

*executive committee of
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PAN AMERICAN
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ORGANIZATION

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WORLD
HEALTH
ORGANIZATION



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REPORT OF THE SUBCOMMITTEE ON
PLANNING AND PROGRAMMING



PAN AMERICAN HEALTH ORGANIZATION
EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL



SUBCOMMITTEE ON PLANNING AND PROGRAMMING

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REPORT TO THE 95TH MEETING OF THE EXECUTIVE COMMITTEE

The Subcommittee met at PAHO Headquarters in Washington, D.C., on 25, 26 and 27 March 1985. The following Governments, members of the Executive Committee, were represented in the session: Canada, Cuba, Colombia and the United States of America, elected by the Executive Committee, and the representatives of the following Member Governments: Mexico, Venezuela, and Argentina, named by the Director in accordance with Resolution XII of the 92nd Meeting of the Executive Committee (see Annex for List of Participants (SPP/8, Rev. 1)).

OFFICERS

The Chairman elected at the last meeting of the Subcommittee, Mr. Norbert Préfontaine, opened the meeting. The Director then explained the functions of the Subcommittee as set forth in Resolution XII and the changes in its functions and present membership. In particular, he explained the change in the Subcommittee's name from the previous Subcommittee on Long-Term Planning to Subcommittee on Planning and Programming (SPP) with a view to its participation in addressing the current problems and needs of the Pan American Health Organization. The Director said that, under the mandates of Resolution XII, the Subcommittee should and could consider the full range of PAHO's concerns, including the program and budget and the long-term planning programs as well. Mr. Préfontaine commented that Canada had held the Chair in the previous year, and suggested that the meeting proceed to the election of the Chairman, Vice Chairman, and Rapporteur in order to permit the participation of other members of the Subcommittee. Dr. Beatriz de la Vega, Vice Minister of Health in the Ministry of Health of Colombia, was elected Chairman by consensus, and Dr. Carlos Medici, of the Ministry of Health and Social Welfare of Argentina, was elected Vice Chairman; Mr. Neil Boyer, Director for Health and Narcotic Programs in the Department of State of the United States of America, was elected Rapporteur, and Dr. José R. Teruel, Chief of the Office of Analysis and Strategic Planning of PASB, served as Secretary ex officio.

Having taken the Chair, Dr. de la Vega submitted the agenda for consideration to the members of the Subcommittee, who approved it as follows:

AGENDA

1. Opening of the Meeting
2. Election of the Chairman, Vice Chairman, and Rapporteur
3. Adoption of the Agenda
4. Budget of the Pan American Health Organization, 1986-1987
 - 4.1 Methodology and Preparation
 - 4.2 Regional Policy on Program and Budget
 - 4.3 Cooperation Programs for 1986-1987
 - 4.4 Level, General Structure and Financing of the Budget
5. Real Estate Fund (Agreement with WHO)
6. Pan American Centers: General Policy Matters
7. Technical Cooperation Among Developing Countries. Progress Report
8. Plan of "Priority Health Needs in Central America and Panama"
9. Preparation of Leaders for Health for All by the Year 2000/International Public Health
10. Other Matters

Item 4: Budget of the Pan American Health Organization, 1986-1987

The Subcommittee, after devoting one-and-one-half days to the review of a draft of the proposed 1986-1987 regular budget, expressed its general satisfaction with the budget proposal and recommended that the Executive Committee give its serious consideration at its meeting in June.

In particular, the Subcommittee was pleased to note that the overall level of the budget increase (8.2%) was significantly lower than the budget increase in the preceding biennium (15.1%). Note was taken of the absence of program growth in the regular budget (actually minus 0.9% in program activity). It was pleased with the apparently conservative estimate of cost increases (9.1%) and with the relatively high amount of Miscellaneous Income (\$4.8 million) being maintained to help finance the budget and offset Member Country assessments. It was also pleased with the forthright position of the Director in acknowledging the initial high estimates for the WHO allocation to the Region of the Americas and the manner in which that allocation was used to permit a lower level for the PAHO regular budget. Prior to the Executive Committee session, the Subcommittee urged the Director to give continuing attention to opportunities for savings in the budget, in areas such as overhead or the identification of only marginally important program areas, and it requested that a document be prepared specifying the areas in which cost increases had been absorbed or more efficient operations undertaken.

