



PAN AMERICAN HEALTH ORGANIZATION

**EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL**

26th MEETING OF THE SUBCOMMITTEE ON PLANNING AND PROGRAMMING

*Washington, D.C., 25-27 March 1996*

*Provisional Agenda Item 7*

SPP26/7 (Eng.)  
22 February 1996  
ORIGINAL: SPANISH

**PROGRESS OF ACTIVITIES IN HEALTH SECTOR REFORM**

In compliance with the strategic and programmatic orientations for the Pan American Health Organization, 1995-1998, and the mandates of the Summit of the Americas and the Special Meeting on Health Sector Reform, PAHO has been engaged in a series of cooperation activities with the national sectoral reform processes in the Region. At the same time, the Organization has made a great effort to mobilize political, technical, and financial support for these processes from the international cooperation agencies. The Secretariat has also been conducting a number of activities to create technical instruments and train its own staff in an attempt to respond more effectively to the demands for reform in terms of new content and modes of cooperation.

This document summarizes the activities in 1995, as well as others being programmed or envisaged for the coming years in each of the areas mentioned.

The Subcommittee on Planning and Programming is requested to take note of these activities and comment on their appropriateness and responsiveness to the respective mandates. The Subcommittee is also requested to issue a recommendation concerning the report on these activities to be submitted to the PAHO Executive Committee.

## CONTENTS

	<i>Page</i>
1. Introduction . . . . .	3
2. Cooperation with the Countries . . . . .	5
2.1 Health Sector Reform in the Americas . . . . .	5
2.2 Direct Support for National Processes of Health Sector Reform in 1995 . . . . .	7
2.3 Future Activities . . . . .	11
3. Interagency Action . . . . .	13
3.1 Interagency Cooperation for Health Sector Reform in 1995 . . . . .	13
3.2 Future Activities . . . . .	15
4. Action by the Secretariat . . . . .	16
4.1 Internal Activities of PAHO during 1995 in Regard to Health Sector Reform . . . . .	16
4.2 Future Activities . . . . .	18

Annex

## 1. Introduction

In the past two years, health sector reform (RSS) has been the object of a series of deliberations by the Governing Bodies of PAHO and by forums of interest to the Organization, such as the Summit of the Americas and the activities in follow-up to the Summit. The successive deliberations on HSR not only reflect the priority accorded this topic by the countries of the Americas but have led to political consensus and conceptual maturation in the Region regarding the objectives, strategies, content, and implications of the reform.

In 1994 the reform was discussed extensively at the XXIV Pan American Sanitary Conference, which adopted two important resolutions on this matter.<sup>1</sup> The first, concerned with the *Strategic and Programmatic Orientations for PAHO, 1995-1998*, delineates regional policy on the reform through the five orientations that will direct the efforts of the countries and the Secretariat to meet the challenge of inequity in health. The second, related to the *Joint ECLAC [Economic Commission for Latin America and the Caribbean]/PAHO Report on Health, Social Equity, and Changing Production Patterns in Latin America and the Caribbean*, situates HSR within the context of the proposed changes in the relationship between the State, society, and the market in order to transform the regional development process and create a sounder economy and a more equitable society.<sup>2</sup>

In December 1994, the Summit of the Americas reaffirmed the commitment of the governments of the Region to HSR as a mechanism for guaranteeing equitable access to basic health services. This goal is expressed in very specific terms linked to the reduction of maternal and infant mortality, as agreed at the World Summit for Children in 1990 and the International Conference on Population and Development in 1994. The leaders also endorsed universal access to a basic package of clinical, preventive, and public health services, as well as priority attention to the most vulnerable social groups; stronger public health infrastructure; alternative means of financing, managing, and providing services; quality assurance, and greater use of nongovernmental organizations (NGO) in health.<sup>3</sup>

---

<sup>1</sup> The topics of these resolutions were addressed at the 22nd Meeting of the Subcommittee on Planning and Programming and at the 113th Meeting of the Executive Committee, respectively.

<sup>2</sup> A plan for the implementation of the Health, Social Equity, and Changing Production proposal was subsequently considered at the 23rd Meeting of the Subcommittee on Planning and Programming.

<sup>3</sup> Summit of the Americas, Plan of Action.

