



directing council

PAN AMERICAN
HEALTH
ORGANIZATION

XV Meeting

regional committee

WORLD
HEALTH
ORGANIZATION

XVI Meeting



Mexico, D. F.
August-September 1964

Provisional Agenda Item 6

CD15/24 (Eng.)
9 July 1964
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ANNUAL REPORT OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

Submitted by Dr. Carlos Quirós Salinas, (Peru),
Chairman of the 49th and 50th Meeting of the Executive Committee

I have the honor to submit to the Directing Council, pursuant to Article 9-C of the Constitution, this report on the work of the Executive Committee during the period September 1963 to April 1964, in which it held its 49th and 50th Meeting.

The 49th Meeting was held in Washington, D. C. on 25 September 1963, after the close of the XIV Meeting of the Directing Council. On that occasion Dr. Miguel Bustamante (Mexico), and Dr. Bichat Rodrigues (Brazil), the Representatives of the two countries which the Directing Council had elected to the Executive Committee, took office. The following Representatives were also present: Dr. Carlos Quirós Salinas (Peru), Dr. Adolfo Morales (Uruguay), Mr. Edison Rivera (Costa Rica), Dr. Alfonso Boniche Vásquez and Dr. Manuel Sánchez Vigil (Nicaragua), and Dr. Charles Williams, Jr. and Mr. Howard B. Calderwood (United States of America). Mrs. Alzora H. Eldrige (OAS) attended as an Observer for that Organization.

The 50th Meeting, which was also held in Washington, D. C., from 27 April to 1 May 1964, was attended by the following Representatives: Dr. Carlos Quirós Salinas (Peru), Dr. Woodrow Pimentel Pantoja (Brazil), Dr. Claudio Orlich Carranza (Costa Rica), Dr. Charles L. Williams Jr., Mr. Leonard M. Board, Mr. Howard B. Calderwood, Mr. Paul Byrnes, Mrs. Virginia T. Harris, Dr. Frederick J. Vintinner (United States of America), Dr. Pedro Daniel Martínez (Mexico), Dr. Carlos Amaya (Nicaragua), Dr. Jorge Jarufe (Peru), and Dr. Orestes Vidovich (Uruguay).

It was attended by the following Observers: Dr. Herbert W. Eldemire and Mr. Louis H. Boothe (Jamaica), Dr. L. A. M. Lichtveld and Miss C. Y. Henny (Kingdom of the Netherlands), Dr. Miguel A. Ortega (Dominican Republic), Mr. Carter Hills (Permanent Subcommittee on Buildings and Installations), Mr. Carr L. Donald, Mr. Earl J. Roueche, and Mrs. Alzora H. Eldrige (OAS) and Mr. A. C. Wolf, Mr. Enrique Pérez Cisneros and Mr. Rafael Suárez Guzmán (Inter-American Development Bank).

Pursuant to Rule 12 of the Rules of Procedure, the Director of the Pan American Sanitary Bureau is Secretary ex officio of the Committee. Accordingly, Dr. Abraham Horwitz acted as Secretary.

At the first plenary session the Committee adopted the Agenda set forth in Document CE50/1, Rev. 1, to which a new item proposed by the Chairman and entitled "Study on the Organization of the Pan American Sanitary Conference" was added, in accordance with the provisions of the Rules of Procedure of the Executive Committee.

The Committee considered all the agenda items in detail and submitted Resolutions I to XV to the Directing Council for its consideration.

The Provisional Agenda of the XV Meeting of the Directing Council, XVI Meeting of the Regional Committee of the World Health Organization for the Americas, containing 38 items, which was Item 13 of the Agenda was approved by the Committee. In view of the fact that the possibility of shortening the duration of that meeting and also that of the Pan American Sanitary Conference was under study and that a more precise definition was needed of the powers of the various Governing Bodies of the Organization, since they are not clearly specified in the Constitution and the Rules of Procedure, the Committee authorized the Chairman to comment on the subject in his report to the Directing Council.

My comments are as follows: in the Agenda approved, which, as stated above, contains 38 items, there were 10 items the Committee made a thorough study of and about which it reached definite conclusions and adopted the resolutions submitted to the Council.

Those items were as follows: Item 8-A "Proposed Program and Budget of the Pan American Health Organization for 1965"; Item 9 "Financial Report of the Director and Report of the External Auditor for 1963"; Item 11 "Report on the Collection of Quota Contributions"; Item 12 "Amendments to the Staff Rules of the Pan American Sanitary Bureau"; Item 14 "Second Annual Meetings of the Inter-American Economic and Social Council and Related Matters"; Item 15 "Emergency Revolving Fund"; Item 16 "Report on Buildings and Installations for Headquarters"; Item 17 "Progress Report on the Program of Rural Water Supply and Well-Being"; Item 18 "A Program Review of a Sample of Long-Term Projects of the Organization" and Item 23 "Administrative Rationalization in the Pan American Sanitary Bureau".

