



*directing council*

PAN AMERICAN  
SANITARY  
ORGANIZATION

IX Meeting

*regional committee*

WORLD  
HEALTH  
ORGANIZATION

VIII Meeting



Antigua Guatemala  
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Topic 25: FINANCIAL RESOURCES OF THE PAN AMERICAN SANITARY ORGANIZATION

B. Note by the Director on the Program of Technical Cooperation of the Organization of American States

On 4 June 1956 the Executive Secretariat of the Coordinating Committee on Technical Assistance transmitted to the Director of the Pan American Sanitary Bureau the draft resolution on the new bases for the Program of Technical Cooperation of the Organization of American States, with a request for any comments that were deemed pertinent. The Director of the Bureau presented a memorandum containing his comments to the Secretary General of the Organization of American States and the Inter-American Economic and Social Council, which is attached to this document as Annex I.

The observations made by the governments and by the cooperating agencies of the Program of Technical Cooperation were submitted to the Inter-American Economic and Social Council and its Committee on Technical Cooperation; and the latter prepared a revision of the draft resolution on the new bases of the Program, for final consideration by the Council. The report of the Committee and the above-mentioned draft resolution are contained in Document ES-T-1-5/56-E of the Pan American Union, dated 3 August 1956, which is attached hereto as Annex II. Upon receipt of that document, the Director sent to the Secretary General of the OAS and to the Inter-American Economic and Social Council further observations in a memorandum of 4 September 1956, which is attached as Annex III.

The Director believes that these documents merit careful consideration by the Directing Council of the Pan American Sanitary Organization when it discusses the topic "Financial Resources of the Pan American Sanitary Organization," which is included on the agenda of its IX Meeting.

Comments

It is deemed advisable to call the attention of the Directing Council to certain specific points in the text of the draft resolution, which are set forth below, followed by the observations deemed pertinent by the Director.

I. "The Inter-American Economic and Social Council Resolves:

"To adopt the following Bases for the Program of Technical Cooperation of the Organization of American States, reserving for itself full authority over all aspects of the Program."

This reservation is not compatible with the inclusion of health projects in the Program of Technical Cooperation with the participation of the Pan American Sanitary Organization, which has its own Pan American Sanitary Conference and Directing Council with full authority over activities of the PASO.

II. "1. The Program of Technical Cooperation has as its purpose to encourage and promote such activities as will most directly and effectively aid in the economic and social development of the Member States of the Organization of American States for the greatest possible good of all."

If the term "economic and social development" includes health, this action is in conflict with the Constitution of the PASO, Articles 1 and 2 of which read:

"Article 1: Purposes: The fundamental purposes of the Pan American Sanitary Organization shall be to promote and coordinate efforts of the countries of the Western Hemisphere to combat disease, lengthen life, and promote the physical and mental health of the people.

"Article 2: Membership:

A: The Pan American Sanitary Organization is at present composed of the twenty-one American Republics...."

III. "2. The Program is a continuing activity of the Organization of American States.

"18. The Program is dependent upon the contributions of the Member States for its financing. The Member States shall therefore be requested to make an annual contribution of sufficient funds to cover its cost...."

However, the continuing activities of the PASO are already financed by contributions of these same Member States. The provisions of the Constitution of the PASO on the financing of inter-American health activities are so flexible that special hidden contributions not clearly identified for health work need not be sought through other channels. These provisions read in part as follows:

"Article 21: Financial obligations of the Governments:

- A. The Pan American Sanitary Organization shall be financed by contributions from Member Governments.
- B. Each Member Government, after approval of the quota determined by the Council, shall make its regular annual contribution.
- C. Member Governments may make contributions for general expenses and extraordinary contributions for specific purposes, in addition to their regular annual quota contributions...."

IV. "4. There shall be a Technical Cooperation Board composed of representatives of the Pan American Union and such Inter-American Specialized Organizations and other American agencies as the Council invites to participate in the program ..."

"9. The Board shall have the following duties and functions:

"a. To study and submit to the Council, in such form as the latter requests, the projects prepared by the cooperating agencies on their own initiative.

"b. To study the projects presented by the governments through their respective representatives on the Council and to submit to the latter an opinion with respect to each.

