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PROGRESS OF ACTIVITIES IN HEALTH SECTOR REFORM

PAHO has been conducting an extensive program in support of the national processes of health sector reform, in compliance with the mandates of the Summit of the Americas, held in Miami, the XXIV Pan American Sanitary Conference, and the Special Meeting on Health Sector Reform, held during the XXXVIII Meeting of the Directing Council. The Secretariat is submitting the present document to the XXXIX Meeting of the Directing Council as a summary report of the activities implemented through 1995 and those programmed for the coming years. Pursuant to the mandate of the XXXVIII Meeting of the Directing Council, the present report should also be submitted formally to the Hemispheric Summit in Santa Cruz de la Sierra, Bolivia, in December 1996.

During the discussion of the preliminary version of the attached document at the 118th Meeting of the Executive Committee, there was participation by delegations from all the Member States and most of the Observer countries, whose contributions were taken into account in the preparation of the present version. Among the important contributions was the emphasis on sectoral reform as instrumental for achieving greater equity, efficiency, and effectiveness in health; the need for assessing the impact of the reform on the poorest countries and the most vulnerable social groups in each country, and social participation as essential for the success of the reform.

From the programming standpoint, comments and recommendations were made on prioritizing PAHO activities in support of the reform; promoting intersectoral dialogue for the reform, at both the national and interagency level; monitoring national reform processes; articulating the actors involved into an inter-American network to support the reform; promoting research geared toward the formulation of reform policies; mobilizing international and bilateral cooperation in support of the reform; and training the Secretariat's own staff, so that it can better meet the countries' demand for cooperation in health reform.

The Executive Committee adopted Resolution CE118.R11, as follows:

THE 118th MEETING OF THE EXECUTIVE COMMITTEE,

Having seen Document CE118/11, "Progress of Activities in Health Sector Reform," prepared in the context of the Action Plan approved by the 1994 Summit of the Americas and Resolution CD38.R14 of the XXXVIII Meeting of the Directing Council on equitable access to basic health services,

RESOLVES:

To recommend to the XXXIX Meeting of the Directing Council the adoption of a resolution along the following lines:

THE XXXIX MEETING OF THE DIRECTING COUNCIL,

Having seen Document CD39/13, "Progress of Activities in Health Sector Reform";

Bearing in mind the Action Plan approved by the 1994 Summit of the Americas and Resolution CD38.R14 of the XXXVIII Meeting of the Directing Council on equitable access to basic health services; and

Considering the inequity in the distribution and utilization of resources still prevailing in the Americas, despite the attention that has been devoted to health sector reform in the Region in recent years,

RESOLVES:

1. To recognize the efforts undertaken by the countries in health sector reform and to acknowledge the bilateral and multilateral cooperation provided, while emphasizing the need for coordination of external support and respect for national autonomy and identity.

2. To urge Member Governments:

(a) To reaffirm their political commitment to health sector reform, including population-based public health approaches, as a strategy for making health systems more equitable, efficient, and effective in response to the health needs of the peoples of the Americas;

(b) To continue to exchange experiences and report on the progress and problems of the national processes of health sector reform.

3. To request the Director:

(a) To continue to cooperate with national processes of health sector reform, through the appropriate regional and country units of the Organization;

(b) To proceed with the continuous monitoring of and periodic reporting on progress and problems faced by national processes of health sector reform in the Region;

(c) To foster networking—including the evolving inter-American network as called for at the Summit of the Americas—among governments, private sector institutions, nongovernmental organizations, and other interested parties, as a mechanism for exchange of information and expertise on health sector reform.

Annex

PROGRESS OF ACTIVITIES IN HEALTH SECTOR REFORM

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EXECUTIVE SUMMARY

Health sector reform (HSR) has received considerable attention from PAHO's Governing Bodies and other forums relevant to the Organization. At the same time, it has become one of the most prevalent issues in the Americas Region, which has a higher proportion of countries undergoing HSR than any other WHO Region. Despite the differences in health situation and resources, many countries seem to be adopting similar reform policies, aimed at increasing the equity and efficiency of their health sector. Technical and financial cooperation, both multilateral and bilateral, has favored this trend.

