



## XXII PAN AMERICAN SANITARY CONFERENCE

## XXXVIII REGIONAL COMMITTEE MEETING

WASHINGTON, D.C.

SEPTEMBER 1986

Provisional Agenda Item 3.1

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## ANNUAL REPORT OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

Presented by Dr. Norman Gay (Bahamas)

Article 4 of the Constitution of the Pan American Health Organization enumerates the functions of the Conference as the supreme governing authority of the Organization, and in paragraph F prescribes that the Conference shall review, among other reports, that of the Executive Committee for the immediately preceding year. As Chairman of the Executive Committee, therefore, it falls to me to report to the XXII Pan American Sanitary Conference on the work done by the Executive Committee in the last 12 months, during which period it held its 96th and 97th Meetings.

## 96th MEETING OF THE EXECUTIVE COMMITTEE

The 96th Meeting of the Executive Committee was held in the Headquarters Building in Washington, D.C., on 28 September 1985, immediately following the closure of the XXXI Meeting of the Directing Council.

The Representatives of Argentina, the Bahamas and Mexico, newly elected to the Executive Committee in place of Cuba, Ecuador and the United States of America, whose mandates had expired, joined in the proceedings of the 96th Meeting along with the representatives of the other members of the Committee, those of Brazil, Canada, Colombia, Costa Rica, Dominica and Honduras.

Also present at the single session were observers from Cuba, the United States of America and Spain.

New officers were elected, and the high honor of being appointed Chairman fell to myself; Dr. Michel Nisman Safirztein (Costa Rica) was elected Vice Chairman and Dr. Manuel Quijano Narezo (Mexico) Rapporteur.

New members were also elected to the different bodies of the Executive Committee, as follows:

1. Argentina was made a member of the Award Committee, PAHO Award for Administration, in place of Ecuador, an outgoing member.

2. Brazil and Mexico were appointed to the Subcommittee on Planning and Programming in place of Cuba and the United States of America, whose membership on the Executive Committee had ended.

3. The one resolution approved during the 96th Meeting of the Executive Committee increased from 3 to 5 the number of members of the Special Subcommittee on Women, Health and Development because of the desirability, referred to in the preamble of the resolution, of representation from all the subregions of the Region of the Americas. In consequence, although only two countries had come to the end of their terms of membership on the Executive Committee, four countries --Argentina, the Bahamas, Honduras and Mexico--were elected to the Subcommittee in their place.

4. Finally, the Executive Committee examined the request of Portugal for observer status in PAHO. The Director was asked to present a study on this matter to the 97th Meeting of the Executive Committee so that it could make recommendations to the XXII Pan American Sanitary Conference.

#### 97th MEETING OF THE EXECUTIVE COMMITTEE

##### Item 1: Opening of the Meeting

The 97th Meeting of the Executive Committee of the Pan American Health Organization was held in the Headquarters building at Washington, D.C., from 23 to 27 June 1986. It was attended by representatives of all its Members: Argentina, Bahamas, Brazil, Canada, Colombia, Costa Rica, Dominica, Honduras and Mexico, and by observers from Chile, Cuba, Ecuador, France, Nicaragua, the United States of America and Venezuela, and also from Spain. Also present as auditors of the proceedings were observers from six intergovernmental and two nongovernmental organizations.

Nine plenary sessions and one closing session were held during which the participants thoroughly accomplished their function of preparing the agenda for and their advice to the Conference. With the cooperative spirit of all the members and the effective help of the Director and all the Secretariat personnel the Executive Committee was able to complete this considerable task in just one week without detracting from the serenity or depth with which they addressed the problems before them.

In the absence of the Vice Chairman, Dr. Michel Nisman (Costa Rica), Dr. Edgar Mohs Villalta, Minister of Health of Costa Rica, was elected Vice Chairman pro tempore.

## 2. PROCEDURAL MATTERS

### Item 2.1: Adoption of the Agenda

The provisional agenda (Document CE97/1, Rev. 2), presented by the Director, was approved by the Executive Committee at the beginning of the first plenary session in accordance with Article 5 of its Rules of Procedure.

For this agenda a new format had been adopted grouping similar matters together under a two-digit classification. For greater clarity of presentation, the present report will follow the sequence of the items on the agenda of the Executive Committee even though that was not always the order in which they were taken up in the plenary sessions.

### Item 2.2: Representation of the Executive Committee at the XXII Pan American Sanitary Conference, XXXVIII Meeting of the Regional Committee of WHO for the Americas

It was decided to appoint Dr. Edgar Mohs Villalta (Costa Rica) as the Chairman's fellow representative of the Executive Committee to the XXII Pan American Sanitary Conference. In addition, Dr. Rodolfo Montero (Argentina) and Mrs. Jennifer Astaphan (Dominica) were elected alternate representatives.

### Item 2.3: Dates of the XXII Pan American Sanitary Conference, XXXVIII Meeting of the Regional Committee of WHO for the Americas

Pursuant to Article 7.A of the Constitution of PAHO, the Executive Committee approved Resolution I authorizing the Director to convoke the XXII Pan American Sanitary Conference from 22 to 30 September 1986.

It was concluded that those days would suffice for the Conference to give due consideration to the 34 items proposed in its provisional agenda. The participants also agreed with the Director that the Conference should conduct its proceedings in plenary sessions alone, without dividing them into two principal commissions, a course that would afford a considerable saving of money.