The Secretariat explained to the Subcommittee the steps taken in preparing the budget. The process had been extensively discussed inside the Bureau, and suggestions and the support of the members of the Subcommittee were requested to make for changes and improvements in the preparation process. The members of the Subcommittee noted with interest the Secretariat's effort to avoid any increase in the program.

Although the Subcommittee felt that the central issue facing the Directing Council in September would be the adoption of the regular budget of PAHO alone, the actual effect of the PAHO regular budget could be better understood if it were considered together with the allocation from the WHO regular budget for the Region of the Americas. The total increase of 0.7% in activities of the program under the PAHO/WHO regular budget was the outcome of a reduction in regional activities (-0.9%), in technical-administrative direction (-4.1%), and of the funds allocated to the Governing Bodies (-6.6%) against an increase (+4.1%) in the program of direct cooperation with countries. The total increase of 10.2% was budgeted so as to produce an increase of 12.8% in direct cooperation with the countries and of only 7.3% in regional activities.

The participants commended the Secretariat for the effort made to prepare and describe the budgeting process, and cited a number of specific points in which there was room for improvement:

- Problems of correspondence of the budget with the accompanying program narratives (members wanted to ensure there was adequate narrative detail to justify the budget figures provided).

- The matter of quota contributions and the effects of countries falling behind in their payments, and the bearing this has on the priorities assigned by the Secretariat to cooperation programs.

- Comments on the reduction in force and its background, how it has changed, and the relationship between WHO and PAHO posts.

- The criterion for the division of resources among countries.

- Clarification on the Director's program, which is a new program. This is the Regional Director's Development Program for support to country-level activities.

- The manner of calculating the Bureau's overhead.

These matters were discussed and several clarifications provided by the Secretariat. In those clarifications the Secretariat emphasized the long process of budget preparation. At present it was set in motion by estimating the costs of all the posts at their duty stations (countries) and then projecting those costs into the future.

In terms of distribution among the countries of new or marginal funds, there were two major factors taken into consideration: a) concrete innovative activities carried out by countries in accord with resolutions of the Governing Bodies reflecting collective policies of the Organization; and b) the relative needs of countries (these factors had been discussed at prior meetings of the Governing Bodies). These criteria were applied on the condition that absorptive capacity existed to use those additional funds.

The Subcommittee discussed the possible criterion to define overhead in PAHO's Budget. Direct observation of the program classification shows 11.5% in support services. It is suggested that this concept be made more precise inasmuch as the classification includes technical activities in the Office of the Director and in the Administration that could obscure the actual figure of administrative costs.

Regional Policy on Program and Budget

On the initiative of the Director-General of WHO and with the support of the Regional Director (AMRO), emphasis was placed on the need to devise explicit budgeting policies in the WHO regions.

Commenting on this point and on the basis of PAHO's budgeting policy, the Director recalled the set of managerial strategies presented in a previous document on which that policy is based. The programs are planned for in relation to the principal cycles: the long-term (goals proposed for the year 2000); the medium term (which coincides with the six years of WHO's General Program of Work); the biennial budgetary period, and the operating period (1 year), containing finer details on quarterly activities.

Secondly, he said there was need to improve the part played by the countries in that process. Thirdly, there is an internal control that requires coordination among the country, intercountry and regional levels of action.

In consideration of these ideas, the members noted that the countries also needed to improve linkages between the planning and budgeting process at the country level. Reference was also made to the diversity of situations in the countries, which requires agencies to prepare themselves to function in those different situations.

In particular, members wished to stress the desire of the WHO Director General that Regional Committees review the use of PAHO resources in each country. The Director was urged to develop a mechanism to do this which could accomplish the purpose in a constructive manner without creating difficulties for Member Governments or interfering with national prerogatives.

