

directing council



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XXVIII Meeting

regional committee

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ANNUAL REPORT OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

(Presented by Dr. Ramón Alvarez Gutiérrez (Mexico), Chairman of the Executive Committee)

In accordance with Article 9.C of the PAHO Constitution, I have the honor, as Chairman of the Executive Committee, to report to you on the 85th and 86th Meetings of the Executive Committee.

85TH MEETING OF THE EXECUTIVE COMMITTEE

The 85th Meeting of the Executive Committee was held at the Headquarters building in Washington, D.C., on 3 October 1980, and was attended by representatives of all the continuing members, namely Chile, Guatemala, Guyana, Mexico, Peru and United States of America, and the new members, Argentina, Jamaica and Nicaragua, elected on expiration of the terms of Brazil, Canada and Venezuela.

A single plenary session sufficed to deal with the agenda, which was unanimously adopted. The honor of being elected Chairman fell to myself. The other officers were Dr. Augusto Schuster Cortés (Chile), Vice Chairman, and Dr. Oscar H. González Carrizo (Argentina), Rapporteur, together with the Director, Dr. Héctor R. Acuña, Secretary ex officio of the Meeting.

At the single plenary session the Executive Committee took note of the resolutions that the Directing Council had adopted in its meeting just concluded; designated Jamaica and Nicaragua as a subcommittee to examine the World Plan of Action drawn up by the Copenhagen Conference on the Decade for Women; designated Argentina a member of the Award Committee

of the PAHO Award for Administration, the term of office of Brazil on the Executive Committee having expired; designated Jamaica a member of the Standing Committee on Inter-American Nongovernmental Organizations, the term of office of Venezuela on the Executive Committee having expired; designated Mexico and the United States of America members of the Subcommittee on Long-Term Planning and Programming, the term of office of Canada on the Executive Committee having expired; designated Chile, Jamaica and the United States of America to constitute a working group to make recommendations to the Director for the development of the Governor Shepherd building; designated Chile and the United States of America as a working party to analyze the adjustments in the programs and budgets of the Pan American Zoonoses and Foot-and-Mouth Disease Centers; and left the determination of the dates of the 86th Meeting of the Executive Committee to the discretion of the Director in consultation with the Chairman.

In addition, the Executive Committee adopted three resolutions.

The first resolution launched the studies for development of the PAHO-owned Governor Shepherd building, and authorized the Director to proceed with the construction of an office building for Area II at a maximum cost of \$500,000, while requesting him to seek \$250,000 from WHO for that construction.

In its second resolution, the Executive Committee requested the Director to submit a report on Real Estate Fund requirements to WHO for consideration by the 67th Session of the Executive Board of WHO.

In its third resolution, the Executive Committee requested the Director to draft procedures for the use of official PAHO vehicles and to present them to its 86th Meeting.

86TH MEETING OF THE EXECUTIVE COMMITTEE

The 86th Meeting of the Executive Committee of the Pan American Health Organization was held from 22 to 30 June 1981, at the Headquarters building at Washington, D.C. It was particularly important because this year the Executive Committee had to examine the proposed biennial program and budget presented by the Director. Nevertheless, the Committee was able to deal with all its business, with unimpaired effectiveness, in only 12 plenary sessions of intense and fruitful work and one closing session.

I am convinced that the best summary of the meeting can be obtained from a careful reading of the 34 resolutions approved in it, which reflect decisions (in many cases unanimous) reached by the Committee after a thorough study of each agenda item. I will now refer to all those items by giving you an account of the discussions that led up to those decisions, in the order in which the Executive Committee addressed the items on the agenda, which was adopted in the first plenary session.

The Executive Committee's first order of business was to elect Dr. José Pedro Argarate (Argentina) Rapporteur pro tempore to serve in the place of the absent Dr. Oscar H. González Carrizo (Argentina).

Dr. Christina Moody (Jamaica) was then designated to represent the Executive Committee, in conjunction with the Chairman, at the XXVIII Meeting of the Directing Council of PAHO, XXXIII Meeting of the Regional Committee of WHO for the Americas. In the event that either representative were unable to attend the meeting, Drs. Augusto Schuster Cortés (Chile) and Juan Ponce de León (Peru) were designated as first and second alternates, respectively.

The dates of the XXVIII Meeting of the Directing Council were set for 21 September to 2 October 1981, and a provisional agenda for it was approved, which has been presented to you. This business gave rise to the first two resolutions approved by the Executive Committee at its meeting.