### Item 2.4: Provisional Agenda of the XXII Pan American Sanitary Conference, XXXVIII Meeting of the Regional Committee of WHO for the Americas

In the first plenary session the Executive Committee adopted Resolution II approving the provisional agenda of the XXII Pan American Sanitary Conference proposed by the Director.

### 3. COMMITTEE AND SUBCOMMITTEE REPORTS

#### Item 3.1: Report of the Subcommittee on Planning and Programming

The discussion of this item did not require the adoption of a resolution by the Executive Committee, but did give it an occasion for a general review of the policy and working methods of the Governing Bodies.

The participants heard an account presented by the Rapporteur of the Subcommittee on Planning and Programming of that body's two meetings, one from 11 to 13 December 1985 and the other from 2 to 4 April 1986.

In its conclusions the Subcommittee emphasized the adjustment of national economies to the current crisis and the impact of that adjustment on health, the importance of reporting in other international forums on the consequences of the economic crisis for health, and the desirability of using the situation to solve structural problems and deal with problems of equity as well as of growth. It was concluded from the study of the functions of the Governing Bodies that few resolutions have anything to do with the policies pursued and that many of them do not provide the means for their implementation. It was accordingly recommended that the subjects to be placed on the agendas of meetings, and the form and content of their resolutions, be chosen with great care.

The Director also reported on these matters. He told of the in-depth studies going forward in three countries, negotiations with the Inter-American Development Bank for a study of the effects of the economic crisis, and of the Organization's cooperation with UNICEF, the UNDP and other agencies. He also expressed a wish that only items be placed on the agendas that truly merit consideration by the Governing Bodies. Finally, the Director made some interesting remarks on the need for a sincere evaluation of the use of resources.

The observer for CARICOM and other observers and representatives of countries members of the Committee also took the floor. At the end of this discussion the Director said, among other things, that from 1971 to 1980, a period not regarded as one of economic hardship, the number of those living in extreme poverty in the Region rose from 95 million to 130 million, and that there was need to study the causes of this situation, which are not merely economic. The human aspect of the development process in the context of the crisis is, he said, one of the most important challenges of our time.

#### Item 3.2: Report of the Special Subcommittee on Women, Health and Development

This item was presented by Dr. Bianco, Rapporteur of the Special Subcommittee on Women, Health and Development, who reported in detail on the work done during the meeting held in Washington, D.C., from 16 to 20 June 1986.

This meeting considered, in particular, maternal care, cervical cancer, mental health, the status of women in PAHO, and the Regional Strategies for the Future in light of the conclusions of the Nairobi Conference. The meeting formulated the following eight strategies: a strengthening of focal points, intersectoral collaboration, research and the dissemination of information, participation of women in health promotion as a recipient and provider of services, training for women, mobilization of resources, legislation against all discrimination, and access for women to health services with special regard to those for cervical cancer.

All these aspirations and the strategies for their attainment were embodied in a proposed resolution that the Subcommittee presented at the end of its report.

The discussion was lively and joined by practically all of those present in the Meeting and support for the proposals of the Subcommittee was unanimous.

The proposed resolution was approved, with changes to make the text clearer, as Resolution III in the third plenary session.

Item 3.3: Report of the Subcommittee on Inter-American Nongovernmental Organizations

The Executive Committee approved with no substantive change the two resolutions presented in the Subcommittee's report. The first of them (Resolution XI) continues the Organization's relations with the Latin American Association of Pharmaceutical Industries (ALIFAR), the Latin American Federation of Hospitals, the Latin American Federation of the Pharmaceutical Industry (FIFARMA), the Pan American Federation of Faculties (Schools) of Medicine (FEPAFEM), and the Latin American and Caribbean Association of Public Health Education (ALAESPE), and suspends for three years its relations with the Inter-American Council of Psychiatric Organizations (IACPA). In the second (Resolution XII) the Executive Committee authorizes the establishment of official working relations with the Latin American Union Against Sexually-Transmitted Diseases (ULACETS).

Item 3.4: Report of the Award Committee of the PAHO Award for Administration, 1986

The Award Committee of the PAHO Award for Administration, consisting of Ms. Janice Hopkins (Canada), Ms. Jennifer Astaphan (Dominica), and Dr. Manuel Quijano Narezo (Mexico), met on 24 June and presented its report to the eighth plenary session. Argentina had presented one candidate, Colombia one, Guatemala three, and Venezuela one. The Award Committee concluded that on the basis of the information supplied, the Award could be given to none of the six candidates. Accordingly, it presented a proposed resolution, which was approved as

Resolution XIII, in which the Executive Committee took note of the decision of the Award Committee to declare void the PAHO Award for Administration, 1986.

#### 4. PROGRAM POLICY MATTERS

##### Item 4.1: Orientation and Program Priorities for PAHO During the Quadrennium 1987-1990

Dr. Ramón Alvarez Gutierrez, Rapporteur of the Subcommittee on Planning and Programming, and Mr. Mark Schneider (PASB) presented the document on this item (Document CE97/26), the product of an examination of the general policies and the criteria for the setting of technical cooperation priorities in PAHO during the 1987-1990 quadrennium. The most important point was the need to make over the infrastructure of the services so that the goals of Health for All by the Year 2000 could be attained.

There was a most interesting general discussion that highlighted the complexity of the task of extending health coverage to a new population of 310 million persons by the year 2000.

