



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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TOPIC 2: DECENTRALIZATION OF ACTIVITIES OF THE PAN AMERICAN SANITARY BUREAU TO THE ZONE OFFICES

The Executive Committee at its 37th Meeting, May 1959, approved a resolution calling upon the Director of PASB to report to the next meeting of the Executive Committee on the status of decentralization. The text of the resolution is as follows:

RESOLUTION XVII

The Executive Committee,

Bearing in mind the diversity of health problems in the different countries comprising the zones of the Pan American Sanitary Bureau; and

Considering that the policy of administrative and technical decentralization has given favorable results in recent years, but that the process must be a continuous one,

RESOLVES:

To request the Director of the Bureau to present a report to the next meeting of the Executive Committee describing the present status of the decentralization of activities of the Pan American Sanitary Bureau, the Bureau's experience in this matter, and the measures it may be proposed to take in the future.

This resolution derived from Document CE37/18, Rev. 1, Decentralization of Activities of the Pan American Sanitary Bureau to the Zone Offices (see Annex), presented by the Representative of Mexico, which served as the basis for the Executive Committee discussions.

The Director, accordingly, has the honor to present to the Executive Committee the following review of the decentralization of activities of PASB.

Historically, the policy of decentralization of operations and administration has been one of the guiding principles of the management of PASB. In the period prior to 1947, provision was made for a headquarters concerned with both direction and program operations, and for field stations which had a significant role in operations. In September 1940, a sector office for the Caribbean and the Gulf of Mexico was established in Panama City. Three years later, in 1943, this office was moved to Guatemala. In 1942 an office was established in Lima to supervise the activities of PASB in South America. In the same year an office was opened in El Paso, Texas, and the head of the office was charged with responsibility for coordinating the Bureau's work along the Mexico-U.S. border.

Following the reorganization of PASB on its expanded basis in 1947, a small field office was established in São Paulo, Brazil, to afford opportunity for close supervision of the PASB program for the eradication of Aedes aegypti in the southern part of South America. In 1950, a field office was set up in Rio de Janeiro to supervise all PASB operations in Brazil. During the first three years after the reorganization, policy was developed, plans were cast, and the program was directed from headquarters in Washington, where there evolved an office of the Director and three divisions, generally comparable to the present divisions. The field offices noted above reported to the Division of Public Health, which had direct supervision over these field offices and over certain projects engaged in special activities.

The Director of PASB, reviewing this matter of decentralization in 1950, wrote in his four-year report to the Member Governments of the Pan American Sanitary Organization for the period January 1947 - April 1950: "The health problems of the Americas are too complex, the program of the Bureau is too varied, and the distances are too great to permit centralized administration. Only through zone and sector offices is it possible to maintain contact with the health authorities of the interested nations and supervise field activities."

Late in 1951, the Bureau was reorganized and the current structure of the organization was established. The headquarters was reorganized to include an Office of the Director, Office of the Secretary-General, and three divisions: Public Health, Education and Training, and Administration. No longer was the Division of Public Health charged with the responsibility for field operations. Instead, field operations were divided into six zones and placed under the direction of zone representatives, with the exception of the operations in the Caribbean;

the latter continued under the direction of headquarters but through a field office in Kingston, which had immediate supervision over the Caribbean area. The areas of the zones were defined, quarters for zone offices were obtained and equipped, and the staffing of these offices on an enlarged scale was undertaken. The Zone III, IV, and V Offices at Guatemala, Lima, and Rio de Janeiro, respectively, were put into operational effectiveness. At the end of the year, the Zone VI Office at Buenos Aires was established, and by mid-year 1952 the Zone II Office at Mexico City was in operation. The Field Office at Kingston was assigned immediate responsibility for project activities within the Caribbean area of Zone I and an office in El Paso continued to direct the work on the border of the United States and Mexico. This structural organization has obtained to this date, with but one major change -- the establishment on 1 May 1958 of an expanded Zone I and the abolition of the Field Office for the Caribbean. This office was moved to Caracas on 1 July 1958.

The responsibilities at the several levels of operation were matters of continuing review by the Director and his staff during this period. In April 1952, the Executive Committee, at its 16th Meeting, also took the matter under review and suggested a study of the operations of PASB, with emphasis on the possibilities of devoting a greater percentage of funds to field activities and of decentralizing certain headquarters activities to the zones. The Director was instructed to prepare a study on this matter.

In September of that year, there was issued by the Director as an internal document a set of general principles which has served to this day as the basis for the division of responsibilities between the headquarters and the field. The statement of principles declared it the plan of the Bureau "to decentralize, insofar as functionally feasible, and subject to the policies, regulations, and procedures of the World Health Organization." The headquarters was assigned responsibility for policy-making and technical and administrative staff services and the zone offices were declared responsible for program operations.