Article 17 of the Plan of Action of the Summit of the Americas (Miami, December 1994) requests PAHO, the Inter-American Development Bank (IDB), and the World Bank to convene a special meeting to establish the framework for health reform mechanisms, a scheme for monitoring the reform, and a network to support the implementation of HSR in the Americas. This meeting was held in September 1995 as a special session of the XXXVIII Meeting of the Directing Council of PAHO. An interagency committee submitted a reference document to the meeting,<sup>4</sup> and participating governments submitted progress reports on the reform in their respective countries.

In Resolution CD38.R14, adopted on the basis of the deliberations of the Special Meeting, the Directing Council requested the Member States to give priority to HSR, with a view to achieving greater equity, efficiency, and effectiveness in health sector activities and facilitating information exchange and the monitoring of the respective reform processes. It requested the cooperation agencies to provide greater coordination and to increase their support for the processes of HSR, bearing in mind the individual characteristics of each country. It asked PAHO, together with the countries and cooperation agencies, to develop a monitoring mechanism and the inter-American network to support the reform and to report on this matter to the hemispheric Summit in 1996.

These mandates were fulfilled in 1995 through a variety of activities at the country and interagency level and within the Secretariat itself. There was relatively greater action at the interagency level in early 1995, in response to the mandate from the Summit of the Americas concerning preparations for the Special Meeting. The direct cooperation to the countries sought to respond to the demands of the national processes of HSR within the framework of the agreements reached among the agencies and the internal activities of the Organization. Finally, the internal action of the Secretariat attempted to articulate the Organization's position as coherently and consistently as possible in order to strengthen our activity at the interagency and country level.

The Organization's efforts in 1995 to implement the Plan of Action of the Summit of the Americas have elicited the recognition of national authorities and leaders, such as the President of the United States of America, whose message to the Director of PAHO in this regard is found in the Annex.

Beginning in 1996, the order of priorities is expected to be reversed. The agenda at the country level should therefore receive greater priority, followed by interagency action, and the internal action of PAHO, with these latter two areas providing support for the first.

---

<sup>4</sup> This document was also considered at the 116th Meeting of the PAHO Executive Committee.

The present document summarizes the activities that have been carried out to date, in compliance with the aforementioned resolutions, and those programmed for 1996 and the coming years. This summary includes direct support for the countries (Section 2), interagency collaboration (Section 3), and the internal activities of the Secretariat (Section 4).

## **2. Cooperation with the Countries**

### **2.1 *Health Sector Reform in the Americas***

The Americas currently appear to be the most active of the Regions of the World Health Organization (WHO) in regard to HSR. Indeed, in mid-1995 nearly all of the 37 countries and territories of the Region reported that they were in the process or considering the possibility of implementing some initiative to reform their health systems and/or policies.<sup>5</sup> As indicated in Table 1, these HSR processes are also characterized by the intense participation of several cooperation agencies, especially PAHO, IDB, the World Bank, and the U.S. Agency for International Development (USAID).

A number of these reform processes have been under way for some years and, as a result, have already yielded concrete results. Others have been launched more recently and have not yet produced tangible results in terms of change. A few countries are reforming their health sector after attaining very reasonable levels of coverage for their populations. Their challenge is to achieve greater sectoral efficiency, while attempting to maintain the progress already made in terms of equity. For most of the countries, however, reform represents a search to overcome serious problems of inequity and inefficiency in their health sector.

Nevertheless, despite the diversity of the current state of the national health systems, some reform alternatives are repeated in many countries. Table 2 shows the alternatives most frequently adopted in the national HSR processes, by subregion. Three of these alternatives are applied in half the countries or territories and concern the decentralization, introduction, or expansion of health insurance and the adoption of cost-recovery schemes in the public sector. At least one-third of the countries and territories are considering the adoption of alternatives such as a basic package of health services, new forms of contracting, budgetary decentralization, the targeting of public expenditures, hospital autonomy, and selective privatization. One-sixth of the countries are adopting new drug policies.

---

<sup>5</sup> According to the reports submitted by the Member Governments of PAHO to the Special Meeting on Health Sector Reform, held in Washington, D.C., 29-30 September 1995.