"c. To present to the Council, on the date and in the form determined by that body, and for consideration at its Special Annual Meeting, a complete proposed annual program, and the budget therefore, for the subsequent calendar year.

"d. To adopt the necessary measures for carrying out the annual Program approved by the Council and to establish appropriate administrative procedures and standards for this purpose."

This Technical Cooperation Board is essentially the body previously known as the Coordinating Committee on Technical Assistance, in which the PASO has participated. The Director of the Bureau recently wrote, in a memorandum of 29 June 1956 to the Secretary General of the OAS and to the IA-ECOSOC, that he considered the "representatives of the PASB on CCTA incompetent to discuss the value of technical projects other than those in the health field." In making this statement the Director did not intend to imply that the PASO representatives were less broadly competent than those of other agencies, but rather that the CCTA, as constituted, was not competent to discharge the responsibilities entrusted to it. It is obvious that the statement applies fully to the proposed Technical Cooperation Board.

The channel proposed for projects in paragraph 9-b, of the resolution is quite contrary to that established for the development of health programs. Health projects are first discussed at the country level by the Ministries of Health with Zone Representatives of the PASB and eventually find their way as budget proposals for consideration by the Executive Committee, and final approval of the Directing Council, both composed of technical representatives of the Member States.

The proposal is paragraph 9-d "to establish appropriate administrative procedures and standards" for carrying out the Program of the Council would only complicate the PASB's already too complex procedures based on "administrative procedures" of the Technical Assistance Fund of the United Nations.

V. "10. The Technical Cooperation Board shall be responsible to the Council for carrying out the duties and functions assigned to the Board."

The Director of the Bureau is fundamentally responsible to the governing bodies of PASO and cannot become responsible to IA-ECOSOC as a member of the Technical Cooperation Board.

- VI. "17. The following shall be the duties and functions of the Executive Director...
- "c. To keep constant watch over the Program and take such steps as are required to make certain that the policy and standard established by the Council are carried out."

This invades the functions of the Director and of the governing bodies of PASO.

- "g. To present his recommendations to the Board with respect to projects submitted by the cooperating agencies."

However, recommendations on health programs are a responsibility of the Director of PASB to the governing bodies of PASO.

- VII. "23-b. In the selection of Projects, the following shall also be taken into consideration:...
- "(2) Their contribution to the process of economic development;
- "(3) The effect they have upon increasing production and per capita productivity."

Since the concept of Technical Assistance for Economic Development was introduced internationally in 1949, the PASO has not found a practical basis on which to establish a special health program for economic development. While it is true that special economic importance can be given to temporary or permanent disabling diseases such as malaria, hookworm disease, yaws, tuberculosis, and poliomyelitis, practically all health programs eventually result in the development of an economically more efficient population. On the other hand, the responsibility of the PASO is not limited to the health interests of the economically important segments of the population.

- "23-g. The Technical Cooperation Board shall prepare common administrative rules and procedures for all Projects..."

The Technical Cooperation Board is certainly not competent to prepare such rules and procedures. The PASB operates under administrative rules and procedures adopted by the Directing Council of the PASO.

After full consideration of the related documents, the Directing Council may wish to adopt a resolution in the following terms:

Proposed Resolution

The Directing Council

RESOLVES:

That inter-American health programs to be developed by the Pan American Sanitary Bureau with special or voluntary contributions of Member States made through channels other than the Pan American Sanitary Organization shall be subject to the approval of the governing bodies of the PASO and shall be administered in accordance with the administrative procedures of the Bureau.

ANNEXES I, II and III

29 June 1956

To : Secretary General, Organization of American States, and  
Inter-American Economic and Social Council

From : Fred L. Soper, Director, Pan American Sanitary Bureau

Subject: Draft Resolution on the Bases for the Program of Technical  
Cooperation of the Organization of American States

The consideration of this resolution is an appropriate occasion

- a) to review the participation of the Pan American Sanitary Bureau in the Program of Technical Cooperation since 1950, and
- b) to analyze future relationships under the proposed resolution.