Among the responsibilities of the headquarters there were specified: (1) relations with governing bodies; (2) establishment of policies, procedures, and regulations; (3) performance of central technical and administrative services; (4) development of program plans, standards, and guides; (5) review and evaluation of program performance; (6) planning and coordinating operations of inter-country projects involving more than one zone; and (7) relations with cooperating governmental and nongovernmental agencies.

Among the defined responsibilities of the zone offices were included: (1) relations with governing bodies in specific instances on request of headquarters; (2) application of policies, procedures, and

regulations; (3) establishment of local procedures within limits of authority delegated to the zone; (4) receipt, control and utilization of allotted funds; (5) recruitment and appointment of local personnel and administrative service of all personnel; (6) purchase of supplies and equipment for zone offices; (7) maintenance of inventory of equipment and supplies; (8) recommendation of candidates for fellowships; (9) assistance to governments in planning and developing programs; (10) recommendation to headquarters of program plans and budgets; (11) negotiation with governments on project agreements; (12) operation of projects; and (13) liaison and cooperative action with field representatives of agencies cooperating in public health work.

The Directing Council, at its VI Meeting in 1952, by Resolution XVII, established a Committee on Economies and Decentralization 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."

That Committee, assisted by the Secretariat of PASB, reviewed the organization, program, expenditure, and effectiveness of operation of the Bureau during 1952 and 1953 and reported to the 19th Meeting of the Executive Committee (Document CE19/13) and VII Meeting of the Directing Council (Document CD7/5). The Directing Council, at the latter meeting (Resolution XXVI), terminated the functions of the Committee on Economies and Decentralization and requested the Director to report further to the XIV Pan American Sanitary Conference. Report was made accordingly by the Director to the 23rd Meeting of the Executive Committee (October 1954), in Documents CE23/5 and CE23/10.

The Executive Committee, at that meeting, declared in Resolution V that its wishes "to the effect that a program of economies and decentralization be carried out in the Pan American Sanitary Bureau" had been met, and transmitted these documents to the XIV Pan American Sanitary Conference (CSP14/32). The Pan American Sanitary Conference approved the report and expressed satisfaction on the program of economies and decentralization of the PASB. The resolution on this matter was as follows:

RESOLUTION XXXIV

The XIV Pan American Sanitary Conference,

Taking into account that the VII Meeting of the Directing Council requested the Director to present a detailed report to this Conference on the program of economies and decentralization of the Bureau; and

Considering that the Executive Committee, in Resolution V adopted at its 23rd Meeting, stated that the documents presented by the Director had fulfilled its wishes in this matter, took note of the report, and transmitted it to the Conference with the recommendation that it be adopted,

RESOLVES:

To approve and express its satisfaction with the report presented by the Director (Document CE23/5 and the Informational Statement CE23/10) on the program of economies and decentralization of the Pan American Sanitary Bureau.

The trend toward decentralization noted by the Pan American Sanitary Conference in 1954 has continued to this date. During this period there has been a rapid expansion of activity of the Bureau, with the greater percentage of funds and of personnel being assigned to the field operations. The following table gives an indication of the trend, showing total funds and percentage of funds expended for activities at headquarters and in the field. It will be noted that funds expended on field operations have risen markedly during this period as against funds expended for headquarters operations, including costs of organizational meetings. In 1958, only 27.4 per cent of funds expended were for activities at headquarters while 72.6 per cent were for field activities, including the zone offices and program operations, as compared to 1954, when 44.1 per cent of funds were for activities at headquarters and 55.9 per cent for field activities. Projections for 1961^{1/} include \$2,676,459 for headquarters and meetings operations, as against \$9,376,661, or 77.8 per cent, for the zone offices and field programs. Included in the funds expended for headquarters operations were those required to cover the cost of headquarters direction of program activities. It is important to note that a considerable portion of the time of the executive professional, and other staff at the Washington office is spent in advisory and related services to the Member Governments.

^{1/} Should the proposal for the assignment of \$300,000 to the Working Capital Fund, Document CD11/15, be approved, this sum would be deducted from the total estimated for headquarters and field operations.