At the first plenary session the Executive Committee began its consideration of item 6 on its agenda, the Proposed Program and Budget of the Pan American Health Organization for the Biennium 1982-1983, the Provisional Draft of the Proposed Program and Budget of the Pan American Health Organization for the Biennium 1984-1985, and the Provisional Draft of the Program Budget of the World Health Organization for the Region of the Americas for the Biennium 1984-1985. This item took up practically all the discussions of the first four plenary sessions, and the fifth plenary session was given over to the consideration of a closely related subject: agenda item 11, Interim Financial Report of the Director for the Year 1980 and Report of the External Auditor. In the sixth plenary session the Committee reverted to some aspects of the budgets before adopting Resolutions III, IV and V on them.

The opening presentation of the item by the Director focused chiefly on the biennium 1982-1983, although Official Document 169 refers, as the Directing Council had requested in its XXVI Meeting, to the three biennia of 1980-1981, 1982-1983, and 1983-1984. Dr. Acuña explained the observable differences between the first and second biennia, which reflect the dynamism and flexibility of the program. The proposed program and budget as prepared conforms to the Ten-Year Health Plan and the Sixth General Program of Work of WHO for 1978-1983. The funds are apportioned 49 per cent to the Program of Services, 38 per cent to Development of the Infrastructure, 12 per cent to Administrative Direction, and one per cent to the Governing Bodies.

There was then a general discussion of the proposed program and budget, not only among the representatives of the Member Governments, but also with the very active participation of the delegates of PAHO Member Governments who, although not members of the Executive Committee, had come to the meeting as observers.

The budget was exhaustively analyzed by the chiefs of the various divisions of the Bureau, who reported on the various parts of the program and its financing and answered questions from the participants.

Finally, the Executive Committee again reviewed the budget in the order of presentation of the various subjects by groups of pages of Official Document 169.

That document presented a budget for the 1982-1983 biennium that reflected an increase of only 17.9 per cent, thanks to judicious apportionment of funds among program activities for a reduction of \$10.7 million, and the abolition of the equivalent of 123 staff posts, the area where the effects of inflation were most directly felt. Finally the budget was put to a vote and approved by seven votes for, none against, and two abstentions.

The Executive Committee, in Resolutions III, IV and V, recommends to the Directing Council that it approve the proposed program and budget of the Pan American Health Organization for 1982-1983 as presented by the Director, that it take note of the provisional draft of the proposed program and budget of the Pan American Health Organization for the biennium 1984-1985, which will serve as a basis for preparing the proposed program and budget for that biennium, and that it approve the provisional budgetary projections of the World Health Organization for the Region of the Americas for 1984-1985.

During the discussion of the budget, and even after it was approved, the question was raised as to whether, in view of the increasingly grave financial difficulties confronting the Organization, which will also have to finance the activities to be generated by the Plan of Action for attaining health for all by the year 2000, the Executive Committee, the Directing Council, or a suitable subcommittee should subject the present and expected financial situation to closer scrutiny. After an interesting discussion it was decided to ask the Subcommittee on Long-Term Planning and Programming to work with the Director in studying the financial and budgetary implications of the regional strategies and the Plan of Action for attaining the goal of health for all by the year 2000, possibly enlisting for the purpose the cooperation of specialized personnel from such agencies as the Inter-American Development Bank (IDB) and the Economic Commission for Latin America (ECLA).

The meeting then took up item 10, Report on the Collection of Quota Contributions. The Executive Committee was informed of the situation and was told that 39 per cent of the contributions due from all the Member Governments for fiscal 1981 had been received, compared with only 32 per cent at the same time last year. Accordingly, the Executive Committee approved Resolution VI in which, as is now customary, it took note of the situation, thanked the Governments that had already made payments, asked the others to do so as early as possible, and requested the Director to report on the status of this matter to the XXVIII Meeting of the Directing Council.

The Executive Committee then continued its consideration of financial matters with an examination of agenda item 11, Interim Financial Report of the Director for the Year 1980 and the Report of the External Auditor.

This report, contained in Official Document 175, describes all the financial transactions and accounting statements of the Pan American Health Organization and its Centers during the first year of the biennium 1980-1981. In compliance with Resolution XIV of the 82nd Meeting of the Executive Committee, an addendum is enclosed listing the extrabudgetary-funded projects initiated in 1980.