Table 1

COUNTRIES OF THE AMERICAS, HEALTH SECTOR REFORM AND  
PARTICIPATING AGENCIES

Subregion	Country	World Bank	BID	AID	Other	PAHO
NAFTA	Canada					X
	Mexico	X				X
	United States					
Central America	Belize		X			X
	Costa Rica	X	X			X
	El Salvador	X		X		X
	Guatemala	X	X			X
	Honduras					X
	Nicaragua	X	X	X	X	X
	Panama					X
Caribbean	Bahamas					X
	Barbados					X
	Cuba				X	X
	Dominica					X
	Dominican Republic	X	X			X
	Grenada					X
	Guyana	X				X
	Haiti					X
	Jamaica	X	X			X
	St. Kitts and Nevis				X	
	St. Lucia					X
	St. Vincent/Grenadines					X
	Suriname				X	X
	Trinidad and Tobago		X		X	X

Subregion	Country	World Bank	BID	AID	Other	PAHO
Andean Area	Bolivia	X		X		X
	Chile	X	X		X	X
	Colombia	X				X
	Ecuador	X				X
	Peru		X		X	X
	Venezuela	X	X			X
MERCOSUR	Argentina	X	X			X
	Brazil	X				X
	Paraguay	X				X
	Uruguay					X

Source: PAHO/WHO Representative Offices and Reports from the Countries to the Special Meeting on Health Sector Reform.

It is in this context of diversity and similarity that the Organization must operate, seeking to guide the reform processes in the direction of growing levels of equity, efficiency, and effectiveness in the health sector.

## **2.2 *Direct Support for National Processes of Health Sector Reform in 1995***

PAHO has been providing direct support for 26 national HSR processes in the Americas through its respective PAHO/WHO Representations, as mentioned in Table 1. This support involves diverse modalities, including advocacy, technical assistance, seminars and forums for consensus-building, the development of health care models, the design of management systems and tools, the training of national personnel, dissemination of technical information, and the sharing of information on national experiences in reform. A major cooperation objective is to elicit the active participation of the social security institutions in the respective national sectoral reform processes. This latter aspect was intensively addressed in over 10 countries in 1995. It was also dealt with in the subregional area, through cooperation with the Central American Council of Social Security Institutions and the Andean Agreement on Social Security.

The bulk of this cooperation is provided by the respective Representations in the countries, with the additional support of experts from the Secretariat or others recruited externally. The permanent presence of the Organization in the majority of the countries

Table 2

**MOST COMMONLY USED OPTIONS IN HEALTH SECTOR REFORM  
BY SUBREGION IN THE AMERICAS - 1995**

Options	CAP	CAR	Andean Region	Southern Cone	NAFTA	Total
Decentralized Management	6	6	4	4	3	23
National Health Insurance	4	11	3	3	1	22
Cost Recovery	4	12	2	-	-	18
Packages of Basic Services	4	5	2	3	3	17
New Forms of Contracting	1	5	3	4	2	15
Decentralized Budgeting	3	2	4	3	2	14
Targeted Public Spending	4	3	2	1	1	11
Hospital Autonomy	2	3	2	3	-	10
Selective Privatization	3	4	1	2	-	10
Policies for Essential Drugs	-	4	1	-	1	6
<b>COUNTRIES/TERRITORIES</b>	<b>7</b>	<b>17</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>37</b>

Source: Reports from the Countries to the Special Meeting on Health Sector Reform, Washington, D.C., September 1995.



gives it a comparative advantage vis-à-vis other cooperation agencies, who have only intermittent contact with the countries when projects with fixed time frames are under way. This presence also poses a challenge, for it implies the constant exposure of PAHO to the many demands for cooperation by the countries.

The interprogram missions for analysis and programming constituted a special modality of support for the national HSR processes in 1995. During these missions, conducted in Bolivia, the Dominican Republic, Ecuador, and the Caribbean countries, with the participation of representatives from the units involved in the working group on HSR (WG/HSR), staff from the Secretariat and the PAHO/WHO Representations of the countries visited reviewed the respective HSR processes with national authorities and counterparts.

As a result, joint plans of action were drawn up to overcome the problems detected, specifying the responsibility of each party in the implementation of the activities included in these plans. Other missions were subsequently carried out, some of them involving external experts of international repute, to provide follow-up on the points agreed upon with the authorities of the participating countries.

In the case of Ecuador, a meeting of the social cabinet was also promoted. Moderated by the Vice President of the Republic, with the participation of the respective ministers and the Director of PAHO, this event was devoted to a high-level review of the role of health in Ecuador's development process.