This review and analysis, although forthright, are presented in a spirit of friendly cooperation. They are based on a consideration of the constitutional and organizational structure of the Pan American Sanitary Organization of which the Bureau is the operating agency. The present statement is not necessarily applicable to other agencies.

#### I. ORGANIZATIONAL CONSIDERATIONS

The Pan American Sanitary Organization is responsible for international health activities in the Americas. Health programs are planned by the technical staff in consultation with the health authorities of Member States well in advance and are approved by the governing bodies: the Executive Committee, the Directing Council, and the Pan American Sanitary Conference. These governing bodies are composed almost exclusively of the same health authorities of Member Countries who have participated in the planning stage. The Conference and the Council, after approving the program for a given year, establish the respective budget amount, to be contributed by Member States.

This fully developed organizational structure for planning and approving health programs, with its direct channel for financing, would seem to obviate any advantage, either for governments or for the PASO, in a second channel for contributions from government treasuries to the PASO.

The PASO, through its governing bodies, has full responsibility for inter-American health activities and it is not fitting that PASO carry out health projects where "full authority over all aspects of the Program" is reserved to another body.

## II. PAST PARTICIPATION OF PASO IN TECHNICAL ASSISTANCE PROGRAMS

### 1. Minimal Financial Support for Health

The Program of Technical Cooperation has devoted only \$13,842.00 to human health from a total of over \$7,000,000.00 allocated by the Program from 1951 through 1956.

The PASB has established and is administering at the request of the Program of Technical Cooperation, the Pan American Aftosa Center in Rio de Janeiro.

### 2. Instability of Program Planning

Stable financial support is an essential element in developing international activities. Experience in the Program of Technical Cooperation has been that one health project after another has failed to receive an allocation of funds and has had to be postponed and even taken over by other organizations. Examples are:

a) the project for Training in Environmental Sanitation, under which it was proposed to assist in the development of existing training facilities in Chile, Brazil, and Mexico as international training centers for all countries in the Americas. Early in 1952 it became clear that funds would not be allocated; this high priority project had to be withdrawn and replanned under the auspices of the World Health Organization.

b) the project for the Nursing Seminars, planned as an annual series, each session to be held in a different part of the Hemisphere to serve a group of countries. The first seminar, financed under the Program of Technical Cooperation, was in 1951, and it is the only health project to have been so financed. By April 1952 it was obvious that funds would not be available for the July 1952 seminar. The PASO had to take emergency action in order to allot funds to meet this commitment.

c) the Pan American Zoonoses Center. This project arose from a resolution taken by IA- ECOSOC on 21 February 1953, requesting the development of a zoonoses center within the Program of Technical Cooperation of the OAS. The Bureau, as the competent agency, was requested to prepare the project proposal and eventually undertake operation of such a center. The zoonoses project was presented through the Coordinating Committee on Technical Assistance to IA-ECOSOC, which formally approved it under the OAS Program of Technical Cooperation for 1954. No funds were available in 1954 or 1955. When by mid-1955 it appeared funds would not be available in 1956 or in 1957, the Directing Council of the PASO requested the Director to seek other sources of funds. The Zoonoses Center has been included in the Technical Assistance Program of the United Nations for 1957.



3. Coordinating Committee on Technical Assistance

The Director of PASB considers representatives of the PASB on the CCTA incompetent to discuss the merits of technical projects other than those in health and has always presented Technical Assistance projects in health to the governing bodies of PASO for final approval.

III. COMMENTS ON THE PROPOSED RESOLUTION

1. The reservation to IA-ECOSOC of "full authority over all aspects of the Program" raises serious doubt whether PASO could propose and carry out health projects unless there were special provisions for preserving the responsibility of PASO in the field of health.

2. The proposed responsibilities of the Executive Director conflict with those of the Director of the PASB in relation to health projects. Specifically, there can be no responsibility of the Director of PASB to any authority other than PASO governing bodies, as implied by paragraph 9-d of the resolution. Negotiation with Member States in relation to health projects is the responsibility of the Director and cannot be shared as might be the case under paragraph 9-f. Carrying out a "permanent information campaign" (paragraph 9-k) for international health is a responsibility of the PASO. The PASB would not be bound by administrative agreements mentioned in paragraph 9-l, since policies, procedures and the bases of relationships are established by the governing bodies of PASO.