Dr. Cooney, Chief of the Department of Budget and Finance, presented the item and discussion then ensued in which the Secretariat answered questions of participants and problems were considered which, among others, are involved in setting up a computerized information system and in the steps that the Director is to take to obtain, whenever possible, advance payment of the costs of administering trust funds, in compliance with the wishes of the Governing Bodies and the External Auditor.

In conclusion, the Executive Committee approved Resolution IX taking note of those reports and transmitting them to the XXVIII Meeting of the Directing Council.

Agenda item 3, Plan of Action for the Implementation of Regional Strategies of Health for All by the Year 2000, was presented by the Director, who pointed out that the Plan of Action had been examined in detail by the Subcommittee on Long-Term Planning and Programming, consisting of the Representatives of Chile, Guatemala, Mexico and United States of America, in its meeting for the purpose at PAHO Headquarters from 13 to 17 April 1981, and that the Subcommittee had made adjustments, changes and additions to the text put before the Executive Committee.

The Plan proposes the measures that the Member Governments should take individually and collectively to implement the regional strategies agreed to by the Governments of the Region for attaining the goal of health for all by the year 2000. This is, then, an intermediate stage between the setting of goals and objectives and the preparation of concrete programs; it will have to be articulated with PAHO's programming and budgeting cycles and with the stages of WHO's Seventh General Program of Work and medium-term programming, and be in full development in 1984.

A report on this subject was then presented by Dr. José Manuel Borgoño (Chile), who supplied a wealth of detail on the meeting and work of the Subcommittee on Long-Term Planning and Programming and on the efforts made to avoid repeating what had already been done. He also underscored the necessarily dynamic nature of a plan that would extend to the year 2000, and cited the aims of restructuring the health services to make them more equitable and efficient, and of improving intersectoral,

and regional and interregional cooperation. He also noted the importance for most of the countries that the goals set be realistic. He underscored the difficulties of this work and the need to enrich it with contributions from all the participants in the Meeting.

The Rapporteur was asked to draft a proposed resolution in collaboration with Dr. José Manuel Borgoño (Chile), and subsequently the Executive Committee unanimously approved Resolution XIX on the subject. This is a major resolution of considerable scope, and I need only draw to your attention the suggestions offered to the Governments in the operative part and its instructions to the Director for the proper conduct of a process that must be continually readjusted in the light of experience and objective conditions in the countries.

With regard to agenda item 15, Report on the Status of Implementation of the Directing Council's Recommendations on WHO's Structures in the Light of its Functions, Dr. Ochoa (Operations Manager) summarized the background and presented a report on activities in progress and the prospects of complying with Resolution X of the XXVII Meeting of the Directing Council (Document CE86/9), which contained long-term recommendations bearing closely on the goal of health for all by the year 2000 and on the implementation of national, regional and world strategies for attaining it.

In the ensuing discussions the principal subjects discussed were the role of extrabudgetary funds in the Region's program, the planning cycle, the functions of PAHO's Country Representatives and the difficulties occasionally encountered in appointing them, and PAHO collaboration with CARICOM.

The outcome of these discussions was unanimous approval of Resolution X.

The Executive Committee then unanimously approved Resolutions VII and VIII recommending that the Directing Council approve with satisfaction the requests of the Governments of the Commonwealth of Dominica and of St. Vincent and the Grenadines for membership in the Pan American Health Organization.

The Executive Committee began its consideration of agenda item 4, Revolving Fund and Other Mechanisms for the Acquisition of Critical Health Inputs, with a presentation by Mr. Muldoon, Chief of Administration of PASB, who, after describing in detail all the measures taken in connection with this matter, concluded that there was no possibility of setting up a revolving fund of appropriate size for the present, but that the national and subregional systems for the acquisition of these supplies could be strengthened on a TCDC basis, for which a good reporting system on stocks, quantities and prices would be needed.

The Secretariat answered several questions on less developed countries that could receive aid, on quality control, and on the question of information on stocks, qualities and prices of supplies.

The outcome of this discussion was Resolution XX, in which the Executive Committee urges the Member Governments to improve their national and subregional systems for the acquisition of supplies, and asks the Director to assist the Governments in this task, to undertake further studies on the matter, and to try to set up a system for disseminating information on critical health supplies, and to do all this without incurring additional expense, that is, using extrabudgetary or available regular budget funds.