There was emphasis on the need, for purposes of attaining the goal of universal coverage, to state policies more clearly on the basis of collective decisions, to take cognizance of budgetary limitations and to improve the analyses of the financial capacity of the countries. There was consensus on the three basic priorities for the programming of PAHO's technical cooperation and the document presented was regarded as a succinct statement which, when approved by the Pan American Sanitary Conference, would provide a useful and easily managed frame of reference for all the countries in the Region.

On this matter the Committee approved Resolution V, in which it proposes to the XXII Pan American Sanitary Conference that, in the exercise of its constitutional function as the Organization's highest Governing Body, it determine the general policies to be followed and adopt the document "Orientation and Program Priorities for PAHO During the Quadrennium 1987-1990." The Director and the Member Countries are also asked to adopt those orientations and priorities and to report on all this to the Director-General of WHO.

##### Item 4.2: Provisional Draft of the Program Budget Proposal of the World Health Organization for the Region of the Americas for the Biennium 1988-1989

The item (Document CE97/25, Rev. 1.) was presented by Dr. Ramón Alvarez Gutiérrez, Rapporteur of the Subcommittee on Planning and Programming, and Mr. James Milam (PASB). The Executive Committee was informed that it was called upon to review the provisional draft of the

program budget proposal of WHO for the biennium 1988-1989 and to make recommendations on it to the XXII Pan American Sanitary Conference which, acting as the WHO Regional Committee, would in turn make recommendations to the Director-General of WHO. The Director-General would in turn present his own proposals to the Executive Board of WHO for review in January 1987, and a final decision on the 1988-1989 program budget would be made by the World Health Assembly.

During the discussions many questions of detail were asked, and answered by the Secretariat, and questions were raised about the possibility of the planning figures proving unrealistic, and there was even talk of the advisability of raising the expected growth rates so far ahead as a precautionary measure.

The Director explained that the estimates were realistic and honest. He also acknowledged the difficulties being encountered in arriving at planning estimates because, while the previous budget had been constructed at a time of crisis for the governments, the present budget was being prepared in a time of crisis for the Organization itself. Indeed, there were reasons to fear the effects of legislation enacted by the United States Congress. The effect of the Kassebaum amendment was to reduce the contributions of the United States to the United Nations system from 25% to 20% of each agency's budget. The Gram-Rudman law would apparently have a significant impact on the contribution of the United States to WHO and PAHO. Because of these two pieces of legislation, WHO could see its income reduced by US\$50 million. Another source of concern was the fact that the fall in oil prices is creating additional financial difficulties for major contributors to the Organization. All this had obliged WHO to make cuts in the budget for 1986-1987, and to envisage even greater cuts in 1988-1989. It had been noted that contingency plans for those reductions would have to be drawn up even as the regular program budget was being prepared.

Finally, the Executive Committee approved Resolution VII recommending to the XXII Pan American Sanitary Conference the adoption of a resolution requesting the Director to transmit to the Director-General of WHO the request of US\$62,970,000 for the Region of the Americas in the biennium 1988-1989 for consideration by the Executive Board and World Health Assembly.

Item 4.3: Contribution of the Region of the Americas to the Eighth General Program of Work of WHO, 1990-1995

The presentation of this item reviewed in detail the context in which PAHO was required to prepare a draft of the Eighth General Program of Work for the years 1990-1995 for consideration first by the Pan American Sanitary Conference in September 1986 and subsequently by the WHO Executive Board in January 1987. The document presented (CE97/24) and the one in preparation for the Sanitary Conference responded to the

mandate of WHO to describe, for each program on the Classified List, the current status, general objectives, the specific targets, and the approaches to be applied in pursuing those targets.

Following a brief discussion, the Executive Committee concluded that there was no need to approve a resolution on this item.

Item 4.4: Caribbean Cooperation in Health

The Executive Committee was informed in detail about the initiative for health in the Caribbean called "Caribbean Cooperation in Health" and formulated by PAHO and the Caribbean Community (CARICOM) on the initiative of the Ninth Meeting of the Conference of Ministers of Health of the Caribbean Countries held in Dominica in 1984.

The interesting discussion that ensued brought out that PAHO was playing an important part in this joint PAHO/CARICOM initiative, that the mistakes and successes of the similar plan going forward in Central America and Panama would be very valuable, and that measures would be taken to improve the formulation and execution of projects. Reference was also made to the fortunate position of Belize, which is already benefiting from the plan for Central America and will benefit from the new plan for the Caribbean.

Reference was made also to the catalytic effect that the funds allocated for technical cooperation among developing countries for the 1986-1987 biennium will have on activities of special importance for the success of the initiative for the Caribbean, to the need to make vector control a joint enterprise, and to the benefits that would accrue from a cooperative approach to problems.

The outcome of this extensive discussion was the approval of Resolution VIII, in which the 97th Meeting of the Executive Committee suggests to the XXII Pan American Sanitary Conference that it approve a resolution endorsing the initiative known as "Caribbean Cooperation in Health" and requesting the Member Countries to help CARICOM and the Ministries of Health in the implementation of this initiative; encouraging the Member Countries of the Caribbean subregion to consider this cooperation plan as the focal point for their technical cooperation activities, and requesting the Director to support the initiative, to cooperate with CARICOM and the Member Countries of the subregion, to report on the activities undertaken, and to try to enlist the support of other agencies for this initiative. Finally, the Resolution requests him to inform the Director-General of WHO on this initiative and to request his support for it.