PAHO has been supporting 26 national HSR processes in the Region through the PAHO/WHO Representative Offices and regional programs, at both country and intercountry levels. This cooperation usually involves direct technical assistance, training, information and research activities. In addition, PAHO is promoting the creation of the political environment necessary for building consensus in support of the reforms.

At the same time, PAHO has made an intense effort to foster interagency coordination in support of HSR. An interagency committee comprised of the World Bank, IDB, OAS, ECLAC, UNICEF, UNFPA, USAID, and the Canadian Government was responsible for the preparations for the Special Meeting on Health Sector Reform, mandated by the Summit of the Americas and held during the XXXVIII Meeting of the PAHO Directing Council in September 1995. Based on the deliberations of this committee, a joint background document on HSR was prepared for the Special Meeting. The committee is also responsible for follow-up of the reform mandates of the Summit of the Americas and the Special Meeting.

PAHO's Secretariat has undertaken a series of internal activities to prepare itself for discharging its health reform functions. A working group on HSR was established with the purpose of achieving a better coordination among the units more closely involved with this topic. Technical tools for HSR have been retrieved, developed, or adapted and made available to countries. Relevant literature on HSR experiences either within or outside the Region has been collected and circulated to the countries. A position paper was issued to guide the action of the Secretariat in support of HSR, as well as a guide for health sector analysis. Staff have been exposed to an intense dissemination of information, debate, and update on HSR activities.

From 1996 onwards, PAHO will increasingly emphasize country-level activities in support of HSR. These activities will include the monitoring of reform processes, as mandated by the Summit, as well as the establishment of an inter-American network for HSR. Human resources development, exchange of experiences among countries, and

research promotion in relation to HSR will also receive attention from PAHO. At the interagency level, PAHO will emphasize follow-up of the Summit's mandate on HSR. Finally, PAHO's Secretariat will continue its efforts to improve its technical capability for providing the support for HSR that its Member States require.

1. Introduction

In the past two years, health sector reform (HSR) has been the object of a series of deliberations by the Governing Bodies of PAHO and by forums of interest to the Organization, such as the Summit of the Americas (Miami), and activities in follow-up to the Summit. The successive deliberations on HSR not only reflect the priority accorded this topic by the Member States but have led to political consensus and conceptual maturation in the Region regarding the objectives, strategies, content, and implications of the reform.

In 1994 the reform was discussed extensively at the XXIV Pan American Sanitary Conference, which adopted two important resolutions on this matter.[1] The first, concerned with the PAHO strategic and programmatic orientations, 1995-1998, delineates regional policy on the reform through the five orientations that will direct the efforts of the countries and the Secretariat to meet the challenge of inequity in health. The second, related to the joint report of PAHO and the Economic Commission for Latin America and the Caribbean (ECLAC) on *Health, Social Equity, and Changing Production Patterns in Latin America and the Caribbean*, situates HSR within the context of the proposed changes in the relationship between the State, society, and the market in order to transform the regional development process and create a sounder economy and a more equitable society.[2]

In December 1994, the Summit of the Americas reaffirmed the commitment of the governments of the Region to HSR as a mechanism for guaranteeing equitable access to basic health services. This goal was expressed in very specific terms linked to the reduction of maternal and infant mortality, as agreed at the World Summit for Children in 1990 and the International Conference on Population and Development in 1994. The leaders also endorsed universal access to a basic package of clinical, preventive, and public health services, as well as priority attention to the most vulnerable social groups; stronger public health infrastructure; alternative means of financing, managing, and providing services; quality assurance; and greater use of nongovernmental organizations (NGOs) in health.[3]

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[1] The topics of these resolutions were addressed at the 22nd Meeting of the Subcommittee on Planning and Programming and at the 113th Meeting of the Executive Committee, respectively.

[2] A plan for the implementation of the proposal on Health, Social Equity, and Changing Production Patterns was considered at the 23rd Meeting of the Subcommittee on Planning and Programming.