Cooperation Programs for 1986-1987

The Director of PAHO introduced this subject and, at the request of the Subcommittee, described how PAHO stood in four general areas: political, technical, administrative and financial. In the political area, PAHO had succeeded in conveying a message of renewal and commitment to more effective performance. Its relations with the countries and other cooperation agencies were excellent. In the technical area, the Director's evaluation noted difficulties and negative factors (the economic crisis and resulting social and political problems) that have affected the development of the technical cooperation activities. The constraints that affected the development of the countries' programs also affected the work of PAHO. Internally, there was need for improvement in the specification of activities, the coordination of programs, and the evaluation process.

In the administrative area there had been no major gains. The Director said that most of the proposals he had intended to introduce in PAHO, for example, the decentralization process, the technical-administrative information system, and the personnel administration system, were still in the status of initiatives awaiting implementation.

In the financial sector the situation was good but the flow of funds was uncertain. There were quota contributions in arrears, even from the countries that make large contributions to the budget. The effects of the economic crisis were making themselves felt on PAHO's budget and operations.

Finally, the Director referred to a number of specific matters. The development of the special plan for seven countries in the Central American Isthmus, the activities that the Organization was endeavoring to carry out in an organized way in Bolivia, relations with other agencies (UNFPA, UNICEF, USAID, IDB, ILPES, and SELA), consolidation of the structure of PAHO, improved relations with WHO Headquarters and the Regional Office for Europe (EURO) and better ways for working together with the staff, which have resulted in greater peace and tranquility in staff-management relations within the Secretariat.

There followed a discussion of some specific program areas.

The Subcommittee was interested in the coordination of activities in epidemiology and statistics and the development of information systems in the countries. It was pointed out that the Statistics Unit is responsible for PAHO's general statistical data base. The location of Epidemiology in the structure was given to it with a view to the full recovery of its research and support, as well as of its surveillance, functions. The programs needed the instruments of epidemiology to understand the health situations they were concerned with and to improve their search for solutions to problems, and this kind of support had to be provided to the programs by the Epidemiology Unit in coordination with the other units.

In regard to the narratives presented, the Subcommittee remarked on their lack of uniformity and asked that they be revised for presentation to the Executive Committee. In addition, it suggested that the account in Chapter I (Development and Management of the General Program) be enlarged, that in Chapter II the description of the Management Process be amplified, and that Chapter V should define "overhead." It was suggested that the description in the Essential Drugs section be revised and that the narratives contain a reference to the work being done with blood banks. There was also need for an explanation of the distribution of resources by classification where no extrabudgetary funds were shown, giving a distorted impression that there there was overfunding of areas having relatively less importance than others, for example, Alcoholism compared with Maternal and Child Health.

There was a wide-ranging discussion of the distribution of resources in the areas of infrastructure and of science and technology in regard to measures producing more immediate results and others in support of the development of countries. The principle of technical cooperation by PAHO with the countries was reaffirmed as of more importance than other transitory measures.

The Subcommittee suggested the addition of an introduction to the narratives on programs in the infrastructure area and to those on Science and Technology and, to the extent possible, of an explanation of the general program structure as an aid to understanding the activities described. In addition, a careful review was needed to eliminate repetitions in narratives prepared in different units or in sections of the same program. It was also suggested that the narratives include an explanation of changes made in the biennial budget and, to the extent possible, that they clarify the relationship of the activity to the proposed human and financial resources as an aid to the Governing Bodies in understanding the use of those resources.

Item 5: Real Estate Fund

The Secretariat informed the Subcommittee of the current status of PAHO's negotiations for increased WHO sharing in the costs of financing major repairs and alterations to existing or new PAHO/WHO buildings. The Secretariat noted limited utilization of that fund in the past and discussions between the PAHO Director and WHO Director-General on this subject in 1984 and in January 1985. In the past, WHO Real Estate Fund contributions for PAHO building projects had been rare. It was noted that discussions indicated a possibility for WHO to finance a specific percentage of future PAHO building needs, perhaps based on the share of WHO-financed employees in PAHO, which is approximately 26-28%.

