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## *Abstracts and Reports*

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# **Regional Plan for Investment in the Environment and Health**

## **BACKGROUND**

The economic stagnation that occurred during the 1980s brought growth in Latin America and the Caribbean to a halt. Stabilization and adjustment measures implemented in the countries resulted in spending cuts in the public sector. In practical terms, the result was a decline in social services, which coincided with a downward trend in the purchasing power of broad sectors of the population. The social consequences of the economic crisis of the 1980s were increased inequality and poverty in most of the countries of Latin America and the Caribbean, and the situation has been exacerbated by explosive population growth. At the same time, the reduction in public sector spending has increased the deficiencies in basic infrastructure and public services.

The areas of drinking water supply, sanitation, and health services have been hard hit by the reduction in investment, particularly in the replacement, maintenance, and conservation of equipment and

physical plants. In addition, inadequate levels of current spending have impeded the normal operation of programs aimed at addressing problems and have restricted administrative development and the training of personnel. Moreover, resources for health, drinking water, and environmental sanitation infrastructure have tended to be concentrated in large urban areas and available to only certain populations, leaving large segments of the rural and marginal urban population without coverage. At present, some 130 million people lack access to safe drinking water, 160 million do not have permanent access to health services, and the waste produced by 300 million is contaminating water resources that are used for public water supply and irrigation.

Recently, international agencies devoted to monitoring and analysis of economic development have detected signs of renewed growth, which may signal a reversal of the stagnation of the past few years. However, it is unlikely that this new economic growth by itself will be sufficient to offset the inequalities and deficiencies that were exposed and worsened by the crisis.

The circumstances described above have created high-risk conditions that are conducive to the outbreak of virulent disease, as the cholera epidemic has proved. Since cholera reappeared in the Americas in January 1991, over 650 000 cases have

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*Sources:* Pan American Health Organization, Regional Plan for Investment in the Environment and Health (Document CD36/23), Washington, D.C.: 11 September 1992; PAHO Directive no. HQ/FO-92-06: Implementation of the Regional Plan for Investment in the Environment and Health, 16 November 1992.

been reported and over 5 000 people have died. As a result of the same deteriorated conditions, at the end of the 1980s other diarrheal diseases were claiming close to 130 000 lives of children under 5 in the Region each year.

## THE RESPONSE TO THE CRISIS

Coping with the health disaster produced by the cholera epidemic requires both short- and long-term interventions. Medical care, public information, epidemiologic surveillance, food protection, and disinfection of drinking water are among the short-term activities being carried out to mitigate the effects of the epidemic. PAHO/WHO has worked with national health institutions to develop emergency plans to prevent and control cholera.

The long-term response must focus on overcoming the enormous deficit in health service infrastructure, drinking water supply and quality assurance, and basic sanitation. To that end the Pan American Health Organization has formulated a Regional Plan for Investment in the Environment and Health. Prepared in close consultation with the countries of the Region, the Plan identifies the investments that must be made during the next 12 years in Latin America and the Caribbean in order to alleviate the accumulated deficiencies in these areas. As part of the process of preparing this plan, an attempt was made to quantify the basic needs for the expansion of coverage as well as the rehabilitation and adaptation of both health care and environmental protection services. An analysis of the technical and financial feasibility of the necessary investments was also undertaken.

The proposal calls for investing a sum of US\$ 216 billion throughout the Region over a period of 12 years, 70% to be financed with national resources and 30%

by contributions from external sources. This would suppose an annual allocation of public and private national resources in an amount equivalent to 0.8% of the gross domestic product (GDP) of the Region for environment and health—a level of investment that had been achieved in the 1970s. In addition, the plan proposes the mobilization of concessionary and nonconcessionary external funding of around US\$ 5 billion per year, which means that at least 20% of the external resources channeled into the Region every year would be earmarked for investment in health services, drinking water, basic sanitation, and other environmental protection activities.