Several high-level seminars were held on reforms within country regions, such as those of Costa Rica (in collaboration with the World Bank and the IDB), Jamaica (together with the Caribbean Community (CARICOM)), Guatemala (cosponsored with the Central American Council of Social Security Institutions), Washington (cosponsored with WHO for the poorest countries of the Region) and Puerto Rico. In other cases, the events were national in scope, such as the forums for Chile and Guatemala, involving broad representation of all interested political and social sectors.

Other workshops were devoted to promoting the sharing of experiences among the delegations of several countries where reform processes are under way. In Uruguay a meeting was held on the most relevant experiences in the region in terms of new modalities of health service organization and management and managed health care. A book on the health systems of industrialized countries undergoing reform was published, especially prepared by Latin American investigators to facilitate the regionwide dissemination of this information. In 1994 two such workshops were held, in which various Canadian experts shared their experiences with counterparts from the ministries of health and social security institutions of the Andean countries (La Paz, Bolivia) and

Central America (Panama). Last year a third exercise of this type was conducted, involving a Canadian delegation and a more numerous group of Chilean counterparts.

One of the most interesting characteristics of HSR is that its content receives very limited attention in the regular curricula of public health and health administration programs offered in the Region. For this reason, a number of special activities geared toward the training of personnel had to be conducted on different topics related to the reform. Through the Inter-American Network on Health Economics and Financing (REDEFS), with the support of the World Bank's Economic Development Institute, the British Overseas Development Administration (ODA), and the Canadian International Development Research Center (IDRC), more than 10 training workshops were held in this area. A joint workshop with the Inter-American Center for Social Security Studies (CIESS) was held to train ministerial advisers and legislators on legal aspects of the reform. In Central America a workshop was offered on human resources in HSR. Prior to that, an important meeting on the future of public hospitals in the Americas was held in Chile; it highlighted recent trends in hospital autonomy.

The case of REDEFS merits special consideration because of the training that it is providing to the national and international counterparts who participate in its activities. Some 15 associations and/or national or subregional economic and financing groups are affiliated, with a total membership of over 500 people—mostly professionals, administrators, researchers, and educators with an interest and/or expertise in health economics and financing and who work in public or private, national or international institutions. The network has provided valuable support to the countries in a field where the Region is especially vulnerable owing to a scarcity of adequately trained human resources.

Research and studies on reform processes in general and on special aspects of these processes were promoted. One of these studies focused on the new ways of organizing and managing services in nine countries of the Region. In collaboration with the IDB, the University of the West Indies, and the University of Toronto, a Regional Study on the Health Sector of the Caribbean was conducted that includes a comprehensive evaluation of the problems and alternatives for HSR in the subregion. Support was also provided for a sectoral health analysis in Cuba to identify alternatives for adapting the sector to the changes under way in the national economy. At the same time, two competitions for research proposals were held, one on the history of health reform in the Americas and the other on human resources, the quality of care, and productivity in health; the projects have already been selected and funded.

Finally, major efforts have been devoted to political support for national HSR processes. Six countries have national commissions on HSR, made up of representatives from the executive and legislative branches of government, the private sector,

universities, and cooperation agencies, in addition to health care providers and users. Such commissions serve to foster consensus-building on the reform among the various interest groups, facilitating the preparation of proposals and the formulation of draft legislation to be submitted to the respective legislatures. In other cases, external support groups are being created for the national HSR processes; these are comprised of representatives of the main technical and financial cooperation agencies working in the respective countries.

### **2.3 Future Activities**

Despite its budgetary constraints, PAHO has programmed an extensive array of activities in direct support of the national HSR processes for 1996 and subsequent years. These activities will concentrate on the following lines of work:

- (a) *Direct Support.* This will involve intensifying the political dialogue with the authorities and national counterparts to foster opportunities for negotiation and consensus-building that will help to make the reform proposals viable. At the same time, support will continue for the PAHO/WHO Representations, as will interprogram missions geared toward the national reform processes. A directory of institutions and skilled experts who can provide support in the various fields of knowledge required for the reform will be also compiled and placed at the countries' disposal.
- (b) *Monitoring.* In compliance with the mandates of the Summit and the Special Meeting, the Representations will play a special role in the implementation of the scheme to monitor the progress of the reforms in the Region. At the same time, the national authorities and the cooperation agencies should provide the data and information needed to make this monitoring scheme viable.
- (c) *Inter-American Network.* Also in compliance with the mandates of the Summit and the Special Meeting, the Representations in the respective countries will be responsible for promoting the affiliation of institutions and representatives of the executive and legislative branches of government, universities, the private sector, NGOs, health care providers, and users with the Inter-American Network for HSR. It is hoped that, in the near future, the Network will be able to put the principal actors interested in HSR in the Region into direct contact with one another.
- (d) *Leadership and Human Resources Development.* The Organization will continue to promote high-level forums on the reform to facilitate the building of a basic consensus among groups interested in the reform. It will also provide support for seminars and workshops to train key personnel in relevant areas in order to make

implementation of the reform projects a viable undertaking. To this end, it will enlist the necessary collaboration from the schools of public health, the health administration programs, the national associations that participate in REDEFS, and other entities.

- (e) *Sharing of Models and Experiences.* Activities in this area will consist of events such as the workshop programmed for sharing information on experiences between Canada and the Southern Common Market (MERCOSUR) countries, which has already been held for other subregions. A workshop is also being programmed jointly with health authorities from the state of Oregon to review experiences relative to the design and implementation of basic health care packages. There are also plans for the participation of delegations from the American region in the European regional conference on HSR that the WHO Regional Office for Europe (EURO) has scheduled for next June in Ljubljana, Slovenia.
- (f) *Research.* The Organization will promote and support health sector analysis to detect problems related to the organization, management, and financing of the health sector and identify opportunities for sectoral reform projects. In compliance with the recommendation of the PAHO Subcommittee on Health Services Research, a new call for research proposal on the reform is being issued, a competition that will emphasize an examination of the sector's coverage deficits and the implications of the organizational and financial changes for equity and efficiency in health. In coordination with the World Bank, IDB, ODA, IDRC, and USAID, the Organization will seek better coordination of current research initiatives on HSR. At the same time, it will establish a mechanism for speedy dissemination of the results of the research in the Region on mechanisms and instruments for the implementation of HSR.
- (g) *Information.* Scientific and technical information on the most relevant aspects of HSR will be distributed to policymakers, managers, and other actors involved in the national reform processes. The participation of the Latin American and Caribbean Center on Health Sciences Information (BIREME) and other sources of scientific and technical information in this effort will be a key element. Special priority will be given to the dissemination of information on instruments and mechanisms for the implementation of HSR.
- (h) *Mobilization of Resources.* PAHO will continue to promote the creation of external support groups for the national HSR processes, with the participation of bilateral and multilateral technical and financial cooperation agencies. At the same time, it will seek the support of agencies such as the Canadian International Development Agency (CIDA), IDRC, USAID, the Health Care Finance

Administration (HCFA), ODA, and the Swedish International Development Agency (SIDA) for regional and country projects and initiatives in HSR. The creation and operation of external support groups for national HSR processes will remain an important aspect of this activity.

### **3. Interagency Action**

#### **3.1 *Interagency Cooperation for Health Sector Reform in 1995***

The preparation and holding of the Special Meeting on HSR was the responsibility of the Interagency Committee on Health Sector Reform, made up of representatives of PAHO, the World Bank, IDB, the Organization of American States (OAS), the United Nations Children's Fund (UNICEF), ECLAC, the United Nations Population Fund (UNFPA), USAID, and the Government of Canada. The Committee was installed at the beginning of the year, after a meeting of the Director of PAHO, the President of the IDB, and the Vice President for Latin America of the World Bank. PAHO serves as the Committee's secretariat.

Representatives from the other agencies were also incorporated to make the Committee more representative, bearing in mind the terms of Resolution 17 of the Summit of the Americas. Indeed, the preparation for the Summit itself implied coordination among these agencies with respect to HSR.

The Committee met with sufficient frequency during the year, both in plenary sessions and in subgroups, to carry out the functions assigned to it for the preparation of the Special Meeting. The meetings rotated among the headquarters of PAHO, the World Bank, IDB, and AID and were also held at "neutral" sites to increase the possibilities for dialogue and coordination. As a result of this effort, an intense exchange of information on the HSR policies and activities of the participating agencies was generated. At the same time, a consensus was being built on a common agenda for the Special Meeting, which took the form of the interagency reference document submitted to the Meeting.