The first speaker on agenda item 5, Capitalization of the Revolving Fund of the Expanded Program on Immunization (EPI), was Dr. de Quadros for the Secretariat, who presented the subject and summarized the activities in progress under the Expanded Program on Immunization for the reduction of morbidity and mortality from preventable diseases. He gave a detailed background account and described how the Member Countries' orders for vaccines are filled from funds which total no more than \$2,301,000, although the preliminary feasibility studies for the Fund had estimated that no less than \$4 million would be needed. I am pleased to report, among the wealth of information provided, that in 1979-1980 a total of 536 orders were filled to a value of \$6,424,421, and that a considerable reduction in vaccine prices was obtained.

Operation of the EPI Fund is encountering increasing difficulties because of the growing volume of its operations and the lack of adequate capital, aggravated by the delay with which some countries make their reimbursements and by the cancellation of orders already placed.

Dr. Cooney, Chief of Budget and Finance, then took the floor to describe the possibilities that had been explored for raising the Fund's capital to \$4 million, for which an additional \$1.7 million would have to be found.

Among the steps taken by the Bureau to solve the problem he mentioned the possibility of obtaining a loan of \$1.7 million from the Inter-American Development Bank. It is being considered how this operation can be carried through without having to draw on the regular funds of PAHO.

Another solution would be to resort, as had been done in the past, to financing with funds from the Special Account, but the possibility of doing this in the short run is limited because any funds in that Special Account would first have to be used to restore the Working Capital Fund to its normal level.

It seems, then, inevitable that the Working Capital Fund will have to be used if it ever becomes impossible to meet the vaccine requirements of the governments in any other way.

In the ensuing discussion the participants considered the technical as well as the financial aspects of the Expanded Program on Immunization. Every speaker underscored the enormous importance of the EPI for the attainment of health for all by the year 2000, and the Director referred to the part that the EPI would necessarily play in reducing mortality and morbidity rates in the Americas.

This discussion culminated in Resolution XI. It recommends that the Directing Council thank the Governments that have helped keep the Fund in operation, and that it ask the countries not to cancel orders made through the Fund and to make their reimbursements on time, that it commend the Director for the efficient operation of the Fund, and authorize him to pursue various alternatives proposed for the full capitalization of the Fund without using PAHO's regular budget, and to use the Working Capital Fund wherever necessary until the capitalization problem has been solved.

Agenda item 7, Draft Five-Year Regional Plan of Action on Women in Health and Development, was presented for the Secretariat by Ms. Rice, who gave a fully detailed account of what the Special Subcommittee of the Executive Committee had done to provide guidelines and mechanisms for PAHO and the Member Governments to integrate the activities of the United Nations Plan of Action into the Region's health and development programs, in an effort thereby to contribute to attainment of the goal of health for all by the year 2000 not only through greater participation by women in those activities, but also with an eye to their specific needs. The Special Subcommittee of the Executive Committee that had prepared the document presented would monitor progress in this matter, to which end it would meet at least once a year.

The discussion was wide-ranging and interesting, and was joined by representatives of Governments members of the Executive Committee and observers. There was emphasis on the need to give women equal opportunity and to meet their specific needs, but without treating them as a separate, disadvantaged group.

The Director also spoke to give assurances of the readiness of PASB to implement in its own sphere the guidelines of the Plan of Action.

A number of amendments were offered to the proposed resolution presented earlier, and it was finally agreed to appoint a working group consisting of Dr. Moody (Jamaica), Ms. Kefauver (United States of America), Dr. Ponce de León (Peru), and the Rapporteur, which wrote a new text that was finally approved as Resolution XXIX.

In that resolution the Executive Committee approved the Five-Year Regional Plan of Action on Women in Health and Development, enlarged the Special Subcommittee established by Resolution XVII of the XXVII Meeting of the Directing Council to three members, and recommends to the XXVIII Meeting of the Directing Council the adoption of a fairly extensive resolution approving the Plan of Action and making recommendations on the subject to the Member Governments and the Director.

The Executive Committee also decided to appoint Mexico to the third seat created by Resolution XXIX on the Special Subcommittee on Women in Health and Development.