## FORMULATION OF THE PLAN

The Pan American Health Organization took on the task of developing the Regional Plan for Investment in the Environment and Health pursuant to the request for such a plan contained in Resolution XVII of the XXXV Meeting of the Directing Council of PAHO (1991) and in response to the mandate issued by the Ibero-American Summit of Heads of State and Government, held in Guadalajara, Mexico, in July 1991. The participants at that meeting underscored the need to give more attention to alleviating the deficiencies in health services, drinking water supply, proper treatment of wastewater, and basic sanitation in the countries of the Region.

As a first step in formulating the proposal, PAHO's Director consulted with officials of the Inter-American Development Bank and the World Bank, with a view toward developing a strategy for the design and implementation of the plan that would be fully articulated with the policies of both those institutions. Similarly, during the plan's preparation a constructive dialogue was carried on with other United

Nations agencies, including the United Nations Development Program, the Economic Commission for Latin America and the Caribbean, and UNICEF. The Ministers of Planning of Latin America and the Caribbean were also informed of progress on the proposal at their meeting in March 1992.

Based on suggestions made by the 18th Meeting of the Subcommittee on Planning and Programming of the PAHO Executive Committee (April 1992) and in consultation with the countries and the multilateral lending institutions, the plan was finalized in June 1992. This version was submitted to the 109th Meeting of the Executive Committee, which supported its implementation (Resolution XIII).

On 23–24 July, the II Ibero-American Summit of Heads of State and Government brought together the leaders of 19 Member Countries in Madrid, Spain. Included on its agenda were both the Regional Plan for Investment in the Environment and Health and a proposal to create a multilateral fund of voluntary contributions for the development of preinvestment activities for the plan. The document of conclusions issued by the summit expresses support for launching the plan under the auspices of PAHO and for creating the fund. Satisfying the huge spectrum of unmet needs will require a firm political commitment from the countries in order to ensure a steady flow of financial resources. These expressions of political support from the highest levels make an important contribution to the consolidation of efforts in the countries.

Finally, PAHO's Directing Council, during its XXXVI Meeting in September 1992, was asked to consider the strategies for implementing the regional plan and for establishing and operating the preinvestment fund. Those strategies, which are outlined briefly below, were endorsed by the Council (Resolution XVII).

## STRATEGIES FOR IMPLEMENTING THE PLAN

The strategies proposed below have been formulated in light of the evolution of the plan up to August 1992. As work toward implementing the plan proceeds and as new participants are incorporated and unforeseen circumstances are encountered, it may be necessary to review these strategies and adjust the expectations upon which the plan is based.

### At the Country Level

In each country, the policies that will guide the processes of reform and investment in the environment and health must be clearly delineated and must be consistent with national policies and plans for development and with the country's commitments in various international forums. Where such policies have already been explicitly formulated, they will be reviewed to introduce any adjustments that may be needed in the context of the country's participation in the plan. Where they do not exist, it will be necessary to establish a consensus among the institutions most involved in investment in the environment and health. In some cases, legislation may need to be enacted concerning certain aspects of the plan, and the expectations of various sectors of society must be taken into account.

The proposed regional plan is based on aggregate figures derived from official statistics supplied by the countries and international organizations, but national plans will require more precise data on both the problems and the resources available to solve them. A thorough sectoral analysis will be needed, covering such topics as socioeconomic, political, environmental, and health conditions; national policies, programs, and projects; institutional characteristics and capacity;

human resources; management and financing; visible and hidden deficits relating to health and the environment; current and future priorities for the plan; and political, technical, and financial resources (public and private) available both nationally and externally. These analyses should be carried out in the first years of the plan's implementation, with follow-up in subsequent years, and should meet the methodological requirements of international lending agencies.

Through the foregoing activities, it will be possible to design multiyear national plans to cover the 12 years contemplated under the regional plan; these plans will define the priority health and environmental problems and indicate the interventions proposed to address them. The national plan should make explicit the assumptions on which its projections are based and should also point out any factors beyond the control of the participating institutions which might affect its implementation. It should be prepared in such a way as to permit periodic review as well as updating necessitated by changing socioeconomic and political circumstances or changes in technology and resources relating to health and the environment. The national plan should also indicate how both the plan and projects under it will be monitored and evaluated.

