



*executive committee of
the directing council*

PAN AMERICAN
SANITARY
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



19th Meeting
Washington, D.C.
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Topic 9: INTERIM REPORT OF THE COMMITTEE ON ECONOMIES AND DECENTRALIZATION

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21 March 1953

The Chairman
Nineteenth Meeting of the
Executive Committee
Washington, D.C.

Dear Sir:

In accord with the provisions of Resolution 17, Sixth Meeting of the Directing Council, there is transmitted herewith a copy of the first report of the Committee on Economies and Decentralization.

Sincerely,

(Signed)
Dr. José Zozaya
Chairman, Committee on
Economies and Decentralization

INTERIM REPORT TO THE EXECUTIVE COMMITTEE
from the
COMMITTEE ON ECONOMIES AND DECENTRALIZATION

The Committee on Economies and Decentralization met at the Pan American Sanitary Bureau Headquarters from March 17 through March 21, 1953. The members of this Committee were Dr. Zozaya of Mexico, Chairman, Dr. Jimenez, Chile, and Dr. Brady, United States, who was assisted by Mr. Robert Coulter. The Committee spent its time during these meetings in reviewing the general aspects of the program of the Pan American Sanitary Bureau. The present report is written as an Interim Report of the Committee and the observations therein are tentative observations only, based upon a limited study.

The members of the Committee, although it was composed of representatives of Governments, have not sought concurrence of their respective Governments on the statements contained herein but these statements must be considered provisional.

Two items in this Report warrant particular attention of the Executive Committee. On page 10 will be found a proposed budget for the activities of the Committee during the remainder of the calendar year 1953; beginning on page 8 will be found items which the Committee deems of importance to study in some detail.

In reviewing Resolution XVII, Sixth Meeting of the Directing Council, which provided for the establishment of this Committee (Annex I), it was noted that the terms of reference are very broad, directing a study of "the measures it would be appropriate to take in order to effect economies and decentralize the activities of the Pan American Sanitary Bureau". The Resolution authorized the Director to defray expenses of the Committee. Under these terms of reference, the members felt it necessary to inaugurate a complete study of all the activities of the Bureau, including not only Headquarters, but Zone Offices and field programs. In inaugurating this study, the Committee called upon the Director, the Chiefs of Division, and other appropriate staff members to outline the activities carried on under their direction.

From this information and other pertinent material, the Committee made the following observations:

Authority and Objectives of the Pan American Sanitary Bureau

The Committee examined the documents which give the Bureau its authority to enter into agreements with governments and with other international organizations.

The Pan American Sanitary Code, in Sections 54 through 59, provides that the Bureau is responsible for collection and distribution of sanitary information regarding the republics in the Americas. This is a mandatory function.

The Code further provides that the Pan American Sanitary Bureau may, upon request of Member Governments, give assistance to these Governments for mutual aid and advancement in the protection of public health. The Code further provides that additional administrative functions and duties may be imposed by the Pan American Sanitary Conferences. The Constitution of the Pan American Sanitary Organization, in Section 17, adds to this provision that the Directing Council similarly can ask the Bureau to take on additional functions and duties.

By virtue of the agreement between the World Health Organization and the Pan American Sanitary Organization, the Directing Council shall serve as a Regional Committee of the World Health Organization and the Pan American Sanitary Bureau shall serve as a Regional Office of the World Health Organization. The Constitution of the World Health Organization, in Section 50, adds to the previously listed duties of the Bureau that of cooperating with regional committees of the United Nations and of other specialized agencies and with other regional international organizations having common interest with the World Health Organization.

The agreement with the Organization of American States indicates certain relations to exist between the two organizations, including a mandate that the Pan American Sanitary Organization shall provide technical information to the Organization of American States upon its request.

Organization of the Pan American Sanitary Bureau

An organizational chart of the Bureau is attached (Annex II). The various activities shown thereon were subjected to a general review by the Committee.

The final responsibility for the efficient operation of the Organization is vested in the Director. The Director can delegate such authorities as he sees appropriate, but nonetheless remains responsible for the efficient operation of the Organization. The posts in his immediate Office consist of his own, that of the Assistant Director, and the part-time services of the Secretary General. The Committee felt that the Director, in addition to establishing policy, should be responsible for maintaining political contacts with Governments and other international organizations. The actual technical and administrative executive functions appear to be assigned to a considerable extent to the Assistant Director. The degree to which the Director delegates authority cannot be assessed without further study.

The Secretary General serves in a dual capacity: that of carrying on some correspondence with Governments, and that of supervising conference, editorial, and library services. He estimated that 70% of his time was spent in work connected with the Director's Office.