EXPENDITURES AND ESTIMATES ^{1/}

(All Funds)

Year	Headquarters ^{2/}		Field ^{3/}		T o t a l	
	\$	%	\$	%	\$	%
1954	1,644,142	44.1	2,082,904	55.9	3,727,046	100.0
1955	1,674,360	36.3	2,940,637	63.7	4,614,997	100.0
1956	1,761,736	34.5	3,342,714	65.5	5,104,450	100.0
1957	1,998,547	31.0	4,450,370	69.0	6,448,917	100.0
1958	2,263,249	27.4	5,989,291	72.6	8,252,540	100.0
1959	2,438,153	23.9	7,751,834	76.1	10,189,987	100.0
1960	2,620,581	23.1	8,714,749	76.9	11,335,330	100.0
1961	2,676,459	22.2	9,379,661	77.8	12,056,120 ^{4/}	100.0

There also has been considerable increase in posts assigned to field activities as against those stationed at headquarters. As the following table indicates, there has been an increase of more than 88 per cent in the posts assigned the field in 1958 as against 1954, while headquarters increased only 15 per cent in a similar period of great expansion in the program of the PASB/WHO.

ESTABLISHED POSTS *

Year	Headquarters		Field		T o t a l	
	No.	%	No.	%	No.	%
1954	212	44.2	268	55.8	480	100.0
1955	204	38.5	326	61.5	530	100.0
1956	210	38.1	341	61.9	551	100.0
1957	226	33.4	451	66.6	677	100.0
↓ 1958	245	32.7	505	67.3	750	100.0
1959	243	29.4	584	70.6	827	100.0
1960	250	28.3	632	71.7	882	100.0
1961	250	28.0	644	72.0	894	100.0

* 1954-58, actual; 1959-61, estimate

- ^{1/} 1954-58, actual expenditures; 1959-61, estimates.
- ^{2/} Includes costs of organizational meetings and advisory services to governments by the executive and professional staff at headquarters.
- ^{3/} Includes all technical services to countries from project and zone offices and the administrative support service in the field and the cost of publications.
- ^{4/} Should the proposal for the assignment of \$300,000 to the Working Capital Fund, Document CD11/15, be approved, this sum would be deducted from the total estimated for headquarters and field operations.

In the assignment of responsibility to organizational units in Washington and the field, there has been a continuing adherence to the principles laid down in the 1952 document and the pattern of decentralization approved by the XIV Pan American Sanitary Conference in 1954. The headquarters activity has continued to be concerned basically with the formulation of policy and of plans, the setting of standards and guides, the evaluation of general performance, the offering of certain technical and administrative services which by their nature must be centralized, such as statistical, library, and other services, and the direction of inter-zone projects. Meanwhile, the zone offices have been assigned increasingly greater responsibility for liaison with governments in the preparation of programs and plans, the supervision of field program operations, advisory service to governments, and the performance of a number of administrative activities.

During the years 1954-1959 additional responsibility has been granted the zone representatives in an effort by the management of the Bureau to achieve decision-making at as close a point as practicable to field operations and to bring the delegations of authority in administrative services to the level of those in technical operations, as summarized below.

1. Purchase within the zone of supplies and equipment to be paid for from PASB funds when available in adequate quality, under competitive bid procedures of the Organization, at reasonable prices, with a limitation of \$5,000 for a single purchase.
2. Payment of most education grant claims and children's allowance claims for children of international staff members over 18 years of age who are in full-time attendance at a school or a university.
3. Direct purchase of all publications to be paid from PASB funds and all publications published in the Western Hemisphere to be paid from WHO Regular or WHO/TA funds.
4. Maintenance and control of supplies and equipment of the zone offices. This authority included responsibility for the maintenance and inventory of project and non-project non-expendable supplies and equipment inventories, and the disposal or sale of obsolete, surplus or unserviceable property, and the transfer of property.
5. Final action not only for all local personnel, but also for internationally recruited personnel, on more than a score of matters including preparation of letters of interest and availability and the undertaking of reference checks.

6. Final action on the dependent's, children's, assignment, project service, subsistence, installation, and other allowances granted international staff.

7. Preparation and issuance of all documentation for actions related to (a) within-grade increases; (b) authorization for leave without pay for staff in the zone; (c) grant of annual, sick, maternity, home and military leave; and (d) preparation of the pertinent documentation covering all aspects of home leave, recruitment, repatriation and other statutory travel.

8. Preparation of documentation on personnel matters covering 27 items, although final appointing authority for international staff was retained for the Director.

9. The zone establishments were put on a full self-accounting basis in October 1957. This action charged the zone officers with the control and reporting of expenditures against all allotments issued to the zone and the redeployment of savings within the PASB allotments. This entailed the control and maintenance of such records as were declared necessary to account for funds received and disbursed, and the preparation and submission periodically for consolidation at headquarters of records and reports required under the existing financial procedures. The only limitation on this delegation was that separate accounts were to be maintained by the Washington office for all trust and other special funds except the Special Malaria Fund, which was held subject to the same procedures as the PAHO Regular funds. It also was clearly indicated that the redeployment of savings within the WHO allotments would continue to be the responsibility of the Washington office.