Item 4.5: Andean Subregion, Joint Plan of Action

The document presented by Dr. Ochoa on this item (CE97/19) described the progress of preparations for a "Joint Plan of Action" for



the countries of the Andean Area, in which the nine priority areas established by the Ministers of Health of the Andean Area would be one of the cornerstones of cooperation by the PAHO Secretariat with the Hipólito Unanue Agreement.

Although the Executive Committee needed only to be informed on the progress of a plan that would be made known to the Pan American Sanitary Conference and there was therefore no need to adopt a resolution on the matter, an interesting discussion arose in the Executive Committee on the thematic and subregional approach to a series of common problems, cooperation and cross-fertilization among the different subregions, the support to be given to those initiatives, and the advisability of drawing not only on the experience acquired by the staff of the Organization, but also on that of local personnel.

The discussion was concluded by the Director with an affirmation of the importance that both the Director himself and the staff be increasingly aware of the need for change, and have the firm support of the countries, and that although action for change involved risks, these risks would always be less than those of leaving things as they were.

Item 4.6: Progress Made in the Use of TCDC/ECDC by Member Governments and the Organization

This item generated an interesting discussion. The document presented (CE97/17) was centered on certain specific areas.

On the subject of pharmaceuticals and essential drugs, the discussion emphasized joint TCDC activities in production, joint procurement, quality control, and exchanges of information.

In regard to production, the speakers referred to the important collaboration among Argentina, Brazil, Mexico and Spain in obtaining raw materials and the initial agreements adopted by the countries of the Andean Group and the English-speaking countries of the Caribbean.

Important in relation to joint procurement were the agreements among the member countries of CARICOM, the Hipólito Unanue Agreement, and Central America and Panama. The latter group of countries had obtained from the Netherlands a subsidy of \$4 million for a revolving fund to finance those joint procurements.

In quality control, several activities had sprung up for the promotion and establishment of laboratory networks and the training of specialized personnel. Exchanges of information were considered important and widely used in the Southern Cone countries and Brazil, and in those of the Andean Group and of Central America and the Caribbean.

In the area of immunology and vaccines, reports were presented on the establishment of laboratory networks and the training of specialized personnel thanks to cooperation among the countries of the Region.

In biotechnology, it was announced that an important program funded by the UNDP would be launched soon and executed in the TCDC context.

In the area of the maintenance of materials and equipment, the speakers emphasized the difficulties involved and the losses that could be avoided. This would require the recruitment of good Spanish-speaking consultants. They emphasized the important work in this area being done in Mexico, which would soon be able to offer TCDC also thanks to the important assistance in personnel training it was receiving from the United States of America.

The discussion closed without it being considered necessary to adopt a resolution on the subject.

Item 4.7: Expanded Program on Immunization (EPI) in the Americas

The progress report on EPI activities, presented to the Committee in compliance with a resolution of the Directing Council, contained an account on progress since September 1985, and particularly of activities in the countries and at the regional level following the decision to step up the Plan of Action for eradication of the indigenous transmission of wild polio virus in the Americas by 1990. Though requiring no new decision by the Committee, it stirred much interest and prompted an interesting discussion in which the effectiveness and usefulness of the EPI were unanimously praised.

At the end the Director made a statement in which an important point was that he regarded vaccination as only one component of an effort that included, among other things, the promotion of health services, monitoring the quality of vaccines, the safety of those vaccines, personnel training, and research. He also referred to the pitfall of thinking that mass vaccination campaigns and days are enough in themselves in disregard of regular health care services. Actually, these campaigns should be made use of to improve the services, which were of greatest importance. The Director was optimistic about attainment of the proposed goals for 1990.

Item 4.8: International Program on Chemical Safety

The report on this item was presented to comply with a previous request of the Executive Committee that the Director make a status evaluation study on chemical safety and draft a medium-term program on the matter.

In the discussion that ensued the participants cited the importance of cooperation with the ILO, for in some countries worker safety is a concern of the minister of labor and not of the minister of health; consistency between the proposals of the program and the needs of the countries; appreciation for the financial and technical support given to the Program by Canada and the United States of America; and the difficulty of studying all the chemicals used in modern society.

Other speakers extolled the cooperation in this Program between WHO, ILO and the UNEP. They praised the valuable work in the areas of training and in the supply of materials being done by the Pan American Center for Human Ecology and Health (ECO) with the support of its host country, Mexico. It was noted that the small countries and those lacking means to assess the risks of chemical products would benefit under the program from the advances made in this area by the United States of America and Canada.

The Representative of Mexico reaffirmed his Government's intention of continuing to give full support to ECO, and the representative of Brazil drew attention to the problem of products which, though not toxic, were ineffective for the purposes for which they were used, and cited the example of disinfectants employed in hospitals but lacking any bactericidal effect.

The Rapporteur drew up a proposed resolution that was approved in the 9th Plenary Session. This is Resolution XVI, in which the XXII Pan American Sanitary Conference is asked to approve a resolution taking note of the evaluation study of the situation and the Medium-Term Program, recommending to the Member Countries the establishment or strengthening of measures for coordination of national programs, and encouraging the countries to share their experiences. The resolution also requests the Director to lend support to the activities of the Medium-Term Program.