The Office of Coordination, which is attached to the Director's Office, has a very important function in coordinating the various activities that have become the responsibility of the Pan American Sanitary Bureau by virtue of its relations with other organizations. This Office is particularly concerned with program operations, such as those of WHO, WHO Technical Assistance, UNICEF, and of the Organization of American States Technical Assistance. It is charged with maintaining project records showing the status of projects, beginning before the agreement is signed to the time the project is completed.

With regard to the Office of Public Information, workload statistics were available and the Committee noted the necessity for interchange of services between the various branches of the Organization.

Administration

While the Legal Office is assigned to the Division of Administration, it is thought that it should be part of the Director's Office. However, the volume of legal work appears to be sufficiently small that it might be handled more efficiently by abolishing the office altogether and employing a legal consultant as needed.

The Budget and Finance Branch, which is responsible for accounts and budgets, has 30 established posts. Twenty-three relate to accounts and seven to budgets. The size of this office has been reduced in each of the last several years. A summary of the accounting procedure was given to the Committee which indicated that the accounting process was complicated due to a number of factors. These include the receipt of funds from several sources, each requiring a separate accounting procedure, the receipt of funds in several currencies and the necessity of exchanging them into other currencies, the requirement that banks in Member States must be used for those Members' currencies. With regard to allotment control of Zone Offices, Zone Representatives are allowed funds for specific projects against which they may draw without authorization from Headquarters.

The Committee was advised that the size of the Budget and Finance Branch was not directly proportional to the size of the budget and that the present office could handle considerably more funds than it now does. The Committee was unable to determine, however, whether less personnel could handle the present moneys coming through the office. The Committee believes that a rather detailed study of this question should be made by a fiscal expert to give a definitive answer.

The Management and Personnel Branch is charged with recruiting of personnel and carrying out the various other phases of personnel administration, as well as with improving administrative management. With regard to personnel, the appropriate program individuals are consulted before the hiring of technical

personnel. The Personnel Officer, therefore, works closely with the technical staff.

The Management staff is relatively small. It studies methods by which objectives can be obtained more efficiently. The statement was made that management personnel did not dictate to program officers on the methods by which programs are to be carried out, but rather they are used as consultants to obtain maximum efficiency.

The Supply Office in the past year purchased about \$4,000,000 worth of supplies and equipment for Member Governments. The volume of work handled by the Office is nearly double that reflected by purchases, because of the large number of price estimates obtained for Member Governments. Questions were raised regarding the ethics of the Bureau in making purchases on behalf of governments rather than the governments using the commercial agent within their countries. According to the Director, the system has worked well, without complaint from local representatives. Furthermore, the Bureau can be assured by this system that supplies purchased meet proper standards. The question was raised as to whether the Bureau purchased supplies from the cheapest sources and whether Zone Offices could not in many cases buy products made locally. It was indicated to the Committee that the cheapest sources of supplies meeting the required standards are used, including producers outside of the Hemisphere.

General Services Office handles various operations pertaining to the maintenance of property, handling communications, keeping property records, and other services common to all parts of the Organization.

Division of Education and Training

The Committee approved the emphasis being given to education and training by the Organization and felt that this is one of the most important activities that can be carried on by the Pan American Sanitary Bureau. The Professional Education Branch carries on a number of activities, including those directed at strengthening presently existing institutions. The Committee emphasizes the importance of assistance to the schools of public health now receiving international students, located in Mexico, São Paulo, and Santiago. Assistance to these schools is being given by providing fellowships to faculty members, interchange of professors, and development of curricula. Perhaps more emphasis should be given to nursing education and the development of sanitary engineers. This could be done by assisting the schools to set standards for admission and content of curriculum. Emphasis should also be given to the training of auxiliary personnel. Assistance in under-graduate medical training is being given by several international organizations and the Committee notes that the Bureau is coordinating their efforts.

The Fellowship Branch appears to be operating well but the Division Chief stated that with the facilities presently available there was no adequate mechanism for evaluation or follow-ups of fellows after completion of their training.

The increased support which the Director has given to the Division of Education and Training in the last several years is commendable, and the Committee believes that even greater administrative and financial support should be considered.

Public Health

The Division of Public Health cannot be properly evaluated at present due to changing philosophy and the need for decisions concerning decentralization of personnel. At the present time the Division is without a Chief and is staffed by a number of technical officers who represent some of the major program fields. In general, the Division serves in an advisory capacity to the Director with regard to field programs, and among its responsibilities is that for the collection and dissemination of statistical epidemiological information. The only direct relationship that this Division has with the Zone Offices is the exchange of technical information.