3. The establishment of "common administrative rules and procedures for all projects" proposed in paragraph 19-h would not be acceptable to PASB. PASB has its own rules and procedures which are in line with those of the World Health Organization, which in turn are oriented to those of the United Nations and the UN Technical Assistance Board.

IV. FUTURE PARTICIPATION

It is apparent from the foregoing review and analysis that it would not be appropriate to present additional projects in health for operation under the Program of Technical Cooperation.

Should IA-ECOSOC desire to support health programs which "directly and effectively aid in the economic and social development of the Member States," the existing mechanism of the PASO is available and is already committed to such programs. The most important hemisphere-wide program of economic and social impact to which IA-ECOSOC funds could be allocated is that for the continental eradication of malaria. This important program still awaits substantial financing; any amount IA-ECOSOC may contribute during the next five years can be used advantageously. This program was submitted to CCTA in 1955 but failed to receive consideration.

PASB is prepared to continue operation of the Pan American Aftosa Center until such time as it becomes possible to transfer this activity to some more suitable agency. IA-ECOSOC and PASB both can take pride and satisfaction in the progress to date and the potential achievements of this important Center.

The Pan American Sanitary Bureau will continue to participate in the Coordinating Committee on Technical Assistance in relation to the Aftosa Center. The Director does not feel that he is competent to judge the technical projects of other agencies or to take part in their approval in competition with health programs for available funds.

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ANNEX II

Report of the Revision of the Draft Resolution  
on the Bases for the Program of Technical Cooperation  
of the Organization of American States  
Submitted by the Committee on Technical Cooperation  
to the Inter-American Economic and Social Council,  
Document ES-T-i-5/56-E (August 3, 1956)

ES-T-i-5/56-E

INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

COMMITTEE ON TECHNICAL COOPERATION

Report of the Revision of the Draft Resolution  
on the Bases for the Program of Technical Cooperation  
of the Organization of American States  
Submitted by the Committee on Technical Cooperation  
to the Inter-American Economic and Social Council

August 3, 1956

Pan American Union  
Washington, D.C.

REPORT ON THE REVISION OF THE DRAFT RESOLUTION  
ON THE BASES FOR THE PROGRAM OF TECHNICAL COOPERATION  
OF THE ORGANIZATION OF AMERICAN STATES  
SUBMITTED BY THE COMMITTEE ON TECHNICAL COOPERATION  
TO THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

At the plenary meeting of the Council held on July 2, 1956, observations from certain governments and cooperating agencies with respect to the draft resolution on the bases for the Program of Technical Cooperation were brought out. At that meeting it was decided to refer all the observations to the Committee on Technical Cooperation for study and for consideration of a new draft resolution.

At the July 6 meeting of the Committee on Technical Cooperation and at the proposal of the Chair, a Working Group was set up composed of the Representatives of Brazil, Costa Rica, and the United States, to analyze in detail all the observations that had been presented and to prepare a new draft resolution. At its meeting on August 3, 1956, the Committee on Technical Cooperation received and approved the report of its Working Group and the new draft resolution it had prepared.

The Committee on Technical Cooperation would like to point out to the Council that most of the observations presented by the governments and the cooperating agencies were of form, not of substance. In the new draft resolution presented by the Committee to the Council for consideration, only in the case of the new chapter on the cooperating agencies can the changes be considered of substance, although it is true that that chapter does no more than clarify and clearly state ideas already included in other articles of the original draft resolution.

The Committee points out below the articles that were not included in the original draft resolution and those that underwent major changes:

Articles 10, 11, 12, and 13 are new. They read as follows:

"10. The Technical Cooperation Board shall be responsible to the Council for carrying out the duties and functions assigned to the Board.

"11. The cooperating agencies, individually, shall be in charge of the operation of the projects entrusted to them by the Council. Each agency shall be responsible, within the framework of the standards established by the Council, for the development of the projects that it agrees to carry out.

"12. The cooperating agencies may negotiate administrative agreements with the governments of the host countries of projects being carried out under the Program.