[3] Summit of the Americas, Plan of Action.

Article 17 of the Plan of Action of the Summit requests the Inter-American Development Bank (IDB), the World Bank, and PAHO to convene a special meeting to establish the framework for health reform mechanisms, a monitoring scheme, and a network to support the implementation of HSR. This meeting was held as a special session of the XXXVIII Meeting of the Directing Council of PAHO in September 1995. An interagency committee submitted a position paper to the Meeting[4], and participating governments submitted progress reports on the reform in their respective countries.

In Resolution CD38.R14, adopted on the basis of the deliberations of the Special Meeting, the Directing Council requested the Member States to give priority to HSR, with a view to achieving greater equity, efficiency, and effectiveness in health sector activities and facilitating information exchange and the monitoring of the respective reform processes. It requested the cooperation agencies to provide greater coordination and to increase their support for the HSR processes, bearing in mind the individual characteristics of each country. It asked PAHO, together with the countries and cooperation agencies, to develop a monitoring mechanism and the inter-American network to support the reform and to report on this matter to the hemispheric Summit in 1996. PAHO is currently in communication with the Bolivian government and the international agencies involved in the preparation for this Summit to determine the best way of informing the Presidents and Prime Ministers about the progress already made in HSR.

These mandates were implemented in 1995 through a variety of activities at the country and interagency level and within the Secretariat itself. At the beginning there was relatively greater action at the interagency level, in response to the mandate from the Summit concerning preparations for the Special Meeting. The direct cooperation to the governments sought to respond to the demands of the national processes of HSR within the framework of the agreements reached among the agencies and the internal activities of the Organization. Finally, the internal action of the Secretariat attempted to articulate the Organization's position as coherently and consistently as possible in order to strengthen our activity at the interagency and country level.

The Organization's efforts in 1995 to implement the Plan of Action of the Summit have elicited the recognition of national authorities and leaders, such as the President of the United States of America, whose message to the Director of PAHO in this regard is found in the Annex.

This document presents a summary of the activities of the governments and the Secretariat in compliance with the aforementioned resolutions. The summary includes the main characteristics of the reform in the Region (Section 2), the direct support to the

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[4] This document was considered at the 116th Meeting of the PAHO Executive Committee.

governments (Section 3), interagency collaboration (Section 4), the internal activities of the Secretariat (Section 5), and the activities programmed for 1996 and subsequent years (Section 6).

2. Characteristics of Health Sector Reform in the Americas

The Region of the Americas currently appears to be the most active of the regions of the World Health Organization in regard to HSR. Indeed, in mid-1995 nearly all the governments of the Region reported that they were in the process or considering the possibility of implementing some initiative to reform their health systems and/or policies.[5]

As indicated in Table 1, these HSR processes are also characterized by the intense participation of several cooperation agencies, among them the U.S. Agency for International Development (USAID), the Inter-American Development Bank, the World Bank, and PAHO, to mention only the most active. Other important bilateral agencies participating in this process are the Japan International Cooperation Agency (JICA), the Swedish International Development Authority (SIDA), Canada's International Development Research Center (IDRC), and the United Kingdom's Overseas Development Administration (ODA).

Table 1: Countries of the Americas with Health Sector Reform and Participating Agencies

Subregion	Country	World Bank	IDB	USAID	Other	PAHO
NAFTA	Canada					X
	Mexico	X				X
	United States					
Central America	Belize		X			X
	Costa Rica	X	X			X
	El Salvador	X		X		X
	Guatemala	X	X			X
	Honduras					X
	Nicaragua	X	X	X	X	X
	Panama					X

[5] According to the reports submitted by the PAHO Member Governments to the Special Meeting on Health Sector Reform, held in Washington, D.C., 29-30 September 1995.