In order to shorten its Agenda it would be advisable for the Council simply to take note of the resolutions of the Executive Committee and of its discussions on the items concerned (since these, and especially those on routine matters will have been duly reported to the Representatives of the countries), and to ask the Chairman of the Executive Committee in presenting this report to give such further explanations as might be advisable. In that way the Agenda of the Council would be considerably shortened, and it would give the Committee's decisions a real executive force in accordance with its designation.

Administrative Rationalization in the Pan American Sanitary Bureau

This item was considered at the 50th Meeting of the Committee, which took note of it and commended the Director and his staff on their efforts to date and requested the Director to continue to apply the program and to submit a progress report to the 52nd Meeting of the Committee.

It was noted that it would be possible to form a clear picture of the results of this administrative procedure only when it was completed, as stated in the Report of the External Auditor for 1963.

Proposed Program and Budget of the Pan American Health Organization for 1965

This item was discussed by the Committee at its 50th Meeting. Comments were made on the changes introduced into the Proposed Program and Budget contained in Official Document No. 45 in accordance with Document CE50/10 prepared by the Director.

Special attention was given to the way in which the Budget was being implemented owing to the delay in the payment of quotas by some countries. That meant in practice that between 15 and 20 per cent less than the amounts assigned were available, which made it almost impossible for the Director to carry out the programs budgeted. For that reason the Delegation of the United States of America abstained from approving the budget on that occasion and reserved its decision until the meeting of the Directing Council in September when, as a result of the measures adopted by the Committee, the financial situation of the Organization might have improved.

Finally, the Committee decided to submit to the XV Meeting of the Directing Council the Proposed Program and Budget of the Pan American Health Organization for 1965 prepared by the Director, to recommend that the budget level for 1965 be established at U.S.\$7,190,000, and to approve the changes proposed.

Report on Buildings and Installations for Headquarters

At its 50th Meeting the Committee expressed its thanks to the Chairman and Members of the Permanent Subcommittee on Buildings and Installations for their valuable assistance in connexion with the construction of the new Headquarters building and the sale of the buildings at 1501 and 1515 New Hampshire Avenue. The value of those buildings had increased in accordance with the original estimates, so that more money would be available for the construction of the new Headquarters.

In view of the fact that the term of office of Argentina and Chile as members of the Executive Committee was due to expire, the Committee decided to appoint the Governments of Brazil and Mexico to replace them on the Permanent Subcommittee on Buildings and Installations.

A Program Review of a Sample of Long-Term Projects of the Organization

After having discussed the item proposed by the Delegation of the United States of America during the discussion on the Budget for 1965 at the XIV Meeting of the Directing Council of the Pan American Health Organization, the Committee congratulated the Director and the Bureau staff on the report and the analysis presented, took note of the report of the Director, and expressed its satisfaction with the general progress of the projects covered by the review.

Emergency Revolving Fund

At its 50th Meeting the Committee took note of the report of the Director on the Emergency Revolving Fund, which showed the transactions of the Fund. The balance at the date of submission of the report stood at US\$17,283.

Amendments to the Staff Rules of the Pan American Sanitary Bureau

At its 50th Meeting the Committee agreed to confirm the amendments to the Staff Rules of the Pan American Sanitary Bureau submitted by the Director, since the staff of the World Health Organization and the Pan American Health Organization which work together in a common undertaking, should be governed by the same rules and regulations. The amendments related to the salaries of dependent spouses of staff members in the professional category and above, salaries for posts in the professional category and above, salaries for posts subject to local recruitment, terminal benefits, pensionable remuneration, and grant in case of death.

Preliminary Arrangements for the XV Meeting of the Directing Council of PAHO, XIV Meeting of the Regional Committee of WHO for the Americas

At its 50th Meeting, the Committee took note of the arrangements for the XV Meeting of the Directing Council of the Pan American Health Organization, XVI Meeting of the WHO Regional Committee for the Americas, to be held in Mexico City, and expressed its thanks to the Government of the United States of Mexico for the assistance they had given in making preparations for the meetings. It also authorized the Director of the Pan American Sanitary Bureau to convoke the XV Meeting of the Directing Council for the period 31 August to 11 September 1964.