"13. In consultation with the Executive Director, the cooperating agencies may negotiate cooperative agreements with other organizations for the development of specific technical activities that will be of help in the operation of the projects of the Program."

The Committee made several important changes in article 18 to clarify its meaning and scope, in view of the fact that several delegations had expressed their opposition to any method of financing the Program that was not purely voluntary. Consequently, the Committee decided to replace the first sentence of the former article 14 with the following:

"The Program is dependent upon the contributions of the Member States for its financing. The Member States shall therefore be requested to make an annual contribution of sufficient funds to cover its cost."

The Committee also decided to insert the word "voluntarily" in article 19 (a). In article 18 the word "funds" was replaced by "contributions", and the last account mentioned, "Other Funds" was changed to "Other Contributions".

The Committee felt that former article 19 (i) and (j) also needed to be clarified and made more precise. Those two paragraphs became article 23 (h), (i), and (j). The Committee believes that the new text clarifies and makes more precise the ideas that determine the temporary character of the Projects of the Program.

The Committee on Technical Cooperation submits to the Council the draft resolution appended to this report, and recommends that the Council approve it at its first plenary meeting in September, in the understanding that this period will give each delegation sufficient time to study the new draft resolution satisfactorily.

DRAFT RESOLUTION ON THE BASES FOR THE  
PROGRAM OF TECHNICAL COOPERATION OF THE  
ORGANIZATION OF AMERICAN STATES

WHEREAS:

The Inter-American Economic and Social Council, by virtue of the authority conferred upon it by Article 64 of the Charter of the Organization, and in conformity with the basic resolution of April 10, 1950, as amended, creating the Program of Technical Cooperation of the Organization of American States, has, since 1951, approved annual programs composed of specific projects carried out by agencies of the inter-American system invited by it to participate in this Program; and

It is desirable that a new resolution be adopted for the Program of Technical Cooperation since, subsequent to the adoption of the basic resolution of April 10, 1950, as amended, the following has occurred:

- a. The policy with respect to the nature of the Program was determined subsequent to the adoption of the resolution of April 10, 1950, as the result of a proposal made by the Secretary General of the Organization of American States and approved in principle by the Council in its resolution of October 5, 1950, envisaging technical cooperation activities of an educational nature, offered on a multilateral basis to benefit all the American States.
- b. Subsequent to the adoption of the afore-mentioned basic resolution, the Council found it necessary to approve other resolutions in connection with the execution of the Program, which should be incorporated into a new basic resolution on the Program.



- c. The Tenth Inter-American Conference and the Meeting of Ministers of Finance or Economy as the Fourth Extraordinary Meeting of the Inter-American Economic and Social Council adopted resolutions dealing with the status of the Program, its nature, organization, and financing, which should also be incorporated into a new basic resolution on the Program.

#### THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

#### RESOLVES:

To adopt the following Bases for the Program of Technical Cooperation of the Organization of American States, reserving for itself full authority over all aspects of the Program.

#### PURPOSE OF THE PROGRAM

1. The Program of Technical Cooperation has as its purpose to encourage and promote such activities as will most directly and effectively aid in the economic and social development of the Member States of the Organization of American States for the greatest possible good of all.

#### DURATION OF THE PROGRAM

2. The Program is a continuing activity of the Organization of American States.

#### NATURE OF THE PROGRAM

3. The Program is essentially of an educational nature and should pay particular attention to the higher levels of technical training.

#### TECHNICAL COOPERATION BOARD

4. There shall be a Technical Cooperation Board composed of representatives of the Pan American Union and such inter-American Specialized

Organizations and other American agencies as the Council invites to participate in the Program. The Organizations represented on the Board shall be called "Cooperating Agencies".

5. The Board, whose seat shall be at the Pan American Union, shall meet at least once a year.

6. The Board shall meet upon convocation by the Executive Director on his own initiative, at the direction of the Council, or at the request of any one of the cooperating agencies.

7. Any member of the Council may attend the meetings of the Board as an observer.

8. When the Committee on Technical Cooperation deems it desirable, it shall assign one of its members to attend the meetings of the Board as an observer.