Subregion	Country	World Bank	IDB	USAID	Other	PAHO
Caribbean	Bahamas					X
	Barbados					X
	ºCuba				X	X
	Dominica					X
	Dominican Republic	X	X			X
	Grenada					X
	Guyana	X				X
	Haiti					X
	Jamaica	X	X			X
	Saint Kitts and Nevis				X	
	Saint Lucia					X
	Saint Vincent/Grenadines					X
	Suriname				X	X
	Trinidad and Tobago		X		X	X
Andean Area	Bolivia	X			X	X
	Chile	X	X		X	X
	Colombia	X				X
	Ecuador	X				X
	Peru	X	X	X	X	X
	Venezuela	X	X			X
MERCOSUR	Argentina	X	X			X
	Brazil	X				X
	Paraguay	X				X
	Uruguay	X				X

Source: PAHO/WHO Representative Offices and reports from the countries to the Special Meeting on Health Sector Reform.

A number of these reform processes have been under way for some years and, as a result, have already yielded concrete results. Others have been launched recently and have not yet produced tangible results in terms of change. A few governments are reforming their health sector after attaining very reasonable levels of coverage for their populations. Their challenge is to achieve greater sectoral efficiency, while attempting to maintain the progress already made in terms of equity. For the remaining

governments, reform represents a search to overcome simultaneously and in a coordinated manner the serious problems of equity, efficiency, and effectiveness facing the health sector.

Despite the diversity of the situations and problems faced by the national health systems, some of the same reform policies are found with greater or lesser emphasis in many countries. Table 2 shows the policies most frequently adopted in the national HSR processes, by subregion. Three of these policies are applied in half the countries or territories and concern decentralization, introduction or expansion of national health insurance, and the adoption of cost-recovery schemes in the public sector. At least one-third of the countries and territories are considering the adoption of a basic package of health services, new forms of contracting health service providers, financial decentralization of the sector, the targeting of public expenditures, hospital autonomy, and the selective privatization of public health services. One-sixth of the countries are adopting policies for the purchase, financing, and distribution of drugs.

Table 2: Most Commonly Used Policies in Health Sector Reform by Subregion in the Americas - 1995

Policies	CAP	CAR	Andean Area	Southern Cone	NAFTA	Total
Decentralized Management	6	6	4	4	3	23
National Health Insurance	4	11	3	3	1	22
Cost Recovery	4	12	2	-	-	18
Basic Packages of Health Services	4	5	2	3	3	17
New Forms of Contracting	1	5	3	4	2	15
Decentralized Financing	3	2	4	3	2	14
Targeted Public Spending	4	3	2	1	1	11
Hospital Autonomy	2	3	2	3	-	10
Selective Privatization	3	4	1	2	-	10
Drug Policies	-	4	1	-	1	6
COUNTRIES/TERRITORIES	7	17	5	5	3	37

Source: Reports from the countries to the Special Meeting on Health Sector Reform, Washington, D.C., September 1995.

HSR should not be viewed as an end in itself, but as a means to achieving the objectives of greater equity, efficiency, and effectiveness in the health sector and thereby

progressing toward attainment of the goal of health for all. Here it is of interest to know the direction in which the reform process is moving in order to evaluate how much the changes introduced contribute to the realization of the major health objectives subscribed to by the governments of the Region. This means that various models of health sector organization and financing can help to achieve these objectives, although the effects of each model will vary with each objective. Furthermore, HSR should not be confined to the medical care components of the health sector but should include activities in public health, sanitary surveillance, and environmental risk control, which also contribute to the achievement of these objectives.

To achieve its ultimate objectives, HSR should include effective participation by representatives of civil society, which in the final analysis utilizes and finances the health services and whose members benefit from good health and also fall ill and die. Since social participation is one of the key challenges for the success of the reform, PAHO should accord it special attention in its HSR cooperation and monitoring activities.

It is in this context of diversity and similarity that the Organization must support the reform processes, placing more emphasis on their objective of increasing the levels of equity, efficiency, and effectiveness in the health sector than on the instruments and policies that they use toward that end.