Item 4.9: International Drinking Water Supply and Sanitation Decade (1981-1990)

In his presentation of this item, Mr. Dávila recalled that the International Drinking Water Supply and Sanitation Decade had been proclaimed by the United Nations General Assembly in November 1980 with the aim that drinking water supply and sanitation services might be extended to all people by 1990.

Supervision of the Decade worldwide is vested in WHO. For the 26 countries of Latin America and the Caribbean, the targets are water supply services for 87% of the urban and 59% of the rural population, and sanitation services for 71% of the urban and 32% of the rural population. The cost of building these services is estimated at \$30 billion, half for water supply and the other half for excreta disposal.

According to the available data, by 1983 coverage had been increased from 84% to 86% for drinking water and from 59% to 61% for sanitation in urban areas, and from 40% to 42% and 11% to 14%, respectively, in rural areas.

It was pointed out in the discussion that these gains fell short of what had been proposed, and that the only attainable target was that for urban drinking water. Several speakers reported on difficulties in their countries, the waste of water, resistance to service rate increases, the lack of training of middle-level technicians, scarcities of sources, and inordinate urban growth.

The Director expressed agreement on the importance of the problem of water losses, which amounted to 40% in the Region. He said that the document presented would have to be revised to increase the emphasis on this problem.

Other speakers referred to the need for low-cost technologies and community participation.

The Rapporteur embodied the conclusions of the discussion in a proposed resolution that was approved by the Executive Committee in its 9th Plenary Session. This is Resolution XVII, in which it is proposed to the Pan American Sanitary Conference that it adopt a resolution to give effect to the conclusions of the discussion by urging the countries to make a greater political commitment; improve water quality, including fluoridation, and extend the coverage of sewerage services; promote the provision of drinking water and sanitation as essential components of primary health care; ensure intersectoral collaboration and coordination among all participants in the efforts of the Decade; foster the administrative development of the institutions responsible for water supply and sanitation services; promote the control of water losses; ensure the participation of the community and of women in these tasks; and identify and mobilize resources on a large scale. The international cooperation and financing agencies are asked to give high priority to drinking water supplies; to increase the proportion of the funds they allocate for these activities; and endeavor to improve coordination and exchange information.

Finally, the Director is requested to continue supporting the programs for the Decade, the promotion of research, the development of drinking water supply and sanitation institutions, the subregional approach of programs, and exchanges of information, and to continue monitoring progress in drinking water supplies.

Item 4.10: PAHO Plan of Action for Food Safety

In reporting on this item, Dr. Fernandes noted the gravity of the problem of diseases associated with a lack of appropriate food protection measures, and cited the example of enteritis and other diarrheal diseases figuring among the five leading causes of death in 17 countries and constituting the leading cause of death in five and the second cause in four countries. He also underscored the enormous losses caused by a lack of food protection.

The PAHO Plan of Action for Food Protection and Safety operates under the Veterinary Public Health Program.

In the discussion, importance was attached to the imperative need for good food protection programs to safeguard the health of populations and avert major food losses and to the grave economic consequences of those losses and the rejection of food exports.

These points were embodied in Resolution XVIII, approved by the Executive Committee in its ninth plenary session. This resolution recommends to the XXII Pan American Sanitary Conference the adoption of a resolution urging the Member Countries to give priority to food protection programs, to increase intersectoral coordination of these activities, to allocate more resources to the development of these programs, to increase cooperation with other countries in the Region, and to support the efforts that PAHO may undertake in this matter. It also asks the Director to continue supporting these activities and to arrange for support for food protection programs from the international financing agencies and from agencies in other sectors.

5. ADMINISTRATIVE AND FINANCIAL POLICY MATTERS

Item 5.1: Report on the Collection of Quota Contributions

In his presentation of the detailed report on this subject, Mr. McMoil noted that the collection of both arrearages and current-year assessments totaled \$15,210,188, or about 27% of the current year's assessed level of contributions, compared to 40% in 1985. This decline in collections reduced the Organization's ability to earn investment income.

Regarding the application of Article 6.B of the Constitution to Member Governments in arrears in the payment of their contributions, he noted that the three Member Countries allowed to pay their arrearages under a deferred payment plan (Dominican Republic, Paraguay and Haiti) had not fully met their payment plan commitments. Nicaragua had become one of the countries in arrears for more than two full years of assessed contributions. However, the Government of this country had advised that it intended to make one partial payment in July 1986 and another in November of the same year.

During the discussion there was reference to the need either to really apply Article 6.B of the Constitution to withdraw the voting privileges of countries in arrears or to eliminate the Article, because commitments negotiated for plans of deferred payments of arrearages had never been met. The view that prevailed, however, was that the provisions should be retained and that every effort should be made to enable the countries to meet their commitments, even to the point of providing arrangements for making foreign exchange available and negotiating with the political and financial decision-making levels on behalf of the health ministries. The application of Article 6.B should be a truly exceptional recourse, but it should be available for consideration.

The Director underscored the fact that Argentina had paid all its arrearages and was now completely current in its obligations despite its acute economic crisis. He also noted that the countries in arrears truly wanted to pay their contributions, and expected that they would make new payments before the XXII Pan American Sanitary Conference.