9. The Board shall have the following duties and functions:

- a. To study and submit to the Council, in such form as the latter requests, the projects prepared by the cooperating agencies on their own initiative.
- b. To study the projects presented by the governments through their respective representatives on the Council and to submit to the latter an opinion with respect to each.
- c. To present to the Council, on the date and in the form determined by that body, and for consideration at its Special Annual Meeting, a complete proposed annual program, and the budget therefor, for the subsequent calendar year.
- d. To adopt the necessary measures for carrying out the annual Program approved by the Council and to establish appropriate administrative procedures and standards for this purpose.

- e. To take the necessary measures for promoting cooperation by other organizations carrying out technical assistance in behalf of the Member States, for the purpose of enabling the objectives of the Program to be achieved within the framework of the general standards established by the Council.

10. The Technical Cooperation Board shall be responsible to the Council for carrying out the duties and functions assigned to the Board.

#### COOPERATING AGENCIES

11. The cooperating agencies, individually, shall be in charge on the operation of the projects entrusted to them by the Council. Each agency shall be responsible, within the framework of the standards established by the Council, for the development of the projects that it agrees to carry out.

12. The cooperating agencies may negotiate administrative agreements with the governments of the host countries of projects being carried out under the Program.

13. In consultation with the Executive Director, the cooperating agencies may negotiate cooperative agreements with other organizations for the development of specific technical activities that will be of help in the operation of the projects of the Program.

#### EXECUTIVE DIRECTOR

14. The Program of Technical Cooperation shall have an Executive Director, for whose appointment and removal the Secretary General of the Organization of American States shall be responsible.

15. The Executive Director shall be responsible to the Council for carrying out the directives set forth in this resolution and in any others subsequently issued by the Council.

16. The Office of the Executive Director shall not form part of the Pan American Union, but for the purpose of making administrative procedures uniform, the administrative standards and regulations of the Pan American Union shall be applied, at the discretion of the Secretary General. The Office of the Executive Director shall be the Secretariat of the Technical Cooperation Board.

17. The following shall be the duties and functions of the Executive Director, in addition to such others as are assigned to him in this resolution:

- a. To prepare the agenda for, and to convoke and preside over, meetings of the Technical Cooperation Board.
- b. In cases of special need, with the authorization of the Committee on Technical Cooperation, to convoke meetings of the Board in any place in an American country, away from the seat.
- c. To keep constant watch over the Program and take such steps as are required to make certain that the policy and standards established by the Council are carried out.
- d. To assure compliance with the rules and procedures of the Technical Cooperation Board.
- e. To authorize allocations to the cooperating agencies from the "Technical Cooperation Fund" referred to in paragraph 18 of this resolution, within the amount approved for each Project.
- f. When the Executive Director, in carrying out his duties deems it advisable to consult with the government of a Member State, he shall do so in accordance with the procedures indicated by the Representative of that Government of the Council.

g. To present his recommendations to the Board with respect to projects submitted by the cooperating agencies.

h. To present to the Council periodic reports on the operation of the Program, its financial status in general, and the activities of the Technical Cooperation Board.

i. To accept on behalf of the Program voluntary contributions from other sources for specific purposes that are in accord with the policy established by the Council for the Program.

j. To have an annual audit made of all funds received and disbursed by the Program and submit reports thereon to the Council. These audits shall be carried out, as far as possible, in accordance with the procedures followed by the Pan American Union.

k. To carry out an information campaign on the activities of the Program, utilizing for the purpose such publicity media as are provided by the cooperating agencies and the governments of the Member States, as well as any other direct methods that are necessary.

l. In consultation with the Committee on Technical Cooperation, to conclude administrative agreements of a general nature on behalf of the Program, for purposes of cooperation and exchange with other programs, and to avoid duplication in the activities of the aforesaid programs and that of the Organization of American States.

m. To suggest to the Secretary General appointments to the staff of the Office of the Executive Director.

#### FINANCING

18. The Program is dependent upon the contributions of the Member States for its financing. The Member States shall therefore be requested to make an annual contribution of sufficient funds to cover its cost. In addition, the Program may utilize contributions from other sources, both public and private, provided that the use of such funds is compatible with the policy and standards established by the Council with respect to the Program. All available funds for the operation of the Program shall make up the "Technical Cooperation Fund", which shall be composed of the following accounts: "Special Account for Technical Cooperation", "Contributions of Host Countries", and "Other Contributions".