3. Cooperation with the National Processes

PAHO has been providing direct support for 26 national HSR processes in the Region through its respective Representative Offices, as mentioned in Table 1. This support involves diverse modalities, including advocacy, technical assistance, seminars and forums for consensus-building, the development of health care models, the design of management systems and tools, the training of national personnel, dissemination of technical information, and the sharing of information on national experiences in reform. A major cooperation objective is to elicit the active participation of the social security institutions in the respective national sectoral reform processes. This latter aspect was intensively addressed in over 10 countries in 1995. It was also dealt with in the subregional area, through cooperation with the Central American Council of Social Security Institutions and the Andean Agreement on Social Security.

The bulk of this cooperation is provided through the respective PAHO/WHO Representative Offices in the countries, with the additional support of experts from the Regional Office or others recruited externally. The permanent presence of PAHO in the majority of the countries, with the sole purpose of assisting them in meeting the commitments made collectively at the regional and global level, gives the Organization a comparative advantage over other cooperation agencies—particularly financial cooperation agencies, which generally interact only intermittently during the negotiations and implementation of projects of limited duration. This permanent presence also poses

a challenge for PAHO, for it implies the constant exposure of the Organization to new and varied demands for cooperation by the governments.

The interprogram missions for analysis and programming constituted a special modality of support for the national HSR processes in 1995. During these missions, conducted in Bolivia, Dominican Republic, Ecuador, and the Caribbean countries, with the participation of representatives from the units involved in the Working Group on HSR (WG/HSR), staff from the Secretariat and the PAHO/WHO Representative Offices in the countries visited reviewed the respective HSR processes with national authorities and counterparts.

As a result, joint plans of action were drawn up to overcome the problems detected, specifying the responsibility of each group in the implementation of the activities included in these plans. Other missions were subsequently carried out, some of them involving external experts of international repute, to provide follow-up on the points agreed upon with the authorities of the participating countries.

In the case of Ecuador, a meeting of the social cabinet was also promoted. Moderated by the country's Vice President, with the participation of the respective ministers and the Director of PAHO, this event was devoted to a high-level review of the role of health in Ecuador's development process.

Several high-level seminars were held on reforms within country regions, such as those of Costa Rica (with the collaboration with the International Development Bank and the World Bank), Jamaica (together with the Caribbean Community (CARICOM)), Guatemala, (cosponsored with the Central American Council of Social Security Institutions), and Washington (cosponsored with WHO for the poorest countries of the Region), in addition to the Forum on Leadership in Health Sector Reform Processes, held in Puerto Rico. In other cases, the events were national in scope, such as the forums for Chile, Guatemala, and Peru, which sought to broaden the consensus among the different political and social sectors interested in the reform. PAHO's role as a facilitator and coordinator has enabled it to promote the national dialogue necessary for progress in health sector reform.

Other workshops were devoted to promoting the sharing of experiences among the delegations of several countries where reform processes are under way. In Uruguay a meeting was held on the most relevant experiences in the Region in terms of new modalities of health service organization and management and managed health care. A book on the health systems of industrialized countries undergoing reform was published, especially prepared by Latin American investigators to facilitate the regionwide dissemination of this information.

Since 1994 four such workshops were held, in which various Canadian experts shared their experiences with counterparts from the ministries of health and social security institutions of the Andean countries (La Paz, Bolivia), Central America (Panama), MERCOSUR (Montevideo), and Chile (Santiago).

One of the most interesting characteristics of HSR is that its content receives only limited attention in the regular curricula of public health and health administration programs offered in the Region. For this reason, a number of special activities geared toward the training of personnel had to be conducted on different topics related to the reform. Through the Inter-American Network on Health Economics and Financing (REDEFS), with the support of the World Bank's Economic Development Institute (EDI), ODA, and IDRC, more than 10 training workshops were held in this area. A joint workshop with the Inter-American Center for Social Security Studies (CIESS) was held to train ministerial advisers and legislators on legal aspects of the reform. In Central America a workshop was offered on human resources in HSR. Prior to that, an important meeting on the future of public hospitals in the Americas was held in Chile; it highlighted recent trends in hospital autonomy.

