

Editorial

PAHO'S PROGRESS AND PROSPECTS, 1985¹

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The world crisis—particularly in Latin America and the Caribbean, as well as in other parts of the developing world—has not yet been resolved. I would go as far as to predict that in its economic aspects, 1985 may prove the worst year yet. Inequalities in the balance of payments, internal economic instability which fosters unemployment, runaway inflation, and shortages of funds to develop programs for improving living standards, as well as the declining rate of income and its increasingly unequal distribution, are some of the symptoms of this crisis. Fortunately in some countries, including three of the largest in Latin America, the onset of recovery is already in sight, particularly in relation to an equilibrium in the Region's economic transactions with the rest of the world, both in the trade of goods and services and in the arrangements being made to settle the countries' external debts.

We have been watching with great anxiety, but also with some satisfaction, as certain productive sectors, particularly in industry, have started to show signs of recovery in a few countries. This is important from a political and social standpoint because of the internal consequences for each country and the direct, overall impact on the international community. In the domestic political sphere, it has meant an important change in terms of the establishment, or reestablishment, of democratic forms of government, with greater interaction of the various social sectors and increased opportunities for true participation by the people in shaping their own destiny. In the economic and financial sphere, the crisis still imposes severe restrictions on the availability of resources to finance health programs, particularly those aimed at the improvement or satisfaction of the basic needs of the people.

In some Latin American countries, including the most powerful ones, money is so scarce that the physical facilities of health establishments are visibly deteriorating, and the challenge of keeping existing services functioning is overwhelming. Yesterday, for example, I was talking to a colleague of ours about the situation in a particular country where the funds for operating the existing health service structure have shrunk to about 15% of the overall budget. Last year, except for personnel expenses, the country could use only 20% of the approved budget, and the balance did not become available. This creates great additional restraints on the ability to cope with health problems, and we are coming to the disheartening realization that, in some countries, some of the most sensitive indicators of health conditions are beginning to show signs of deterioration. The crisis is also restricting the ability of

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the countries to contribute to the support of international institutions, our own organization included.

In some areas the crisis continues to have peculiar characteristics. We are all aware of the existing situation in Central America, with its political ramifications and the threat or actual occurrence of armed conflict. About two months ago, the ups and downs of the negotiations in the Central American crisis had reached a total impasse, which fortunately now appears to have been surmounted. There is, however, a lingering risk of open military conflict in this subregion that casts a looming shadow on the future development of health programs and cooperation activities. Aware of this critical situation, the Pan American Health Organization is actively engaged in promoting, in coordination with other agencies, and in response to an initiative by the Governments of Central America and Panama, an extraordinary effort to meet the priority health needs of the countries in that subregion.

Whereas there is no widespread conflict or threat to peace in the Caribbean, the economic situation has so greatly reduced any possibilities for action in some countries that today, more than ever, it is necessary to ensure that any available resources, including those provided through international cooperation, become increasingly productive. Wider, more effective, and more comprehensive cooperative relations must be established among the countries in that subregion. In response to this call, the Organization is taking the first steps toward the establishment of another special program to update our traditional working procedures in the Caribbean, and I feel confident we will find more productive modes of operation in the near future.

In South America, the countries of the Andean Region—at different levels and in different ways—are in the throes of their own crises. The best-known and most extreme of these cases is perhaps found in Bolivia, but the rest of these countries are also subject to extraordinary hardships. We are looking for special avenues of joint cooperation in this subregional area.

Meanwhile, the process of change in the conditions that cause health problems to remain, or to arise and evolve, continues. The persistence or worsening of some problems that could be avoided with available technology and a growing awareness of emerging problems, particularly those associated with the chronic-degenerative diseases and the elderly, are the most salient features in this process.

In light of this complex situation, the international cooperation systems are showing a certain inadequacy or lack of development. They have to contend with opinions and criticisms, particularly those coming from the countries in the "first world"—the developed countries—on how they operate, reach decisions, and pursue their policies. In other words, their efficiency and usefulness are being questioned. One cannot help but be aware of the special problems besetting UNESCO, the difficulties the OAS is experiencing, and the drastic reduction of the funds available to the United Nations Development Program. Other agencies, such as ECLA and ILPES, have also been experiencing unusual trials and tribulations. Even the international cooperation banks, whose financial or economic nature elicits more favorable consideration by governments, are encountering increasing problems in deciding where to apply available funds.

There are many factors and interests at the root of the problems that beset the international cooperation systems; but three appear to be of key importance. First, I want to refer to a conflict that some may regard as only apparent, but in fact is real, between the interests of bilateral or country-to-country cooperation and the

modes of multilateral cooperation. Donor countries, meaning those with the potential to support cooperation activities, are becoming increasingly interested in providing those funds directly, and in making explicit through that cooperation the expression or advancement of their own—unquestionably legitimate—national interests.

Second, there is the real or alleged tendency to politicize the cooperation agencies. We all are aware, or should be, that in this complex world of human activity there is no area of action without political implications. In this overall view, politics neither interferes with nor blocks action, but contrariwise can be helpful and necessary. However, if we view cooperation problems, or any other problem, through the distorting or subjective window of conflicting ideologies and the interests of particular groups and movements, then “politicization” becomes a source of woe. On the one hand, sanctions are being taken against international agencies on the grounds that they are politicized, while on the other hand, activities that are the responsibility of these agencies are systematically politicized.

A third factor at the root of these problems is the poor record of efficiency of the international agencies. Our operational costs are out of proportion to our output, especially when compared with the possibilities and needs of the countries we are supposed to serve. That is why it has been vital to insist repeatedly, and from the beginning, on what we call “building excellence.” We must build excellence not because we want to be better than others, but because excellence is essential if we are to be efficient, useful, and necessary. More specifically, excellence is not just a requirement within the Organization for the fulfillment of its ongoing mission of helping the Governments; it has now become an essential prerequisite for our survival as an institution.