In the discussion, it was noted by the Director that PAHO itself had never set aside funds for a "building fund" of its own and had generally paid for repairs on a cost-sharing basis with host countries. It was suggested by the Subcommittee that negotiations with WHO should pursue a higher WHO share. A more adequate formula would be to use the percentage of the PAHO/WHO budget covered by WHO. The Subcommittee concluded by urging the Director and the Secretariat to pursue an agreement with WHO to obtain the most adequate sharing of building repair costs.

A second subject discussed by the Subcommittee concerned the current status of the Governor Shepherd building. It was noted that, contrary to expectations, the plans for the demolition and construction of a new building on the Governor Shepherd site had been halted. Neighborhood opponents had delayed the process by filing a request for the building to be designated an Historical Site. A hearing with the Historical Design Board of the District of Columbia would take place on 24 April; a decision was expected by 3 June, but there was the possibility of an appeal from that decision and a further delay. The result had been to present the Organization with an unexpected loss of land rent due to PAHO from the developer of the Governor Shepherd property in 1985 (if the building had already been demolished) and even the possibility that the demolition could not go forward.

The Subcommittee felt that the options sketched by the Secretariat involved additional costs which require careful consideration before a decision could be made. The Director stated that the Secretariat would submit a new study with detailed alternatives to the Executive Committee for its consideration.

In relation to both of these issues, the Director discussed the possibility of creating a building fund to cover the PAHO share of the costs of major building repairs. The Director estimated that the ceiling for such a fund would be approximately US\$1.2 million. He felt that it could be created through any additional miscellaneous income obtained beyond that amount already planned for in the 1986-1987 budget or eventual savings in the execution of the regular budget. The Subcommittee felt additional information was needed on this subject. This subject also would be presented to the Executive Committee.

Item 6: Pan American Centers: General Policy Matters

The Chief of Administration of PAHO presented the document concerning the policy approach toward Pan American Centers. The Subcommittee agreed that the administrative reorganization currently underway would both reduce costs and permit a smoother eventual transition. It was emphasized that the rights of employees would be respected throughout. In general, the Subcommittee supported the proposed administrative reorganization. The Director said that if there was to be a transfer of these centers to national government control, it would be based on an individual analysis of the centers and the development within countries of a technical capacity in the given field which would obviate the need for a particular regional center. However, he noted that this policy had to be approached extremely carefully because the centers had significant value for the Region and for the specific countries where the centers are located. It was noted that the centers generally are financed in part by PAHO and in part by the countries most directly affected, with differing percentages depending on the particular center. In some cases, the country share is larger than the PAHO share.

Item 7: Technical Cooperation Among Developing Countries. Progress Report

The Subcommittee considered the progress report presented by the Secretariat. As an adjunct, information was also provided on the work of the special working group consisting of professionals from Argentina, Brazil, Colombia, Cuba, Mexico and Venezuela, which made studies of capabilities in and constraints on the development of TCDC operations and a preliminary identification of priority TCDC areas in the Region. There was emphasis on PAHO's guideline of seeking greater integration of these activities with the programs instead of their being pursued in isolation and, at the same time, on not mistaking intermediate process activities (meetings, courses, fellowships, consultancies) with substantive TCDC. The Subcommittee described and discussed some examples. It was perceived

that it was necessary to develop an appropriate methodology for the evaluation of these activities and the part that PAHO could play in activating specific areas of concentration in technical cooperation that would afford better utilization of the technical and scientific capabilities of the technologically most developed countries. Comments were offered on the important part being played by several PAHO Country Offices in this line of activity.

Item 8: Plan of "Priority Health Needs in Central America and Panama"

The initiative of Ministers of Health of Central America and Panama, supported by PAHO with UNICEF collaboration, was presented to the Subcommittee with an explanation of the salient features of its development and results so far.

The Director expressed satisfaction with this Plan directed at a group of countries that are sorely beset by economic, political, and social difficulties that are gravely jeopardizing the maintenance and development of their health activities.

The measures concerted by the health authorities had served as the main source of guidance for the coordination of country and cooperation activities. The Plan consists of about 300 specific projects, has been very well received by the cooperation agencies, and has served as a basis for the mobilization of local and international funds. It was explained that it chiefly facilitates the identification of areas of support in direct high-priority bilateral negotiations and of joint development between countries.