Finally, the Executive Committee approved Resolution IV which, among other things, requests the Member Governments with substantial arrearages to make the payments necessary to obviate application of the voting restrictions contained in Article 6.B of the Constitution before the Pan American Sanitary Conference takes place. It further recommends to the XXII Pan American Sanitary Conference that the provisions of Article 6.B be strictly applied to Member Governments that by the opening of that meeting have not made additional and substantial payments toward their assessed quotas or to their deferred payment commitments.

Item 5.2: Financial Report of the Director and Report of the External Auditor for the Period 1984-1985

Mr. McMoil made the detailed presentation of this item, explaining that Official Document 205, in addition to the Director's report and the Report of the External Auditor for 1984-1985, contained financial statements for the Caribbean Epidemiology Center (CAREC), the Caribbean Food and Nutrition Institute (CFNI) and the Institute of Nutrition of Central America and Panama (INCAP), and the financial statements and an auditor's report for the Pan American Health and Education Foundation (PAHEF), plus a special addendum on the extent to which program support costs had been applied to extrabudgetarily funded projects initiated in 1985.

Mr. Ewing, of the Office of the External Auditor, presented the External Auditor's report, in which the two main topics were the control of manpower and computer systems. The personnel procedures at Headquarters were found satisfactory. On the matter of vacant posts, the Auditor had concluded that there was a case for introducing independent inspection to determine that budgeted posts were adequate but not excessive.

There was an extensive discussion of this subject, and representatives and observers asked many questions and were given explanations as to how recommendations of the External Auditor are taken into account, the difficulties of collecting contributions to the Pan American Centers, the computerized financial management systems and the apparent decline in the income of the Institute of Nutrition of Central America and Panama from commissions on Incaparina during 1985.

The Executive Committee approved Resolution VI conveying the concerns voiced by the External Auditor and those prompted by the slow pace of payment of quota contributions, the slowness in solving the problems of PAHO's computer system, and the need to give due attention to

the number of vacant professional posts, but recognizing that, in spite of all this, the Organization remains in acceptable financial condition. It is further resolved to transmit the financial reports to the XXII Pan American Sanitary Conference and to request the Director to monitor carefully the financial situation of the centers, and the countries to meet their quota commitments on time. Finally, the Director is congratulated for his efforts to maintain a satisfactory financial condition, and the External Auditor is thanked for his report.

Item 5.3: Amendments to the Staff Rules of the Pan American Sanitary Bureau

In presenting this subject, Mr. Gauthier explained that the purpose of the proposal was to bring a Staff Rule of the Pan American Health Organization into line with that adopted by the Executive Board of WHO in January 1986. The Staff Rule involved was Rule 310.4, concerning the calculation of terminal remuneration. The amendment was the consequence of a decision taken by the United Nations General Assembly in 1984 to consolidate 20 points of post adjustment into the net base salary of the professional and higher categories as of 1 January 1985.

The proposal prompted no discussion, and the proposed resolution presented in the document was accepted. In consequence, in Resolution X the Executive Committee resolved to confirm the amendment to the Staff Rules of the Pan American Sanitary Bureau submitted by the Director in the Annex to Document CE97/9, with effect from 1 January 1985.

Item 5.4: PAHO Building Fund and Maintenance and Repair of PAHO-Owned Buildings

The subject was presented by Mr. Tracy, who reviewed the background, the measures taken to capitalize the PAHO Building Fund for the expenses relating to the new offices in the building under construction at 2121 Virginia Avenue, N.W., Washington, D.C. and to major maintenance of and repairs to PAHO-owned buildings.

Construction of the new building on the site of the old Governor Shepherd Building was quite advanced and the structure was expected to be ready for occupancy at the beginning of next year.

In the discussion that ensued, the observers for the United States of America and Chile asked a number of questions on the Administration's request for \$350,000 for replacement of the granite facing on the Headquarters Building and for renovation of the computer room which, contrary to previous expectations, would remain in the Headquarters Building for reasons of convenience and economy. Explanations were also requested on WHO's contribution to those costs.

In the end, the Executive Committee adopted Resolution XIX approving the major maintenance and repair program for 1986 and noting

the projects anticipated for 1988-1989; approving a transfer of \$120,000 from the 1984-1985 Regular Budget to the PAHO Building Fund to meet PAHO's share of tenant removal costs from the old Governor Shepherd Building, and recommending to the XXII Pan American Sanitary Conference that the surplus of 1984-1985 income over expenditures of US\$22,210 be approved for allocation to the PAHO Building Fund.

#### Presentation by the Representative of the Staff Association

In the seventh plenary session Mr. Campagnaro, the Representative of the Staff Association, presented a statement to the Executive Committee. He said that the Council of the Association was much concerned over the program for the mobilization of national resources through hiring under local conditions of employment, which created a degree of uncertainty about the future of international staff members owing to lack of clear guidelines. The discussions with the Administration had dispelled some fears, and the Association welcomed the Director's initiative to regularize the status of the new category of personnel, though it did prefer that a subcommittee be established to prepare guidelines and mechanisms for implementation of the proposed policy so that the interests of the staff would be safeguarded.

He also referred to the ceiling figure stipulated as from 1 January 1986 of \$50,000 for the reimbursement of expenses for major surgery and catastrophic diseases.

Finally, he welcomed the reception given by the Executive Committee to the report of the Special Subcommittee on Women, Health and Development and the request to the Director to develop a plan to reach the target of 30% representation of women in professional and higher posts.