The staffing of this Division will require recommendations dependent upon the degree of decentralization decided upon. Presumably, this Division should have a minimum of specialists who are counterparts of those in the Zones, such as public health physicians, sanitary engineers and nurses. On the other hand, the Division might be staffed by a technical pool composed of specialists who cannot be supplied otherwise to service the whole Hemisphere.

Zone Offices

The Lima Zone Office was established in 1928, the Guatemala office was established in 1938, and the other three were established in the last few years. The decisions on the number of Zone Offices necessarily have been somewhat arbitrary, as perhaps are the decisions on the location of each Zone Office. The Office generally consists of from 4 to 6 professional people and generally one of these is an engineer and one a nurse. It was stated that since Technical Assistance programs were started, the major activity of technical personnel in the offices has been the negotiation with governments for Technical Assistance programs. It appeared to the Committee that the Zone Offices should give governments assistance in short- and long-range planning, should provide technical field assistance on occasion, and should provide supervision of projects. The Zone Office should be prepared to comment on projects, provide progress reports and suggestions for improvement of field stations.

An even more major consideration is the relative efficiency of carrying out these functions through a Zone Office or through another method, such as assigning country representatives authorized to negotiate with governments. The present system has several deficiencies in that services rendered will be disproportionately more in the country where the office is located, in that assistance to field programs requires more travel, and in that negotiations with governments not at Zone Headquarters may be restricted. Having representation within each country has the following disadvantages: probable added cost; the requirement of more personnel if consultant technical specialists

are to be made available; and the necessity for providing administrative services directly from Headquarters. Without detailed examination of this problem, the Committee is unable to determine which method would result in more efficient operation. Note should be taken that staffing of Zone Offices must be related to staffing the Headquarters Division of Public Health. A combination of these systems may be the answer to the problem.

Annex III indicates the expense of operation of Zone Offices and the cost of direct aid to countries. If Zone Offices are necessary, this chart indicates that the PASB is providing a large share of the costs which are necessary for field programs paid for by other organizations. The totals indicate that the operation of five Zone Offices cost the PASB over \$355,000 in 1952 which permitted the direct aid of over \$3,000,000. It would appear to the Committee that if Zone Offices are to carry on their present functions, they should receive greater support from other agencies carrying on field activities.

Future Program of the Committee

In executive session, the Committee concluded that two major activities should demand its attention and careful and detailed consideration. The first is the whole question of the Zone Offices; the second that of administrative processes and procedures of the Bureau.

As background for its consideration, the Committee believes it necessary to obtain and study in some detail:

- 1) Types of program activity engaged in by the Bureau.
- 2) Methods of program execution employed by the Bureau.
- 3) Methods of program evaluation.
- 4) Types and terms of agreements entered into with WHO, UNICEF, Governments of Member States, TCA, etc.
- 5) Personnel rules, regulations and procedures of each organization involved.
- 6) Financial and budgetary rules, regulations and procedures of each organization involved.
- 7) Other administrative regulations and procedures.

Specifically, it seems necessary, in the Division of Administration, to evaluate the philosophy of the personnel system in use, including policies and practices in force governing the distribution of personnel by nationality in various types of positions, to study the system being followed as regards the review and approval of travel requests, and to study and analyze the use of various forms of communications and their costs. These items are not all-inclusive, but are merely cited as examples of the type of matters requiring attention.

To facilitate consideration of the question of the need for Zone Offices, and, if they are necessary, the questions of their size and scope of activities, the Committee has asked the Director to provide it with a written statement of the philosophy of the Bureau concerning Zone Offices, including a statement as to their functions, the long-range objectives set for them and the plan for their development. The Committee plans to meet with the Zone Representatives at the time they are in Washington for the meeting of the Executive Committee, to discuss the operation of the Zone Offices and to obtain data as to the proportion of time of the Zone Office staff spent on negotiations with Member Governments and various administrative functions and proportion spent on technical activities. In addition, the Committee believes it necessary that the members of the Committee visit the Zone Offices in order that they may personally observe the operation of these Offices. Members of the Committee believe that expert consultants may be needed in one or more areas of administrative management.

Priorities of Action

The Committee, in considering priorities for action, agreed upon the following:

- 1) A study of the organization, methods and procedures of administration at the Headquarters of the Bureau. It is believed that expert assistance in this may be available from the U. S. Public Health Service and, if this is the case, it will be arranged. If reports of studies made recently by Mr. Thomas Hughes, of WHO Headquarters, are available, the current study may be considerably facilitated.

- 2) A study of the Zone Offices as to their functions and authority, both in program and administrative areas. The first major step in this study will be the visit to the Zone Offices described in preceding paragraphs.