With respect to agenda items 8, Report on the II Inter-American Meeting, at the Ministerial Level, on Animal Health, and 9, Proposed Plan of Action to Establish Dependable Sources of Financing for the Pan American Zoonoses Center and the Pan American Foot-and-Mouth Disease Center Outside the Regular PAHO Budget, the Secretariat reported in detail on the current situation and its background, and on the results of the meeting of Ministers of Agriculture held at Headquarters on 30 and 31 March 1981.

It also reported in detail on the work of the External Evaluation Team appointed by the Director and on the acceptance of its proposals by the Ministers of Agriculture, who had unanimously decided to ask their Governments for economic support for the two centers, which are rendering most valuable services.

In the discussions, doubts were clarified on some details and the Director referred to the advanced status of his efforts to obtain extra-budgetary funds from the Inter-American Development Bank, Brazil and Venezuela.

The outcome of all this was the approval of two resolutions. In Resolution XII, the Executive Committee recommends to the XXVIII Meeting of the Directing Council that it approve the budgets of CEPANZO and PANAFTOSA, and commends the Ministers of Agriculture of the Region for their support of the proposals for obtaining extrabudgetary funds.

In Resolution XIII the Executive Committee endorses the objectives, activities and guidelines established in the proposed five-year comprehensive program for the eradication of foot-and-mouth disease and the zoonoses, recommends to possible financial donors that they support its execution, urges the Member Countries to make the extraordinary contributions requested for the Centers through their Ministries of Agriculture, and requests the Director to continue the search for other contributions from international, regional and national sources of credit for implementation of the Program.

The Executive Committee began its consideration of agenda item 12, Status of the Evaluation of Pan American Centers, with the Caribbean Epidemiology Center.

The Secretariat reported on the background to the evaluation of this Center, on the useful work done by CAREC as a subregional agency which, in the opinion of the Governments concerned, should continue, and on the difficulties created by the unavailability of the contribution from the Government of the United Kingdom for 1980-1981 and the announced reduction of its contributions to the Center over the next four years.

During the ensuing debate, in which the speakers were unanimous in their endorsement of CAREC and commendation of its work, the observer for Trinidad and Tobago said his Government was prepared to increase its support so that CAREC could become a permanent agency. However, he added, the Government of the United Kingdom should be asked to make good its financial contribution, since the Center also serves territories in the area that are under its direct control.

The outcome was the approval of Resolution XV, in which the Executive Committee takes note of the budgetary level for CAREC for 1982-1983, thanks the Governments for their cooperation, asks the Directing Council to encourage the United Kingdom to adhere to the Multilateral Agreement for CAREC, thanks the Director for his report and the recommendations of the CAREC Council, and requests that the Director report to the XXVIII Meeting of the Directing Council and enlist the cooperation of the CAREC Council in conveying to the Meeting of Ministers Responsible for Health in the Caribbean the importance of solving the financial problem, and PAHO's continuing adherence to the spirit of the ten-year multilateral agreement.

The Secretariat's report on the status of the evaluation of the Latin American Center for Perinatology and Human Development (CLAP) elicited only laudatory comments on the competence of the consultants making the evaluation. The Executive Committee adopted Resolution XVI, which essentially requests the Director to submit the final report on CLAP to the Council.

Concerning the situation of the Institute of Nutrition of Central America and Panama (INCAP), the Secretariat gave an account of the work of the Special Evaluation Group and reported that the INCAP Council had agreed to a reorganization of the Institute as an agency of Central America and Panama, outside the organic and administrative framework of the United Nations system and PAHO.

The result of the debate was the approval of Resolution XVII, in which the Executive Committee recommends to the XXVIII Meeting of the Directing Council that it continue the technical cooperation of PAHO with the Institute and that its announced restructuring be pursued with the support of the Director.

The Secretariat also reported on the status of the evaluation of the Caribbean Food and Nutrition Institute, to which end a review had been made of the Institute's performance over the last 12 years, and pointed out that the Institute was now concentrating on the control of malnutrition, the prevention of obesity, and proper food distribution.

The discussion on this topic dealt, among other things, with the possibilities of setting up offices of the Institute in other countries of the Region, and with arrangements for and legal difficulties in the way of a contribution by WHO to defray the cost of a new building for the Institute.

The discussion also extended to the evaluations in general and to the regional or subregional character of the Centers. Finally, the Executive Committee approved Resolution XVIII recommending to the XXVIII Meeting of the Directing Council that the recommendations of the Evaluation Team be implemented, that the CFNI Policy Advisory Committee and Scientific and Technical Advisory Committee be established, with the Organization as a permanent member thereof, and that the Director seek external funds with which to provide a suitable building for the Institute.