Study of the Organization of the Pan American Sanitary Conference

At its 50th Meeting the Committee, on its own initiative, decided to discuss this item in view of the fact that despite the efforts of the Director replies had been received from only four countries and the suggestions they contained differed. Since it was necessary to find some solution to the problem raised by the Delegation of the United States of America at the 47th Meeting of the Executive Committee, the Committee

requested the Director to pursue the study and get into touch with the Governments that had not yet expressed their views on the matter, and suggested that he should submit a preliminary report to the XV Meeting of the Directing Council on the progress of the study.

Second Annual Meetings of the Inter-American Economic and Social Council

At its 50th Meeting the Committee examined the report of the Director on the Second Annual Meetings of the Inter-American Economic and Social Council held in São Paulo, Brazil, from 29 October to 9 November 1963 at the expert level and from 11 to 16 November 1963 at the ministerial level. Thirteen of the Delegations to the meetings included representatives of ministries of health.

The Committee reaffirmed the importance of health in economic and social development, recognized the importance of having the organization, which represented the health sector, participate in various governmental and intergovernmental agencies that planned programs that assisted social and economic development, and expressed its conviction that health care of the individual and of the community was a necessary part of the development process and that health activities must contribute to development.

It took note of the resolutions dealing with health adopted by the Second Annual Meetings of the IA-ECOSOC and of the report of the Director whom it congratulated on the role played by PASB at the meetings. It instructed the Director to continue to cooperate as he found appropriate and necessary so as to ensure the fullest participation and contribution of the health sector at the international level in the planning and execution of social and economic development programs.

It also instructed the Director to continue his efforts to implement the resolutions and recommendations on health approved by the IA-ECOSOC, especially those concerning the continent-wide program of rural environmental health and well-being and its integration with other community development programs and concerning the economic significance of foot-and-mouth disease in the Americas.

It requested the Director to report to the next meeting of the Directing Council on whether it would be possible for international credit institutions when granting loans for large-scale works such as irrigation, road building, urbanization and the like, to consider the allocation of the necessary funds for dealing with the health programs to which such works give rise. It also decided to transmit the resolution to the Directing Council so that it might lend its support to the recommendations it contained.

Training of Auxiliary Personnel

At the request of the Representative of Mexico the Secretariat submitted a report containing data on the number of auxiliary workers trained in 1963 by the countries in projects to which the Organization gave assistance. The Committee decided to recommend to the XV Meeting of the Directing Council that it adopt a draft resolution which had been submitted to the meeting of the Executive Committee.

Financial Report of the Director and Report of the External Auditor for 1963

Report on the Collection of Quota Contributions

At its 50th Meeting the Committee decided to discuss the two above-mentioned items together. After considering the Financial Report of the Director and the Report of the External Auditor for 1963, it concluded that there had been an improvement in the financial situation but that the problem of quota collections remained serious, especially since some Governments were two or more years in arrears. It noted that the expenditures for programs recommended in the authorized budget were necessary to attain the goals of improving the health of the peoples of the Americas and of promoting economic and social development.

It took note of the Financial Report of the Director and the Report of the External Auditor for 1963 and decided to transmit them to the Directing Council at its XV Meeting. It urged Governments that had outstanding quotas to pay them as soon as possible and requested those Governments that were two or more years in arrears to adopt a financial plan for the payment of outstanding quotas within a definite period. It commended the policy of prudent management followed by the Director in maintaining budgetary expenditure within income and in establishing reserves for programs financed with voluntary contributions and grants.

With reference to the status of the collection of quotas the Committee, bearing in mind the comments on quotas in the Financial Report of the Director and the Report of the External Auditor and Resolution XXXIV, adopted by the Directing Council at its XIV Meeting which, inter alia, recommended the Executive Committee to continue its study of the subject and include it in the Agenda of the XV Meeting of the Directing Council, took note of the efforts made by the Director pursuant to that resolution.

It decided further to take note of the report on the collection of quota contributions, to commend the Director for his efforts to obtain settlement of the outstanding arrears, expressed appreciation for the improvements that had been realized since the 48th Meeting of the Executive Committee in the status of contributions and expressed its concern over the continuing serious financial situation of the Organization.

It recommended to the Director that he instruct the PAHO Zone Chiefs and Country Representatives in the respective countries to maintain continuous efforts to effect payment of quotas on a current basis and to pay any arrears as soon as possible. It requested the Director to continue his efforts to keep the Governments fully informed about the status of quota payments and the effects of non-payment on the prosecution of the program of the Organization, and recommended to the Directing Council that it authorize the Director to cooperate with the Governments in arrears, if the Government so agreed, to obtain credits or find other means to meet its quota arrears.

After a full debate, the Executive Committee recommended to the Directing Council that it consider the adoption of an amendment to the Constitution of the Pan American Health Organization in the following terms:

"If a Government fails to meet its financial obligations to the Organization by being in arrears in an amount exceeding two full years, by the date of the opening of the Pan American Sanitary Conference or the Directing Council, the voting privileges of such Government shall be suspended. The Conference or the Directing Council may, nevertheless, permit such Member to vote if it is satisfied that the failure is due to conditions beyond the control of the Government."