That interagency reference document<sup>6</sup> summarizes the determinants of HSR in the Americas and the scenario in which this process is unfolding. It describes the frames of reference for the reform, emphasizing the options for the organization and management of health services and sectoral financing. It then considers the political dimensions and the problems faced by the national HSR processes. In its final chapter,

---

<sup>6</sup> "Equitable Access to Basic Health Services: Toward a Regional Agenda for Health Sector Reform."

the document deals with hemispheric cooperation in support of the reform, emphasizing interagency coordination, development of the Inter-American Network on HSR, and the monitoring of the national reform processes.

The preparation of the document consumed most of the Committee's time—a reflection of the effort devoted to overcoming differences in the interpretation of the underlying topics. Such differences may also be reflected in the day-to-day cooperation provided by these agencies to each national HSR process, in which case, they may be invalidating the positive effects of multi-agency cooperation to the national reform processes described in Table 1. This is why the Organization continued working at the country level to seek greater interagency coordination in support of the reform. This effort consisted of ongoing and active information exchange, in addition to the creation of the aforementioned support groups.

The Special Meeting involved the participation of over 400 representatives of national governments, parliaments, private institutions, NGOs, cooperation agencies, and research centers. With this representation of nations and interest groups, the Special Meeting became the most important event on HSR held in the Region to date and therefore constituted successful interagency coordination in support of the reform. It also facilitated the identification of leaders and organizations interested in regional and country reform, which will be very useful for the activities in follow-up to the Meeting in the immediate future.

In addition to the Special Meeting, interagency coordination made possible other intercountry leadership development activities to support the reform. Notable among them are the seminar on managed competition, promoted by the World Bank (St. Michaels, Maryland); the aforementioned seminar on reform in Central America, promoted by PAHO, the World Bank, and the IDB (San José, Costa Rica), and the meeting of the stakeholders of the Regional Study on the Health Sector of the Caribbean, promoted by PAHO and the IDB in January 1996 (Christ Church, Barbados). Earlier cooperation among PAHO, the IDB, and the World Bank had already been responsible for the 1994 meeting of the countries of the Southern Cone and the Andean Area on HSR (Buenos Aires, Argentina).

Another example of interagency cooperation in human resource training is the case of REDEFS. In recent years, this network, which is supported by PAHO, the Economic Development Institute (EDI)/World Bank, and CIESS, has successfully implemented a work program that is far more intense and diversified than the programs previously carried out by each agency acting in isolation. REDEFS currently operates with resources from the World Bank, PAHO, ODA, IDRC, and other national sources, mobilized by its 15 affiliated national associations and/or subregional economic and health financing groups. While the associations are becoming increasingly active in

detecting and responding to national training needs, the agencies are changing their role, assuming a subsidiary function in support of the activities of the associations. This experience can be very useful for the establishment and operation of the Inter-American Network on HSR, whose creation was mandated by the Summit of the Americas.

Finally, mention should be made of the activities of PAHO and the IDB, with the support of the World Bank, the Caribbean Development Bank (CDB), and CARICOM, in connection with the design and implementation of the Regional Study on the Health Sector of the Caribbean. This study is being conducted with support from the authorities of the countries involved. By evaluating the priority problems of the sector and the progress of the national HSR processes, this initiative is facilitating the development of criteria for adapting national policies and external support for these processes.

### 3.2 *Future Activities*

Contacts with the agencies that comprise the Committee have lately been renewed in order to define the course of action in follow-up to the Summit and the Special Meeting. From the standpoint of PAHO, the following topics require priority attention from the Committee:

- (a) *Publications.* The documents presented at the Special Meeting (the interagency reference document and the country reports on their respective national HSR processes) have been edited for publication by the Committee, as have the minutes of the Meeting. It is hoped that this publication will serve as a framework for the national reform processes and the international cooperation in support of the reform.
- (b) *Support Groups.* The establishment of these groups will continue to be promoted, as in the case of Chile.
- (c) *Monitoring.* Preparation of a proposal for a scheme to monitor the national reform processes is under way, based on the previous deliberations on this matter by the Interagency Committee and the Special Meeting. The reports submitted by the countries at this latter meeting will serve as the point of departure for the monitoring scheme.
- (d) *Inter-American Network.* Work is also under way on the design of the network, beginning with the consensus in the Committee and the discussions at the Special Meeting on this matter. The experience of REDEFS and other current initiatives will be very important for the development of this new network.