Some representatives wondered at the ceiling of \$50,000 on health insurance benefits and requested that steps be taken to raise it for cases of catastrophic illness.

The Director explained that the health insurance scheme was not PAHO's but WHO's, and was covered by a common fund for all staff members, including those of PAHO, all over the world. In 1985 the insurance deficit (which is generated only in the Americas, and at WHO headquarters in Geneva, where there is a small deficit) came to almost US\$1 million. This deficit is generated almost solely in Washington. To put a cap on it, the committee that administers that fund, consisting of representatives of the Administration and Personnel, placed a ceiling of \$50,000 on benefits, which is too low for costs at Washington, where it was exceeded in 10 cases last year. Since January 1986 the deficit caused in the past by PAHO has been covered by the fund with the aforementioned restriction, thanks to the solidarity of the other regions and the Organization accepting a significant increase in their contributions to the fund.



The Director said that the Administration could not countenance a staff member or retiree's remaining in debt for the rest of his life because of an illness. The administration of the fund in Geneva apparently wants this responsibility to be borne by PAHO, whereas the normal arrangement would be to leave it with the fund. Efforts are now in progress to find coverage for that risk.

Item 5.5: Hiring Under Local Conditions of Employment for the Mobilization of National Resources

In his presentation of this item Mr. Fuenzalida gave a detailed description of the Organization's international juristic personality and its consequent privileges and immunities, and of the special status of international staff members, in both the professional and the general service categories, whether or not hired locally, who are governed by the provisions of the Staff Regulations and Rules and not subject to the jurisdiction of the courts in any country, but to that of the Administrative Tribunal of the International Labor Organization.

Owing to the high cost of international employment, and in view of the existence in many Member Countries of highly qualified manpower, it was becoming necessary to increase local hirings. It was therefore desired to institutionalize hiring under local conditions of employment by including it in PAHO's Staff Regulations and Staff Rules. This would make PAHO a local employer in respect of this new category of staff members subject to the labor laws of the countries in which they serve.

The Director then noted that he did not seek authority to hire locally because he was constitutionally empowered to hire staff as he saw fit to carry out the approved Program, and that such hiring was in fact already being done, but he would like staff members employed by the Organization outside the United Nations personnel system to have the protection of legislation passed by the Governing Bodies, and the legal system defined to which the Administration would be subject in relation to them. It was also necessary to find new cooperative arrangements through the mobilization of existing resources in the countries, and there was no intention whatever of curtailing international hiring for that purpose or to impair the interests of the staff. He also noted, among other things, the necessity of this hiring arrangement for the Pan American Centers.

The participants in the lively discussion on this subject spoke of the problems of reconciling the subjection of some employees of PAHO to the jurisdiction of the countries in which they serve with the exercise of privileges that are indispensable to the Organization; of the advantages offered by the new system; of the likelihood of the staff's organizing a union, and of the reasons for involving the Governing Bodies in this matter. However, there was general support for the Director's initiative of sharing his responsibilities with the Governing Bodies for the regularization of a situation that had actually existed for many years.

At the end of the discussion the Rapporteur read out the proposed resolution contained in the document presented (CE97/23, Rev. 1), which was adopted with a number of amendments as Resolution IX, in which the Committee recommends to the XXII Pan American Sanitary Conference that it make in the Staff Regulations of PAHO the proposed amendments needed to regulate the hiring by PAHO of national personnel under local conditions and to request the Director to issue such rules as he may deem appropriate to regulate the contracts of national personnel subject to confirmation by the Executive Committee pursuant to Staff Rule 015.2, and to incorporate them into the Staff Rules as a separate category.

Item 5.6: Actions Taken in Regard to the Elimination and Functions of the Area Offices of the Pan American Sanitary Bureau

Mr. Tracy reported to the Executive Committee that the Director had continued to negotiate with the Governments of Argentina, Guatemala, Peru and Venezuela on basic agreements and on the status of PAHO-owned buildings in those countries. Negotiations had also continued with Member Governments for contributions toward the operating costs of country offices. The basic agreements with Argentina, Mexico and Peru were already signed and two of them were awaiting final ratification. The terms of the agreements with Guatemala and Venezuela were still under review. The Governments of the five former Area Office Countries had agreed to contribute toward the operating costs of the country offices in their countries.

In closing, he said that the Director continued to stress the importance of the role of the PAHO/WHO Representative in the Organization's strategies and cooperation programs, and would continue to evaluate the optimal utilization of multicountry resources in the field.

The Executive Committee took note of this information and adopted no resolution on the subject.

Item 6.1: Relations with Nongovernmental Organizations at the Regional and National Levels

In presenting this subject Dr. Salazar explained that, at the request of the Executive Board of WHO and the World Health Assembly, the Director-General and the Standing Committee on Nongovernmental Organizations (WHO) had drawn up new Working Principles for entry into official relations with nongovernmental organizations. In Decision 8 the Executive Board then directed that the new Working Principles be applied worldwide. The Regional Committees of WHO were also asked to consider these principles and, if required, to expand them into more detailed principles for establishing relations with regional and national nongovernmental organizations, and to report their views to the Executive Board at its session in January 1987.

To give effect to Decision 8, the Director of PASB submitted for consideration by the Executive Committee the report of the Standing Committee on Nongovernmental Organizations of WHO, and section 5 thereof in particular, which will be considered by the XXII Pan American Sanitary Conference as the Regional Committee of WHO for the Americas.