The Director presented agenda item 13 on the resolutions of the Thirty-fourth World Health Assembly of interest to the Executive Committee. There was an interesting exchange of views on several matters, for example, the reimbursement of travel expenses for countries in the Americas whose contributions are assessed at the minimum rate. The stand against such reimbursement, taken by the Directing Council in its Resolution XXXVII in October 1980, was recalled. The Executive Committee merely took note of what was said and then passed on to other business.

In presenting, agenda item 14, PAHO Award for Administration, 1981, the Secretariat briefly stated the rules governing this Award. The Chairman of the Award Committee, Dr. Ponce de León (Peru) presented the report on the subject. The Executive Committee approved Resolution XXI noting the decision of the Award Committee to confer the PAHO Award for Administration, 1981, on Dr. Frederick Burns Roth, of Canada, and decided to transmit the report of the Award Committee to the XXVIII Meeting of the Directing Council.

Item 19, Buildings and Installations, was presented by Ms. Rosés (Chile), Chairman of the Working Group, made up of the Representatives of Chile, Jamaica and the United States of America, which had been charged with the formulation of recommendations for the Governor Shepherd building. Ms. Rosés explained with a wealth of technical detail that the building is in need of costly repairs and renovation of its facilities in order to meet the safety standards in force in the District of Columbia, and that, in the judgement of the Working Group, the most sensible way to make use of this PAHO property would be to erect a new building, in which PAHO would reserve 60,000 to 80,000 square feet of space for its own use, and sell the rest as condominium apartments.

The ensuing discussion clarified a wide variety of questions about the recommended plan and culminated in the approval of Resolution XIV, the preamble of which sums up very well the reasons for the Executive Committee's decision that preliminary negotiations be started for construction of the new building, and also for acquisition of the adjacent properties in order to increase its value and the economic advantages of the transaction, provided that such acquisitions do not affect the regular budget of PAHO or the normal conduct of its operations.

Agenda item 16, Amendments to the Rules of Procedure of the Governing Bodies of the Pan American Health Organization and to the Rules for Technical Discussions at Meetings of the Pan American Sanitary Conference and the Directing Council, was presented by the Deputy Director, Dr. Ehrlich. He summarized the background to the subject and pointed out that the intent was to conform to the practice in WHO and to avoid too many procedural problems arising in the sessions of the Governing Bodies.

There was no disagreement on the proposed amendments to the Rules for Technical Discussions at meetings of the Pan American Sanitary Conference and the Directing Council, and the Executive Committee approved Resolution XXVII on the subject.

However, a lively discussion arose, started by the Observer for Cuba, who was then supported by the Representative for Nicaragua, both of whom were opposed to the approval of a proposed rule for the various Rules of Procedure that would require each ballot paper to name as many candidates as there were elective places to be filled. Arguments were presented for greater freedom of voting in elections and for a more expeditious practical solution that would speed up the procedure and make it conform to WHO practice.

A working group was set up consisting of the Representatives of Nicaragua and Jamaica, which was unable to agree on a text acceptable to all. Finally, the Executive Committee approved by majority vote the texts proposed by the Secretariat, and adopted Resolution XXXII approving the changes proposed in its own Rules of Procedure, Resolution XXXIII recommending to this XXVIII Meeting of the Directing Council that it approve the proposed amendments to its Rules of Procedure, and Resolution XXXIV recommending to the Pan American Sanitary Conference that it approve the proposed amendments to its Rules of Procedure.

The Secretariat presented agenda item 17, Criteria for Granting Observer Status to Non-Regional Governments, which refers to the dual character of PAHO as a Pan American organization and as the Regional Committee of WHO for the Americas, and presented a proposed resolution on the matter.

In the ensuing discussion, the Representative of the United States of America presented another proposed resolution which would keep to a minimum interventions by observers from outside the Americas, in order not to unduly prolong the meetings of the Governing Bodies or the work of the Secretariat.