1953 BUDGET

COMMITTEE ON ECONOMIES AND DECENTRALIZATION

The Committee recommends the following budget for 1953:

*Travel of Committee Members and Advisor	\$6,000.00
Travel and other expenses of Consultants	<u>3,000.00</u>
Total	\$9,000.00

*This item does not include travel of Committee members to meetings of the Committee in Washington, which item is already provided for in the budget of the Bureau.

RESOLUTION ADOPTED BY THE
DIRECTING COUNCIL, VI MEETING
HAVANA, CUBA, 15-24 SEPTEMBER 1952

RESOLUTION XVII

PROGRAM OF ECONOMIES AND DECENTRALIZATION OF
THE PAN AMERICAN SANITARY BUREAU

WHEREAS:

The members of the Directing Council and the Director of the Pan American Sanitary Bureau have expressed their desire that a program of economies and decentralization be carried out in the Pan American Sanitary Bureau; and

It is desirable that this purpose be achieved promptly, without affecting the fundamental activities of the Bureau,

THE DIRECTING COUNCIL

RESOLVES:

1. To establish a Committee of three members of the Directing Council, charged with studying the measures it would be appropriate to take in order to effect economies and decentralize the activities of the Pan American Sanitary Bureau, and to report periodically thereon to the Executive Committee and the Directing Council at their meetings in 1953 and, if necessary, at their later meetings. This Committee will be composed of Representatives of Chile, Mexico, and the United States.

2. To authorize the Director to defray the expenses of the said Committee.

3. To authorize the Committee to utilize, if necessary, the services of expert advisers and to take into consideration the suggestions made.

4. To authorize the Executive Committee to apply any economies effected to additional projects in field programs.

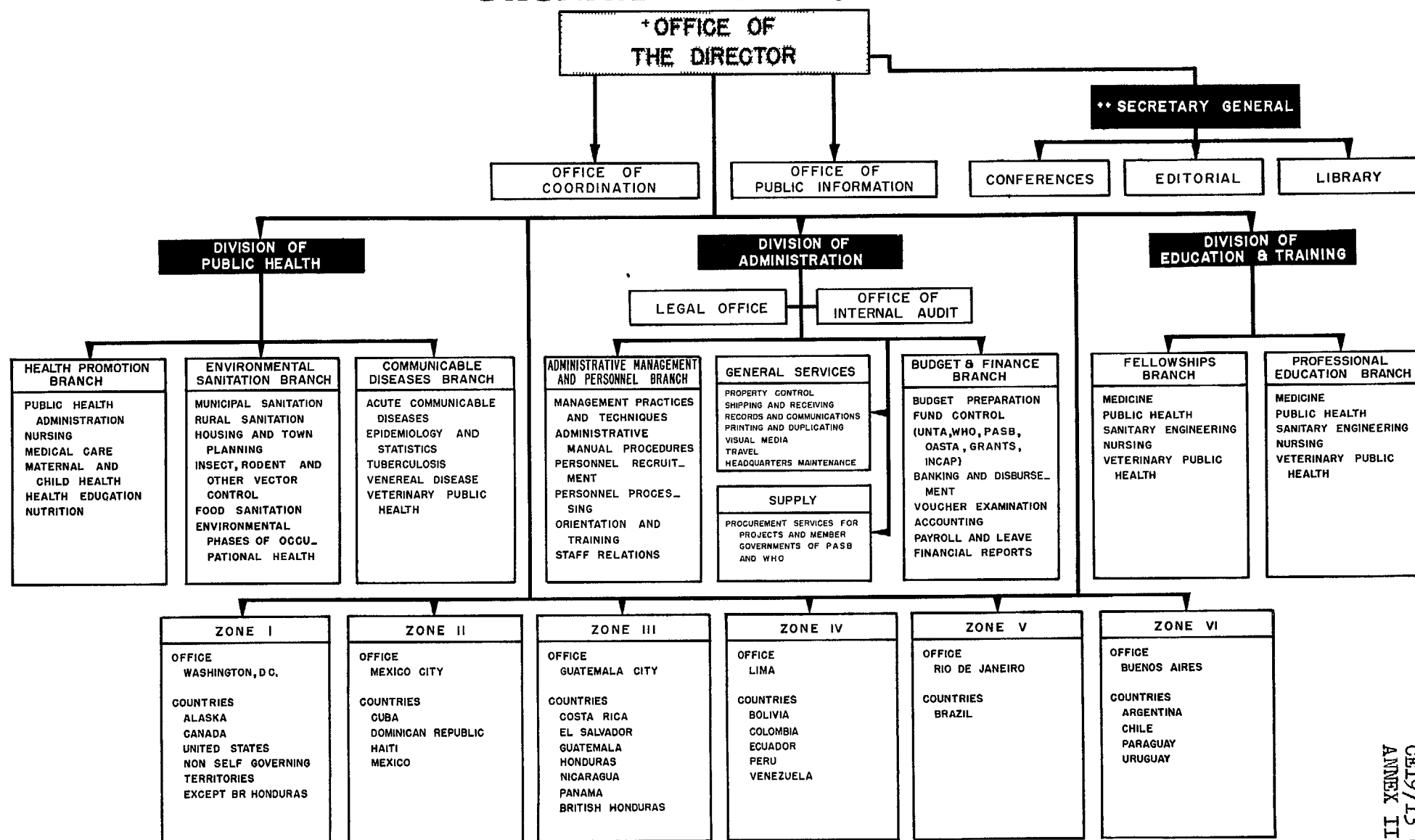
(Approved at the Fourth Plenary
Session held 22 September 1952.)