- (e) *Research.* A meeting is scheduled for June between PAHO, IDB, the World Bank, IDRC, ECLAC, USAID, ODA, and the German Technical Cooperation Agency (GTZ) to review the research programs on relevant topics for HSR that these agencies are conducting in the Region. This meeting will attempt to elicit detailed information about the objectives and progress made by each of these initiatives, as well as the possibilities for cooperation and coordination among the projects under way in order to increase the impact of the respective results on the pertinent national processes.
- (f) *Leadership Development and Training.* In compliance with the mandates of the Special Meeting, joint activities will be promoted in this field to respond to the demands of the national sectoral reform processes. An effort is currently under way to coordinate several activities programmed for implementation in the Southern Cone in the near future; the purpose is to avoid a duplication of efforts and maximize their impact.
- (g) *Mobilization of Resources.* Given the current plethora of external support for the national HSR processes, as demonstrated in Table 1, the priority in this category will be to stress the need for greater coordination among the various agencies to bolster the impact of international cooperation on the national processes. An attempt will also be made to mobilize additional resources to meet the new demands that would eventually be unsatisfied by the resources currently available.
- (h) *Interagency Committee.* Efforts will be made to keep the Committee active, as a mechanism for consultation and coordination among the cooperation agencies working in sectoral reform in the Region. At the same time, the dialogue at the policy level will continue to be strengthened, as will technical relations between PAHO and each cooperation agency relevant for HSR in the Americas.

#### **4. Action by the Secretariat**

##### **4.1 Internal Activities of PAHO during 1995 in Regard to Health Sector Reform**

Fulfillment of these mandates has posed a major challenge to the operating capacity of PAHO and has required a special effort to coordinate the cooperation activities provided simultaneously by the various organizational units on different work fronts. In addition to these executive and coordinating functions, there is a need to keep the Secretariat of PAHO continually advised about matters related to the complex problem of HSR.



For this purpose, the Working Group on HSR (WG/HSR) has been created, consisting of the heads of the units with primary responsibility for cooperation with HSR at the regional level—that is, the Division of Health and Human Development, the Division of Health Systems and Services Development, and the Executive Secretariat of the Regional Plan for Investment in the Environment and Health. The WG/HSR is coordinated by the Director of the Division of Health and Human Development, with the Coordinator of the Program on Public Policy and Health of that same division acting as Secretary.

In each country, responsibility for the implementation of the activities in support of the national HSR processes rests with the PAHO/WHO Representative and his/her technical team. In contrast to many PAHO cooperation activities, support for the national reform processes requires a multidisciplinary approach involving experts from different fields to address the various dimensions involved in—or affected by—the reform.

To provide more effective orientation for PAHO activities in support of HSR at the regional and country level, a position paper was prepared that deals with the context and the reasons for the reform and summarizes the main characteristics of the reform processes in our Region. The paper then indicates the role and main areas of PAHO cooperation in the reform processes with regard to the organization and management of health systems and services and health sector financing. Finally, it mentions the modalities and other operational aspects that the cooperation should adopt. This document served as the basis for the first draft of the interagency reference document submitted to the Special Meeting. Following a broad internal discussion of the document, the final version is currently being prepared for publication, based on the collective observations of the Secretariat and the Representations in the countries.

To assist the activities in support of the national reform processes, a system for the collection, processing, and dissemination of literature on HSR was established at the Secretariat. This system organizes the documentation obtained by country and by subject, constituting an original collection in the Region that, by early 1996, already boasted more than 1,500 titles. Based on this collection, an annotated bibliography on the reform has been published that represents the most relevant scientific-technical product for assisting the different actors interested in this area.

Special attention was devoted to the development of methodologies and instruments, in an attempt to design and/or adapt some technical tools necessary for the implementation of the reform initiatives. A comprehensive series of manuals and technical guidelines on the organization and management of health services at the local level was also prepared and placed at the disposal of the countries to support the decentralization processes, which have been confirmed as one of the key components of the sectoral reform. Methodologies and instruments for health sector analysis were also

developed, and the quality and response capability of the health services, as well as the implementation of management information systems in health, were evaluated. An instrument for analyzing the supply and demand for human resources was designed and applied in seven countries, within the context of the sectoral reform. A reference document has been prepared to orient studies on the labor market in nursing within the context of the reform.