The text proposed by the United States of America underwent slight amendment and was then adopted by majority vote as Resolution XXVI, in which the Executive Committee recommends to the XXVIII Meeting of the Directing Council that it approve a resolution admitting observers to the public sessions of the Governing Bodies of PAHO without the right to

speak or vote, but to allow them to speak during the deliberation of any matter of particular concern to the observer State upon a determination in advance by the Director of PAHO, in consultation with the Director General of WHO, that special circumstances exist which justify this participation, provided that the costs of participation be covered by that observer State, and that these provisions be applied to any Member State of WHO that may hereafter seek observer status in the meetings of the Governing Bodies of PAHO.

Agenda item 18 related to amendments to the Staff Rules of the Pan American Sanitary Bureau, which were considered by the Executive Committee. As the Secretariat explained, these were essentially Rules that were in line with those approved by the Executive Board of WHO in its 67th Meeting, and which gave effect to operative paragraph 2 of Resolution XIX of the 59th Meeting of the Executive Committee (1968) on keeping close similarity between the Staff Rules of PAHO and those of WHO.

The Executive Committee also heard the views of the Staff Committee, which were presented by its Chairman, Dr. Gillespie.

Finally, the Executive Committee unanimously approved Resolution XXII confirming the amendments to the Staff Rules of the Pan American Sanitary Bureau submitted by the Director, with effect from 1 January 1981.

Thereupon, and also unanimously, the Executive Committee approved Resolution XXIII on the salary of the Director, and Resolution XXIV on the salaries of the Deputy Director and Assistant Director.

In presenting agenda item 23, Request of the Inter-American Institute for Cooperation on Agriculture (IICA) for Admission into Official relations with the Pan American Health Organization, the Secretariat noted that this was an inter-American organization specializing in agriculture, which could work with PAHO on matters of common interest, such as nutrition, rural development, and veterinary health.

The request was endorsed by several speakers and the Executive Committee approved Resolution XXVIII recommending to the XXVIII Meeting of the Directing Council that it approve IICA's request.

Dr. Litvak presented agenda item 25, Health Care of the Elderly, and gave an account of these activities, with special reference to Resolution XVI of the XXVII Meeting of the Directing Council.

Many speakers participated in the discussion and commented with interest on the statistical data and demographic forecasts for the year 2000 that had been presented, and it was urged that the appropriate programs in the countries provide not only for the care but even for the welfare of the elderly. This discussion is faithfully reflected in Resolution XXX approved on the subject.

The Executive Committee then passed to consideration of agenda item 26, costs of administering extrabudgetary funds. Dr. Cooney, Chief of Budget and Finance, gave a detailed review of the background of this subject in his presentation. The participants asked many questions and the Director gave the required elucidations. It was concluded that the cost of administering the programs financed with extrabudgetary funds was actually about 30.3 per cent of the total costs budgeted for those programs, but that a standard deduction of only 13 per cent should be applied to conform to the established rule in the United Nations and WHO. The difference in this cost would have to be absorbed by the Organization as another form of its technical cooperation.

Resolution XXXI, approved on the subject, embodies the outcome of the discussion. In it the Executive Committee recommends to the XXVIII Meeting of the Directing Council that it uphold the principle that the full costs of technical and administrative services and of support for PAHO's implementation of projects financed from extrabudgetary funds be financed as far as possible from those funds; authorizes the Director to apply a standard minimum 13 per cent program support cost rate, to be waived only under very exceptional circumstances, and further authorizes him to negotiate higher cost rates whenever this is acceptable to donors.

The Secretariat also presented to the Executive Committee agenda item 27, on service charges for procurement services and income from the sale of publications.

The explanations given by Dr. Cooney, Chief of Budget and Finance, and the Director himself conveyed the need to amend the Financial Regulations to enable the Director to use the income from the 3 per cent surcharge, being collected since 1951 for the service of procuring materials and supplies, and from the sale of publications, to defray part of the costs of those functions, which have risen considerably in recent years.

The Executive Committee unanimously approved Resolution XXV recommending to the XXVIII Meeting of the Directing Council that it approve those changes in the Financial Regulations.

Finally, at the last plenary session, under the heading of agenda item 29, Other Matters, the Executive Committee considered the steps taken by the Director for the use of the official vehicles of PAHO, in keeping with the provisions of Resolution III of the 85th Meeting of the Executive Committee.

The Executive Committee was also supplied with the usual statistics on PASB staff.

Having covered the entire agenda, it remains only to mention that, with the signature of the Final Report, the 86th Meeting of the Executive Committee was brought to an end in the closing session, held at 10 o'clock on the morning of 30 June 1981.