The Subcommittee was informed of the intention to hold an inter-agency meeting, possibly in Europe, to step up negotiations for the attraction of supporting resources. It was also informed on the recent meeting of Planning Ministers held in Guatemala to discuss this health initiative, an important event that was happening for the first time in the Organization's operations. The development of this Plan attests to the potential of the health field as a vehicle for understanding and cooperation among countries.

Item 9: Preparation of Leaders for Health for All by the Year 2000/
International Public Health

The Director told the Subcommittee of the proposal for leadership training included in the introduction to the document presenting the proposed budget of the World Health Organization for 1986-1987. The WHO Director General wants to build up "critical masses" of leaders informed about the "health for all" process in order to contribute to the development of effective national health strategies. The Director General had planned to elaborate his idea in a new document, but the elaboration was not available at the time of the Subcommittee meeting.

At the same time, PAHO had been working independently to develop its own Training Program in International Health, and a new brochure describing that program was distributed to the Subcommittee. Initially, six people would be chosen under selection criteria which could include a Master's Degree in Public Health, or its equivalent, to receive on-the-job training for one year at PAHO headquarters and in various field offices. The program would begin in October 1985 at a cost of about \$20,000 per person, to be financed initially through central PAHO resources. Later perhaps, national government contributions might be required. The purpose would be to develop a cadre of key people who would contribute to innovative programs at country level.

In response to questions from the Subcommittee, the Director explained that the new PAHO program would aim at conveying an understanding of the infrastructure of the international health community. Trainees would participate in seminars, undertake readings, and become acquainted with the work of WHO, UNICEF, ECLA, UNDP, IDB, UNFPA and other selected agencies. They would also receive an understanding of the process of implementing PAHO field activities through PAHO field offices, and to familiarize themselves with the health problems of different countries. The Subcommittee urged that the content of the training program be very clearly defined.

Subcommittee members generally supported the proposal, including the idea of having national staff be exposed to the work of international agencies. However, concern was expressed that the participants in the program have some commitment to future service in the public sector and that the desired results of the program be clearly defined. The Director said that PAHO intended to discuss fully with governments the future use of the people trained. He foresaw the trained individuals as having the managerial capacity to deal with the implementation of effective health programs in collaboration with the interested international agencies. The Director plans to discuss this program further during the next Subcommittee meeting.

Item 10: Other Matters

There was discussion of the next meeting of the Subcommittee, tentatively scheduled for November 1985. The Subcommittee and Secretariat agreed that in this meeting it would be of interest to discuss further the following subjects:

- The general process of planning, programming, and evaluating cooperation activities, including AMPES.
- The preparation of leaders for HFA/2000.
- The economic crisis and its impact in the health field.

- Functions of the Governing Bodies (resolutions).
- The definition of priorities in technical cooperation (regional resources).
- Technical cooperation among countries (TCC).

Because of the large number of subjects, it was agreed to defer the discussion of TCC for 1986 with the possibility, in addition to evaluating current TCDC activities, of identifying, in conjunction with the countries of greatest scientific and technological development, concrete activities in specific areas of interest for TCC.

The Director said that the Secretariat would prepare draft rules of procedure for the Subcommittee for the next meeting. The members of the Subcommittee made suggestions for improving the analysis of the documentation and their participation in the discussions. To the extent possible, the Secretariat should send out the documentation as early as possible and facilitate analysis of the documents at the PAHO Headquarters in the days prior to the Subcommittee's meeting, to members that so require it. In addition, ways should be sought for the members of the Subcommittee to work continually with the Secretariat. It was decided that the Rapporteur would present the report at the meeting of the Executive Committee, without curtailing his participation as a member of his country's delegation in that meeting.

Annex



PAN AMERICAN HEALTH ORGANIZATION
EXECUTIVE COMMITTEE OF THE DIRECTING COUNCIL

ANNEX



SUBCOMMITTEE ON PLANNING AND PROGRAMMING

SPP/8, Rev. 1
25 March 1985
25 marzo 1985

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