Because of its autonomy, PAHO does not find that it is necessary to review the procedures for the establishment of relations with inter-American nongovernmental organizations laid down by the XX Pan American Sanitary Conference in its Resolution XX, or that they pose any special problems.

This subject gave rise to no discussion, and the Rapporteur drafted a proposed resolution, which was approved in the ninth plenary session. This is Resolution XX, in which the Executive Committee resolves to transmit Document CE97/8 to the XXII Pan American Sanitary Conference and to recommend to the Conference the adoption of a resolution expressing its agreement with the content of Section 5 of the Working Principles contained in the Report of the Standing Committee on Nongovernmental Organizations of WHO and requesting the Director of the PASB to report to the 79th Session of the Executive Board of WHO on Resolution XX of the XX Pan American Sanitary Conference and on the inter-American nongovernmental organizations in official relations with PAHO, to continue encouraging these organizations to participate in application of the Strategies for Health for All by the Year 2000, and to transmit the resolution itself to the Executive Board of WHO.

Item 6.2: Request of Portugal for Observer Status in the Pan American Health Organization

In presenting this subject, the Director reviewed its history in detail, from Portugal's presentation of its request in June 1985. He explained that, because of the existence of a resolution (Resolution XXVII of the XXVIII Meeting of the Directing Council) that was very limiting and restrictive, the Executive Committee, desirous of supporting Portugal's request for admission with observer status, had last year requested the Director to draft new rules that would apply to the case. This was the intent of the proposed resolution in Document CE97/7, which was presented to the Executive Committee for consideration. The proposed resolution met with general approval and was unanimously adopted by the 97th Meeting of the Executive Committee. This is Resolution XIV, which recommends to the XXII Pan American Sanitary Conference the approval of a resolution rescinding Resolution XXVII of the XXVIII Meeting of the Directing Council and establishing new requirements, procedures and privileges for States requesting and obtaining observer status in PAHO.

The prerequisites are that the State must have historical and cultural ties to the Region of the Americas; must express interest in participating in and contributing to inter-American institutions, and must make a technical or financial contribution to PAHO's technical cooperation programs.

The procedure is as follows: a government must present its request at least 60 days in advance of the date set for the meeting of the Executive Committee, stating the reasons on which the request is based; the Executive Committee considers whether the request meets the aforementioned prerequisites, and makes an appropriate recommendation to the Conference or Directing Council; and the Conference or Directing Council decides whether the requesting government is to be granted observer status in PAHO.

Countries granted observer status have the privileges of attending all public sessions of the Governing Bodies at their own expense; of participating, by leave of the Chairman, in the discussions but without the right to vote or to make proposals of substance or procedural motions or requests, raise points of order, or impugn decisions of the Chairman; of receiving documents and publications of interest to them, and of establishing technical and financial cooperation relations with the Organization through the PASB.

The Representative of Brazil then presented a proposed resolution to expedite the acceptance of Portugal's request inasmuch as the country met all the requirements that had just been approved. The resolution was adopted unanimously as Resolution XV, in which the 97th Meeting of the Executive Committee recommends to the XXII Pan American Sanitary Conference the text of a resolution for the purpose of waiving in this case, by way of exception, the procedural requirements of the previous resolution because Portugal had presented its request one year before; welcomes the request with satisfaction and grants Portugal observer status; recommends to the Director that he promote technical cooperation with Portugal, and requests him to transmit the resolution to the Government of Portugal and to the Member Governments of the Organization.

## 7. GENERAL INFORMATION MATTERS

### Item 7.1: Resolutions of the 39th World Health Assembly of Interest to the Executive Committee

The Director commented before the Executive Committee on the 31 resolutions adopted by the World Health Assembly in May 1986; his first remark was that changes had been made that had resulted in a perceptibly greater depth of the language and a reduction in the number of the resolutions. These resolutions were all of direct or indirect interest to PAHO, but he would cite only a few, such as Resolution WHA39.5, on the Real Estate Fund, because that Fund would be defraying 25% of the cost of the repairs to PAHO's headquarters building.

In regard to Resolution WHA39.7, the Director stressed that the Americas was the Region that had responded least to preparation of the Seventh Report on the World Health Situation.

In connection with Resolution WHA39.9 amending the scale of assessments for the second year of the financial period 1986-1987, the Director noted that the assessments of the smallest contributors in the Americas had been increased by 100%, and in one instance by as much 200%.

In commenting on Resolution WHA39.14, he recalled that the topic "Tobacco and Health" had turned into "Tobacco or Health," and that many delegations, especially from the Americas, had expressed reservations relating to the economic and social implications of the control of tobacco. He noted that smoking had been banned in PAHO buildings for the protection of "passive smokers," inasmuch as 75% of the staff of the PASB did not smoke.

The discussion also touched on, among other things, the arrearages in payments of assessments, there being three Member Countries in the Region for which the provisions of Article 7 of the Constitution of WHO might have been applicable; the need not to reduce health budgets because health was essential to welfare and productivity; the Nairobi recommendations on women, health and development, which PAHO had anticipated; the Basic Plan on Priority Health Needs of Central America and Panama, which had inspired Resolution WHA39.23 on the impact on health of the situation of tension in Central America; and of AIDS, with emphasis on the need to confine future action to purely technical matters.

There was no need for a decision to be taken on this subject.