At times I feel that we are far from being fully aware of the extent of the danger we face. PAHO, as part of this world in turmoil, enjoys no immunity from current threats. Although we may still be among the almost 100 international agencies that will be the last to be considered as objects of concrete action, we are already experiencing pangs of uncertainty because of what is now happening in the United Nations common system.

How have we performed this past year? I can more effectively respond to this question by dividing the Organization's work into its political, technical, financial, and administrative aspects. In the political area, I think we have advanced beyond our expectations to sustain the initiatives which have been undertaken. As a result of accomplishments brought about by many people, I feel we have restored the Organization's standing at the political level, both with the Governments and Ministries and among the international cooperation agencies in the Inter-American and United Nations systems.

This success, if real, creates further challenges for us at other levels. Technically, we have made progress, and I feel it only right to acknowledge—as I have done several times before—that the efforts and dedication of many here at Headquarters, and of many others in our Country Offices can only be described as extraordinary.

Through these efforts and this dedication, and despite the obstacles and the problems we sometimes create ourselves, we are advancing, slowly but steadily toward building the excellence we all desire. But there is still much to be done. Financially, we have so far managed to keep the Organization afloat and in a very sound state. However, in the 1984-1985 budgetary cycle, so far, about 11 million dollars (US) of contributions are in arrears; that amounts to slightly over 10% of

the Organization's regular budget.

To give you an idea, there are two countries that at this moment owe the Organization 20 million dollars, of which slightly over 13 million represent arrears from previous years. Hence, the difference between our cost projections and the assigned budget is only part of the problem; the other part is the amount of funds actually available. The outlook is for the restrictions to remain during 1985. The actual budget we are going to utilize will be smaller than the one approved for 1984-1985, not because we lack the capacity to execute it, but because, as I have said, we are limiting our activities to the availability of resources.

Next week we start discussions with the Governments on the proposed budget for 1986-1987. This budget is based on the principle of no real growth in Organization activities financed with regular funds, though we do hope to obtain a small increase in contributions, which will be allocated entirely to projects in the countries. Expenditures at Headquarters will undergo real reductions during the period 1986-1987. We also hope that the expected recovery from the depths of the crisis by 1986 will enable the countries to meet more fully their obligations to the Organization. If this happens, as I hope it will, we should be able to execute in 1986-1987 the full budget approved by the Member Countries for that biennium.

It is in the administrative area where I feel we have made the least progress so far. We are aware of the shortcomings of our administrative systems and have started taking the necessary actions to improve them as soon as possible. Important new measures being introduced include work now in progress to change, update, and modernize our communication systems; the effort we are making to improve our word and data processing facilities; the first steps toward the development of our technical information systems; and a constant drive to improve and refine the Organization's internal planning and programming systems.

With regard to the Organization's internal development, we must continue to insist on the need to improve our planning and programming systems and to place more emphasis on the development of evaluation and supervisory systems. The decentralization process will go on, as well as the effort to implement and develop the essential administrative systems, particularly in the areas of information, general accounting, and personnel. We must also obtain better and more integrated results from our staff development program. In this vein, it is gratifying to be able to say now that several units at Headquarters and in the Field Offices have developed training and continuing education programs for their staffs.

We are in the process of reviewing the administrative situation in our Centers under the general policy premise that those Centers are, by definition, provisional structures within the setting of the Organization's operations. Provisional arrangements can go on for a long time, however, and judging from present conditions in the Region, I expect that the great majority of our Centers will remain with us for many years to come. What we must do now is consider the administrative aspects and the technical-scientific orientation of the Centers, with the goal of establishing the conditions which will allow the future transfer of responsibilities from the Centers to national institutions.

We will intensify our special efforts to develop the Plan for Central America. The response we are receiving from the international community suggests that the purpose which was established for this Plan—that of serving as a bridge for peace—is not just a slogan and will not remain a mere objective, but is rather something that

can be and is in fact being expressed in concrete actions. In the second half of 1985, we will begin a concentrated review and reorientation of our operations in the Caribbean and, starting in 1986-1987, will give increasing importance to the activities of the countries in the Andean Area.

More generally, we will continue the basic management strategies set for the Organization, particularly the effort to identify and mobilize national resources, to integrate them into the health programs of the countries, to promote direct cooperation among Member Countries, and to cooperate with other bilateral and multilateral agencies which operate in the field of health. We will give a higher priority during the budgetary period 1986-1987 to activities which will increase the operating capacity of national health systems, either by improving their organization and operation or by making an adequate contribution toward the development of human resources and ways of dealing specifically with technological problems. In keeping with the basic guideline that our mission is expressed primarily in the management of knowledge, we feel that research must become more prominent in our programs. There are also old and new health problems that must continue to be addressed on a priority basis, in fields such as maternal and child health, nutrition, endemic and chronic diseases, and others.

In 1985, we propose to improve our public information activities, just as we have already started to do—although somewhat behind schedule—with publications. We will go on improving our relations with the Governments, and I daresay that we are in a position to ensure the satisfactory functioning of the Governing Bodies. In the area of cooperation with the countries, we will continue to stress the basic principle that the primary production units are the countries themselves, and that our Country Offices are the principal mechanisms for channeling our cooperation.

To sum up the prospects before us, we hope that the worst of the economic crisis will be over by the end of this year, and even more so by the beginning of 1986. We also hope that the resolution of the crisis, however slow and gradual it may be, will enable the Governments to allocate more funds to health activities and allow a better development of the national programs in which we are to participate. If this happens, the possibilities for cooperation will improve in the near future.