A delegation also was made to the Director of INCAP for (1) appointment, payment and termination of INCAP staff; (2) purchase of supplies, equipment and contractual services; (3) approval for payment of claims for goods and services; (4) disbursement of funds in settlement of approved claims; (5) approval of travel of staff members; and (6) approval and payment of travel claims.

With the decentralization of these administrative responsibilities, the internal audit staff of the World Health Organization was enlarged to afford even closer scrutiny of operations at the zone level. Currently, each zone office is visited twice a year by the internal auditors. In addition, arrangements also have been made for more frequent review of the zone administrative operations by the external auditor.

The Director believes that there has been considerable decentralization of managerial, administrative, and technical responsibilities from Washington to the field. He believes this movement has been so great that prudent management dictates a temporary halt to such action in order to assess the results of decentralization to date. Review is in progress to determine whether it is of advantage, both from efficiency and economy of operation, to continue to press rapidly on the decentralization of other responsibilities to the field, for there is a limiting point in any administrative process where continuing decentralization brings not greater efficiency and economy, but looseness of control, added cost, and a resulting decline in over-all efficiency of operations.

The problem of continuing decentralization is under review. As part of this review, a detailed analysis is being made of the structural organization of PASB and of the functions and responsibilities of all of the posts in the Organization.

Review also has been in process of a number of administrative activities with the object of rationalizing the system and procedures in order to maximize results and minimize costs.

Studies have been completed of the headquarters internal printing and reproduction facilities and of the travel service. Steps have been taken to reduce or eliminate the staff in both units and obtain the service at lower cost outside the Organization. The system and procedures in the finance area also are under review by the management group of the Bureau. In addition, there is being studied the possibility of a program type of budget and accounting.

The Director believes that a beginning has been made in the review of structure, functions and responsibilities, staffing, and work process in the PASB/WHO. Results to date have brought the first savings and more effective procedures; studies in process may well bring additional savings and a more effective rationalization of work method in both technical and administrative activities. He believes that further decentralization should be held pending the completion of the review now being undertaken.

In view of the foregoing, the Executive Committee may wish to consider a resolution along the following lines:

Proposed Resolution

The Executive Committee,

Having studied the report of the Director on the decentralization of activities of the Pan American Sanitary Bureau;

Noting with interest the considerable movement of decentralization;

Appreciating the need to review in detail the current status of decentralization; and

Noting the several studies on this matter now being undertaken by the Director,

RESOLVES:

To request the Director to keep the Executive Committee informed of the results of the several studies now in process and offer recommendations on the course of action to be followed on decentralization in order to achieve the most effective and economical operation for the Pan American Sanitary Bureau.

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Topic 17: DECENTRALIZATION OF ACTIVITIES OF THE PAN AMERICAN SANITARY
BUREAU TO THE ZONE OFFICES

(Topic proposed by the Government of Mexico)

BACKGROUND

In order to carry out its functions efficiently and expeditiously as executive organ of the Pan American Health Organization, the Pan American Sanitary Bureau, which at the beginning endeavored to handle continental problems from its headquarters in Washington, later found it necessary to establish zone offices to which it has delegated certain operational responsibilities.

The experience of PAHO, as well as that of WHO with its regional offices, has shown the advantageousness of a certain degree of administrative and technical decentralization, which makes for speedier and more effective collaboration with Member Governments because of the following:

1. There is an ever-increasing demand for consultative and advisory services on the part of the countries.
2. As the Member Countries expand their national public health programs, so do their requirements increase for the training of personnel at the various levels.
3. There is a wide diversity in the health problems of the various countries within one zone, and even in those in different regions of a same country.
4. Since the PASB serves as Regional Office of the World Health Organization, it must carry out a certain number of specific functions that depend on policies and programs of world-wide scope.

5. There occurs at times, in the staff of the Bureau, a predominance of public health professionals from a very small number of countries, thereby reducing the interchange of experience, orientation, and training, which constitutes one of the primary needs of, and one of the greatest benefits to be gained from, international agencies.

In view of the foregoing, the Executive Committee may wish to consider the adoption of the following resolution:

Draft Resolution

The Executive Committee,

Bearing in mind the diversity of health problems in the different countries comprising the zones of the Pan American Sanitary Bureau; and

Considering that the policy of administrative and technical decentralization has given favorable results in recent years, but that the process must be a continuous one,

RESOLVES:

To request the Director of the Bureau to present a report to the next meeting of the Executive Committee describing the present status of the decentralization of activities of the Pan American Sanitary Bureau, the Bureau's experience in this matter, and the measures it may be proposed to take in the future.