19. The contributions of the governments to the Technical Cooperation Fund shall consist of:

- a. Cash or tangible services and materials contributed voluntarily for the execution of the Program, without restriction as to their use.
- b. Additional cash or tangible services and materials contributed to defray the local cost of a Project of the Program.

20. In case of need, the Inter-American Economic and Social Council may request the Organization of American States to authorize the Pan American Union to advance funds to the Program. Such advances shall be charged against the contributions pledged by the governments of the Member States to the Special Account for Technical Cooperation.

#### TECHNICAL COOPERATION FUND

21. The Technical Cooperation Fund shall be governed by the following rules:

- a. In evaluating the annual cost of the Program and the pledges of the Member States for defraying its expenses, a single currency shall be utilized for purposes of comparison and accounting.
- b. The contributions made by the governments of the Member States, in accordance with Article 19 (a), to defray the cost of the Program shall be deposited in the Special Account for Technical Cooperation, the Custodian of which shall be the Treasurer of the Pan American Union.
- c. The cash contributions to the Special Account for Technical Cooperation may be made in dollars or in other American currencies.
- d. Contributions paid in dollars to the Special Account for Technical Cooperation shall be sent to the Treasurer of the Pan American Union, Washington, D.C. Contributions paid in other currencies may be deposited in a bank of the contributing country, to the account of the Treasurer of the Pan American Union.
- e. Funds allocated by the Executive Director to the cooperating agencies shall be utilized solely to defray the cost of the projects of the Program and to pay such over-all administrative expenses as are approved by the Council.
- f. Contributions made by the governments of the Member States in accordance with Article 19 (b) shall be credited to the "Contribution of Host Countries" account; the sum that is to be credited shall be determined in each instance by an agreement between the contributing government and the cooperating agency concerned.
- g. For each project, the cooperating agency concerned shall keep accounts showing the use of the funds contributed by the host

country submit to the competent officials of the aforesaid country and to the Executive Director of the Program such reports as they request.

- h. When the contributing country has not established a proper procedure for the auditing of the aforesaid accounts, the Executive Director shall make the necessary arrangements for providing the contributing country with an audit of the funds contributed by it to the project in question.
- i. Contributions other than those mentioned in Article 19 shall be credited to the "Other Contributions" account, the Custodian of which shall be the Treasurer of the Pan American Union, also.
- j. The Executive Director shall provide the agency or agencies that have contributed to the "Other Contributions" account with a report on the use of their respective contributions.

#### WORKING CAPITAL

22. To ensure effective operation of the Program, a Working Capital Fund, the amount of which shall be fixed by the Council in accordance with the financial needs and possibilities of the Program, shall be established.

#### GENERAL STANDARDS

23. The Program shall be prepared and carried out in accordance with the following standards:

- a. The Council shall give priority to activities:
  - (1) That benefit all, or the majority of, the Member States;
  - (2) That are essentially of an educational nature;
  - (3) That provide impetus to the establishment or improvement of technical-training facilities at the higher levels; and



- (4) That can be carried out through centers of higher education and other suitable institutions and agencies now existing in the Member States.
- b. In the selection of Projects, the following shall also be taken into consideration:
- (1) The number of governments that express an interest therein;
  - (2) Their contribution to the process of economic development;
  - (3) The effect they have upon increasing production and per capita productivity.
  - (4) The ability of the governments to take advantage of the benefits offered by a Project;
  - (5) The facility with which they will fit into the regular program of the cooperating agency providing the technical cooperation.
  - (6) The experience that the cooperating agency providing the technical cooperation has had in the particular field.
  - (7) The nature and results of other similar activities.
- c. Upon receiving the authorization of the Council to start an activity, the Technical Cooperation Board shall select the site of the Project, taking into account the following:
- (1) The interest expressed by the governments in furnishing the site of the Project and the facilities offered by them;
  - (2) The technical advantages offered by the possible sites;
  - (3) The desirability of maintaining activities in as many countries as possible.
- d. When an activity of the Program is one of direct technical cooperation that will be of benefit to a single country, that country should,

as a general rule, assume the major part of its cost and defray such expenses as can be paid in the national currency of the country in question.