The national plan should identify priority projects to address the problems detected in the sectoral analysis. Profiles of projects should be compiled into a portfolio, which will include all projects regardless of their source of financing or the executing institution. Projects might be of two types: reorientation and development projects, and projects to increase and/or restore physical infrastructure.

The portfolio will be a key instrument for the negotiation of national and external resources. To facilitate the negotiation process, it would be desirable for the principal lending agencies in the Region

to agree on a common set of specifications for projects in the countries participating in the regional plan and to accord preferential treatment in the negotiation process to projects that fulfill the requirements established by common agreement.

The countries will be supported in the methodological development and training of national teams. Those teams will be responsible for carrying out preinvestment activities in general and sectoral analysis and formulation of projects in particular. It will be proposed to the government of each country participating in the regional plan that a National Coordinating Commission be created (or designated, if a similar body already exists) to draft investment policies and support the national government in establishing a consensus among the groups concerned with health and the environment. It will also be proposed that a multi-institutional technical/administrative secretariat be established to support the commission, coordinate preinvestment activities, update the projects portfolio and related documentation, and oversee evaluation of the national plan and preinvestment activities.

### **At the International Level**

Financial and technical support will be mobilized among the international and bilateral agencies involved in the Plan. Technical support will also be provided through technical cooperation among the countries of the Region. Support for some of the preinvestment activities will be provided through the preinvestment fund.

Consensus-building and coordination among the bilateral and multilateral agencies is judged to be of key importance to the successful implementation of the plan. The participation of the World Bank, the Inter-American Development Bank, the agencies of the United Nations

and inter-American systems, the bilateral agencies of developed countries, and the bilateral agencies in the countries of Latin America and the Caribbean is critical.

### At the PAHO/WHO Level

The Governing Bodies of PAHO/WHO will guide and oversee the implementation of the plan and the preinvestment fund at the regional level, particularly in regard to the Organization's participation therein. The frame of reference for that participation is provided by the strategic orientations and program priorities for PAHO during the quadrennium 1991–1994 and by those resolutions relating to the plan or the fund that have been or may be approved.

The Director will adopt the measures necessary to fulfill the Governing Bodies' mandates. These measures will relate to the roles to be played by the PAHO/WHO Country Representations, the Regional Programs, the coordinations, and other Headquarters units in the implementation of the plan and administration of the fund. An Executive Secretariat and a Coordinating Group for the plan have been formed, made up of staff from various Headquarters units and reporting directly to the Director. To the extent possible, programming, monitoring, and evaluation of the process as a whole will be carried out through the mechanisms already available in PAHO's planning, programming, monitoring, and evaluation system (AMPES).



## Health Services System in Dominica

*Each year the Governments of the countries of the Americas, acting through their representatives in the meetings of PAHO's Governing Bodies, confer the PAHO Award for Administration in recognition of an outstanding contribution in the field of health services administration. The names of candidates are submitted by the Member Governments and the winner is selected by a three-member award committee at the first yearly meeting of the Executive Committee. The 1992 award committee, composed of representatives of Barbados, Cuba, and Honduras, unanimously selected Dr. Desmond O.N. McIntyre, former Chief Medical Officer, Ministry of Health of Dominica, as the 18th recipient of this award, which was presented on 23 September 1992 during the XXXVI Meeting of the Directing Council. The following is part of the text of Dr. McIntyre's remarks on that occasion, describing recent innovations in his country's health services system.*

.... The Ministry of Health in Dominica has made significant progress, particularly since Hurricane David in 1979, in improving and expanding its primary health care services. In the aftermath of the hurricane, the government commissioned a task force (led by me) to prepare a health plan for the next 10 years. The approach adopted focused on develop-

ment of an increasingly decentralized four-tier health system and community involvement in health services, training and placement of primary care nurses, development of local programming and a health information system, implementation of an islandwide immunization program, and a revolving drug fund for the provision of essential drugs throughout the country.