A guide for health sector analysis was prepared with contributions from the programs specializing in the topics involved, for use in identifying the sector's priority problems in order to justify and formulate the reform. Support is being provided for a special study on the creation of basic health care packages, while information on the most relevant regional experiences in this area has been disseminated to all the countries. An annotated bibliography has been published on new ways of organizing health systems and services within the context of the sectoral reform and managed health care, as a contribution to the aforementioned workshop on this topic in Uruguay. A document is also being published that contains targeting criteria and discusses some practical experiences of the health and nutrition programs in this area, based on material produced for a seminar on this topic promoted jointly with EDI and UNICEF in Ecuador.

Finally, the training and updating of the technical staff of the Secretariat and the Representations in the countries on the most relevant topics of the reform processes was promoted. This was accomplished through information dissemination, seminars and internal workshops, and participation in formal training activities.

#### 4.2 *Future Activities*

Bearing in mind the anticipated challenges for PAHO action in sectoral reform and based on the cumulative experience thus far, the following priorities can be identified for the internal agenda in the coming years:

- (a) *Methodological Development.* To lend continuity to the activities in this field, the preparation of manuals and guidelines will be promoted on such topics as disability adjusted life years (DALYs) and other alternatives for estimating the disease burden; the basic package of maternal and child care; some schemes for *disease management* related to the prevention and control of prevalent diseases involving high-cost care; and the legal framework for the sectoral reform.
- (b) *Documentation.* Continuity will be provided for the collection, processing, and dissemination of scientific and technical literature on the reform. At the same time, electronic access to this literature by the institutions and experts participating in the Inter-American Network on HSR will be promoted.

- (c) *Internal Training.* Technical information on the reform will continue to be disseminated to the technical staff of PAHO; information on the areas involved will be updated on a continuing basis. Four subregional workshops and one workshop at the Secretariat will be held, covering the body of knowledge and skills required by the technicians who participate most directly to support the national reform processes. These workshops, moreover, will address the new responsibilities of PAHO in the implementation of the monitoring scheme and the creation of the Inter-American Network on HSR.
- (d) *Relations with WHO and its Regional Offices.* Communication with the relevant units of WHO and its Regional Offices—especially EURO—will be intensified, with a view to exchanging information and sharing experiences in technical cooperation to support the national reform processes.
- (e) *Report to the Governing Bodies.* The Bureau should submit periodic reports on the monitoring of the national HSR processes to the Governing Bodies of PAHO. In 1996 it should submit reports to the Executive Committee and the Directing Council, as well as to the Ibero-American Summit in Santa Cruz, Bolivia.
- (f) *Establishment and operation of the WG/HSR.* In accordance with the position paper on PAHO activities in regard to the reform, the operations of the WG/HSR, as a coordinating mechanism for the Organization's activities in that field, will be strengthened. An effort will be made to extend this coordination mechanism to other programs and divisions interested in topics linked with the reform.

THE WHITE HOUSE  
WASHINGTON

December 12, 1995

Dear Mr. Alleyne:

One year after we gathered together in Miami for the historic Summit of the Americas I wanted to let you know how important your personal attention has been to achieving progress in our Summit agenda.

Together we are building a true community of nations committed to the shared values of democracy and the promise of prosperity. Our close cooperation over the past year has been critical in this effort, and I look forward to a continuation of this same spirit as we further advance the Summit agenda.

We have already achieved a positive effect on people's lives by making progress in opening markets, improving health standards and combating corruption. Our efforts to stop money laundering and improve regional security contribute to the provision of safer homes for our people and our children. Our vision is bold but achievable. We must stay the course and continue to pursue full implementation of the Summit's Plan of Action.

PAHO has made an important contribution to this record by serving as Responsible Coordinator for Basic Health Care Services, and by hosting the ministerial meeting in October 1995, on health and the environment. PAHO's continued participation in Summit initiatives is vital, and we look forward to increasingly close and productive cooperation.

Sincerely,



Mr. George A. O. Alleyne  
Director of the  
Pan American Health Organization  
525 23rd St., N.W.  
Washington, D.C. 20037