual contribution of US$100,000 per year. The contribution of PAHO would not exceed $400,000, and PAHO participation would be reevaluated after five years.

Discussion

The importance of bioethics was recognized unanimously by the Subcommittee, which welcomed the initiative. It was emphasized that it should not be considered a purely academic undertaking, but rather should be aimed at increasing awareness of bioethical issues in the field of research, professional practice, and legislation.

The representatives of Belize and Barbados suggested that a mechanism should be sought that would also allow the English-speaking Caribbean to benefit from this program.

Mr. Fuenzalida pointed out that activities would be carried out that included the countries of the Caribbean and took into account their cultural characteristics. He said he would prepare the revised document, including the financial portion, for presentation to the Executive Committee, adding that a more modest beginning would demand more creativity.

The Director drew attention to the efforts that had been made to reduce the costs of this new initiative as much as possible, and noted that the proposed initial $277,000 would come from the Regional Director’s Development Program and the remainder also from the area under the responsibility of the Director of PAHO. He added that no more than one professional post would be required.

The Subcommittee agreed to recommend the creation of the Regional Program on Bioethics, to be headquartered in Santiago, Chile.
Item 7: Family Planning, Reproductive Health, and Population

This agenda item was presented by Dr. José Antonio Solís, Regional Advisor to the Program on Maternal and Child Health and Family Planning, who described the Organization's aim of strengthening the component of family planning in the technical cooperation provided by the Organization.

In recent decades the concept of "reproductive health" has become an important component of the overall health of the individual, and since it is an area of concern for the entire population, it transcends the traditional limits of maternal and child care.

He pointed out that the practice of fertility regulation provides health benefits for individuals, families, and society; however, the current situation of maternal and child health programs and the population indicators show that, in spite of the progress achieved, much still remains to be accomplished. Probable demand has been estimated and some strategic recommendations have been formulated for the future. There has been discussion of strategies relating to policy, legislation, financing, quality of health care, management, and focusing on priority groups. A preliminary profile has been developed of the changes that will be required in the technical cooperation program of the Pan American Health Organization.

Discussion

The document was praised for its excellence, although it was felt that the issue of abortion should be examined from a broader perspective. It was also observed that intersectoral participation is increasingly needed in this area in order to address the problem of overpopulation in a rational and effective manner. Several members indicated that they favored retaining the expression "family planning." It was also pointed out that sufficient stress is not being placed on social marketing of contraceptives. Reference was made to the insufficient participation of men in family planning strategies and to the problem of a adolescent pregnancy.

Dr. Solís responded that the approach to abortion was not conservative, but rather cautious, recognizing the risks involved. PAHO respects the decision of each country in this regard. He said that he believed the terms "family planning" and "regulation of fertility" could be used interchangeably. In response to an observation on breast-feeding, he said that it is being promoted in all the programs. He pointed out that PAHO has been promoting the participation of men in family planning activities for 20 years.

The Director emphasized that this subject is important for PAHO in view of its relationship to health. The activities of reproductive health care and family planning should be integrated into the health services. PAHO has no demographic goals of its own but rather reflects the consensus of its Member Countries. As regards abortion, PAHO recognizes this issue and its repercussions on health. The Director expressed the opinion that the countries should endeavor to better utilize their resources so as to make fertility regulation accessible to 70%-100% of the population.
Item 8: Study of Operating Costs of the Pan American Institute for Food Protection and Zoonoses (INPPAZ) and Proposed Funding for the Biennium 1994-1995

In his presentation Dr. Raúl Londoño, Director of the Pan American Institute for Food Protection and Zoonoses (INPPAZ) explained how a study of operating costs comparing 1992 and proposed 1993 costs had been carried out in 1992 in compliance with mandates from the Directing Council of the Organization.

The total operating costs of INPPAZ for 1992 were $3,231,160.

The costs for the biennium 1994-1995 had been estimated taking into account: for 1993, the same salaries for United Nations professional staff, an increase of 12.4% for national professional staff and staff hired under the national labor law, and an inflation rate of 15.7% for other costs. For 1994-1995 a 6% inflation increase for each of the years had been taken into account, in addition to the cost of electric power, the increase in national personnel, and the marginal increment in technical cooperation costs.

The operating costs for the biennium 1994-1995 had been estimated at $9,686,467, and a financing proposal had been prepared based on that figure.

Discussion

It was agreed that the work of INPPAZ is very important for the Region and that its services are of great economic value for the countries. Concern was manifested over the high cost of INPPAZ, and it was suggested that the growing costs might be offset by the income derived from the sale of services.

Several members proposed that a market study of INPPAZ services be conducted as a means of ascertaining the existing real demand and of determining whether the program might be able to generate sufficient earnings to sustain itself or whether it would require permanent support.

The Director pointed out that INPPAZ is a new institution with a public service orientation, the aim of which is to support PAHO’s efforts and cooperate with the governments. Consequently, the possibility of self-financing has not been considered. Since it is a new institution, it will take time for it to earn international acceptance, especially with regard to animal products.

Item 9: Other Matters

The Director commented briefly on the reorganization of the PAHO Secretariat, and then requested the members to make suggestions on topics to be discussed at the next meeting of the Subcommittee.
A proposal was made to examine the subject of maintenance of medical equipment in the health units.

The 21st Meeting of the Subcommittee was set for 9 to 10 December 1993.