The Delegate of the United States of America, having drawn attention to Article 28 of the Constitution of the Pan American Health Organization concerning the procedure for the submission of proposals for the amendment of the Constitution, the Executive Committee decided to instruct the Director, in compliance with the above-mentioned article, to transmit to the Member Governments Resolution XII of the 50th Meeting of the Executive Committee.

Provisional Agenda for the XV Meeting of the Directing Council of PAHO,
XVI Meeting of the Regional Committee of WHO for the Americas

At its 50th Meeting the Executive Committee approved the Provisional Agenda of the XV Meeting of the Directing Council of PAHO, XVI Meeting of the Regional Committee of WHO for the Americas, prepared by the Director with the addition of the following items: Study of the Organization of the Pan American Sanitary Conference; Study of the Relationship between Social Security Medical Programs and Those of Ministries of Health or Other Official Health Agencies; Training of Auxiliary Personnel; Resolutions of the Executive Board and the World Health Assembly of Interest to the Regional Committee, especially that relating to large-scale development programs.

As was said at the beginning of this report when discussing the adoption of its Agenda the Directing Council should take into consideration the suggestions made by the Executive Committee. This would allow the items on which the decisions of the Executive Committee were considered fully satisfactory to be dropped from the Agenda, even though the Council might wish to request additional information that would clear up any obscure points.

Progress Report on the Program of Rural Water Supply and Well-Being

The Executive Committee at its 50th Meeting made a detailed examination of the report of the Director and decided to recommend to the Directing Council that it consider the adoption of a draft resolution that urged the Director to promptly take the necessary steps to begin the continent-wide program of rural environmental health and rural well-being which provides for the participation of the communities, the establishment of national revolving funds, and contributions from outside sources so as to achieve the objectives contained in Resolution A.2 appended to the Charter of Punta del Este; and asked the Director to continue his close collaboration with national and international organizations which are sources for grants or credits with a view to stimulating greater investments in the community water supply system.

It also instructed the Director to give high priority to community water supply programs and to expand and redeploy present advisory services in order to enable PAHO to provide technical services and to assist Member Governments with community organization and the integration of water programs with related community developments and to work out with lending and borrowing agencies methods of financing technical assistance by the Organization.

It recommended that the Member Governments take appropriate action to establish adequate and competent organizations in each country, supported by necessary legal and financial provisions to enable them to administer the rural water supply program at the national level, keeping in mind the need to integrate in the program related improvements for rural well-being and the social development of rural communities.

This draft resolution also recommended that loans for water supply revolving funds made to Member Governments or their independent agencies by international credit institutions should be at the lowest possible rate of interest and the longest possible repayment period so as to ensure that these programs would be self-sustaining in the future and that the Director should continue the search for ways and means to secure appropriate international financing within the framework of the instructions given by the Directing Council of the Pan American Health Organization and the Inter-American Economic and Social Council.

The Observer from the Inter-American Development Bank pointed out that it had financed 37 sanitation projects at a cost of more than US\$176,000,000, and had and would continue to maintain close contact with the Pan American Health Organization in the matter of the water supply in general and in particular of rural water supply programs.

Technical Discussions

At its 50th Meeting the Executive Committee took note of the report submitted by Dr. Rogelio Valladares, Regional Adviser in Tuberculosis of the Pan American Health Organization, concerning the topic of the Technical Discussions which will be held at the XV Meeting of the Directing Council, and of the arrangements made by the Secretariat for these discussions.

In concluding this report, in which I have tried to set forth objectively and concisely the most important decisions taken at both meetings, I should like to thank the Members of the Executive Committee for the confidence they placed in me by electing me Chairman and the assistance I received in the course of the meetings from the Vice-Chairman and from all the members of the Committee. I should also like to thank the Director of the Pan American Sanitary Bureau and the staff of the Bureau for their efficient work in organizing and conducting these meetings.

In addition, I should like to say that I consider it essential for the Directing Council to thoroughly examine the proposals made by the Executive Committee about the possibility of more clearly defining the powers and duties of the various Governing Bodies of the Organization so as to make the meetings of the Governing Bodies more efficient and more flexible.

There is no doubt that, if this were done, the duration of the meetings could be shortened and the discussion of items which had been carefully dealt with by the Executive Committee would be avoided.

In my opinion this point should be discussed, and changes should be introduced into the Constitution and the Rules of Procedures of the Governing Bodies that would make their deliberations more effective and define their powers and duties more clearly.