PAN AMERICAN SANITARY BUREAU

REGIONAL OFFICE OF THE

WORLD HEALTH ORGANIZATION

ORGANIZATION CHART



+ THE OFFICE OF THE DIRECTOR INCLUDES THE DIRECTOR, THE ASSISTANT DIRECTOR AND THE SECRETARY GENERAL

APPROVED BY THE DIRECTOR

++ THE SECRETARY GENERAL HAS THE ADDITIONAL RESPONSIBILITY OF SUPERVISION OF CONFERENCES, EDITORIAL AND LIBRARY

2 SEPTEMBER, 1952

CE19/13 (Eng.)
ANNEX II

ANNEX III

CE19/13 (Eng.)

ZONE OFFICE EXPENSE AND DIRECT AID TO COUNTRIES

Zone Office		Expense of Operation of Zone Offices					Direct Aid to Countries				
		PASB \$	WHO \$	UNTA \$	OTHER \$	TOTAL \$	PASB \$	WHO \$	UNTA \$	OTHER \$	TOTAL \$
1) Mexico	1952	60,803				60,803	Cuba	1,500	13,000		14,500
							Dominican Rep.	4,270	70,000		76,954
							Haiti	14,519	39,400	285,000 - UNICEF	361,169
							Mexico	35,454	97,200		135,654
Total		60,803				60,803		52,657	48,170	202,450	588,277
2) Guatemala	1952	87,799	26,420	13,500		127,719	Costa Rica	500	65,400	30,000 - UNICEF	95,900
							El Salvador	50,410	124,500	102,000 - UNICEF	276,910
							Guatemala	6,260	29,517	45,735 - USPHS	95,512
							Honduras	2,647	19,000	10,000 - UNICEF	39,647
							Nicaragua	7,000	12,500		19,500
							Panama	3,500	29,000		32,500
Total		87,799	26,420	13,500		127,719		8,907	83,410	279,917	559,969
3) Lima	1952	99,211	20,880	26,500		146,591	Bolivia	8,000	43,300	140,000 - UNICEF	191,300
							Colombia	24,000	3,900	182,000 - UNICEF	321,650
							Ecuador	14,118	19,000	21,863 - KELLOGG - 63	150,151
							Peru	1,148	17,000	240,000 - UNICEF	305,368
Total		99,211	20,880	26,500		146,591		39,266	47,900	583,863	968,469
4) Rio de Janeiro	1952	58,867				58,867	Brazil	28,401	30,200	5,323	283,924
5) Buenos Aires	1952	48,601	16,160			64,761	Argentina	9,941	36,100		46,041
							Chile	8,907	12,000	372,000	422,700
							Paraguay	894	186,184	56,000 - UNICEF	252,678
							Uruguay	15,892	29,380		45,272
Total		48,601	16,160			64,761		26,727	113,780	198,184	766,691
1) Mexico		60,803				60,803		52,657	48,170	202,450	588,277
2) Guatemala		87,799	26,420	13,500		127,719		8,907	83,410	279,917	559,969
3) Lima		99,211	20,880	26,500		146,591		39,266	47,900	297,440	968,469
4) Rio de Janeiro		58,867				58,867		28,401	30,200	5,323	283,924
5) Buenos Aires		48,601	16,160			64,761		26,727	113,780	198,184	766,691
Grand Total		355,281	63,460	40,000		458,741		155,958	323,460	983,314	3,167,330
Inter-Country Programs							34,028	74,500	118,666	463,303	690,497
Other Country Programs								24,700	9,700	148,160	182,560

- UNICEF-146,490
- CCTA -195,795
- INCAP - 55,859
MEMBERS - 65,159