- e. The cooperating agencies may propose for inclusion in the Program only such activities as come within the scope of their particular special fields or competence. When projects proposed by the Member States are in fields outside the technical competence of the cooperating agencies, the Pan American Union shall be responsible for presenting to the Technical Cooperation Board proposals as to the manner in which such activities can be carried out and the agency to which they can be entrusted.
- f. The staff members appointed by the cooperating agencies to carry out the activities of the Program shall be selected on the basis of their qualifications. The staff members of the Program shall at all times conduct themselves in accordance with the standards of conduct that are applicable to the staff of the Organization of American States.
- g. The Technical Cooperation Board shall prepare common administrative rules and procedures for all Projects. In cases not provided for, the current regulations used by the cooperating agency for the execution of its regular program shall be applied.
- h. As a general policy, when each project is adopted, there shall be established a specific period of sufficient length to provide impetus to the establishment or improvement of technical education facilities.
- i. When the Council feels that the purposes of a Project have not been realized in the period originally assigned to it, the Council may continue it for an additional period.

- j. No Project should be permanent. However, if it is felt that the activities of a Project should be continue for an indefinite period, another means of financing it will be sought and the Council may authorize the continuation of the Project for a transition period, during which the contribution of the Program shall be gradually diminished.

24. This resolution shall replace the Council resolution of April 10, 1950, as amended; the resolution of October 5, 1950; the first, second, third, and fourth resolutions of December 12, 1950; the resolution of May 3, 1951; the resolution of June 28, 1951; and all others in conflict with this resolution.

25. The present resolution shall become effective on the date of its approval.

#### TEMPORARY PROVISION

Until such time as the Secretary General of the Organization of American States appoints the Executive Director of the Program of Technical Cooperation, within the terms of this resolution, the Secretary General shall preside over the Technical Cooperation Board; and the Division of Technical Cooperation of the Pan American Union shall serve as the Executive Secretariat of the Board.

4 September 1956

To: The Secretary General, Organization of American States and  
Inter-American Economic and Social Council

From: Fred L. Soper, Director

Subject: Draft Resolution of Committee on Technical Cooperation on "Bases  
for the Program of Technical Cooperation of the OAS" submitted  
to the Inter-American Economic and Social Council  
(Document ES-T-1-5/56-E, August 3, 1956)

Under date of 29 June 1956, the Director of the Pan American Sanitary Bureau commented on a previous document on the same subject (ES-T-1-3/56-E). Practically all comments on the early document are applicable to the Final Draft.

The Directing Council of the Pan American Sanitary Organization at Guatemala in September will consider the entire question of the source of funds for international health work and undoubtedly so-called Technical Assistance Funds will be discussed. It should be noted that there is essentially a single source of funds for international health work, namely government treasuries, whether the funds are delivered to the PASO, the WHO, UNICEF, the Technical Assistance Fund of the UN, or the Technical Cooperation Fund of the OAS.

The Pan American Sanitary Code and the Constitution of the PASO both provide for financing inter-American health programs through contributions of Member States, consisting of regular contributions assessed on the scale adopted by the Pan American Union and additional voluntary contributions for either general expenses or specific purposes. Donations from other sources are acceptable only if the conditions imposed are in accord with the norms of the Organization.

The Constitution of the PASO specifically provides (Article 12) that the Executive Committee shall

- C. "Prepare with the cooperation of the Director of the Pan American Sanitary Bureau a proposed budget for consideration by the Council."

and (Article 8) that

- D. "The Council shall review and approve the annual budget of the Organization."

After mature consideration of the problem under discussion, the Director of the PASB suggests that the IA-ECOSOC, as it encounters health problems handicapping economic development in one or more of the American States, should call the attention of the Member States to such handicaps and urge their removal with the collaboration of the PASO.

If IA-ECOSOC should possess funds for financing special health programs, these should be allocated to the PASO, which would then, through its usual channels and administrative procedures and with the approval of its Directing Council, develop the indicated activity.