The experience of REDEFS merits special consideration because of the training that it is providing to the national and international counterparts who participate in its activities. Some 15 associations and/or national or subregional economic and financing groups are affiliated, with a total membership of over 500 people—mostly professionals, administrators, researchers, and educators with an interest and/or expertise in health economics and financing and who work in public or private, national or international institutions. The network has provided valuable support to the governments in a field where the Region is especially vulnerable owing to a scarcity of adequately trained human resources.

Research and studies on reform processes in general and on special aspects of these processes were promoted. One of these studies focused on the new ways of organizing and managing services in nine countries of the Region. In collaboration with the IDB, the University of the West Indies, and the University of Toronto, a Regional Study on the Health Sector of the Caribbean was conducted that includes a comprehensive evaluation of the problems and alternatives for HSR in the subregion. Support was also provided for a sectoral health analysis in Cuba to identify alternatives for adapting the sector to the changes under way in the national economy. At the same time, two competitions for research proposals were held, one on the history of health reform in the Americas and the other on human resources, the quality of care, and productivity in health; the projects have already been selected and funded.

Finally, major efforts have been devoted to political support for national HSR processes. Six countries have national commissions on HSR, made up of representatives from the executive and legislative branches of government, the private sector,

universities, and cooperation agencies, in addition to health care providers and users. Such commissions serve to foster consensus-building on the reform among the various interest groups, facilitating the preparation of proposals and the formulation of draft legislation to be submitted to the respective legislatures. In other cases, external support groups are being created for the national HSR processes; these are comprised of representatives of the main technical and financial cooperation agencies working in the respective countries.

4. Interagency Action

The preparation and holding of the Special Meeting on Health Sector Reform (HSR) was the responsibility of the Interagency Committee on Health Sector Reform, made up of representatives of ECLAC, the Government of Canada, the Organization of American States (OAS), PAHO, the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), USAID, and the World Bank. The Committee was installed at the beginning of the year, after a meeting between the President of the IDB, the Vice President for Latin America of the World Bank, and the Director of PAHO. PAHO serves as the Committee's secretariat.

Representatives from the other agencies were also incorporated to make the Committee more representative, bearing in mind the terms of Resolution 17 of the Summit. Indeed, the preparation for the Summit itself implied coordination among these agencies with respect to HSR.

The Committee met with sufficient frequency during the year, both in plenary sessions and in subgroups, to carry out the functions assigned to it for the preparation of the Special Meeting. The meetings rotated among the headquarters of IDB, PAHO, USAID, and the World Bank, and were also held at "neutral" sites to increase the possibilities for dialogue and coordination. As a result of this effort, an intense exchange of information on the HSR policies and activities of the participating agencies was generated. At the same time, a consensus was being built on a common agenda for the Special Meeting, which took the form of the interagency position paper submitted to the Meeting.

That interagency position paper[6] provides a summary of the determinants of HSR in the Americas and the scenario in which this process is unfolding. It clearly describes the frames of reference for the reform, emphasizing the options for the organization and management of health services and sectoral financing. It then considers the political dimensions and the problems faced by the national HSR processes. In its final chapter,

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[6] *Equitable Access to Basic Health Services: Toward a Regional Agenda for Health Sector Reform.*

the document deals with hemispheric cooperation in support of the reform, emphasizing interagency coordination, development of the inter-American network on HSR, and the monitoring of the national reform processes.

The preparation of the document consumed most of the Committee's time—a reflection of the effort devoted to overcoming differences in the interpretation of the underlying topics. The financial cooperation agencies, for example, tend to emphasize the financing and efficiency of the health sector in the projects that they support but are also becoming concerned about equity in health. PAHO, in contrast, places priority on the search for equity in dealing with the organization and financing of the health sector—the two pillars of the reform—while still recognizing the importance of fostering greater efficiency in health.

Although both positions indicate a conceptual consensus on the compatibility of equity and efficiency, the differences in emphasis may be reflected in the cooperation provided by the agencies to each national HSR process. In that case, such differences may be erasing the positive effects of multi-agency cooperation to the national reform processes detailed in Table 1. This is why the Organization is continuing to work at the regional and country levels to seek greater interagency coordination in support of the reform. This effort is characterized by an ongoing and active dialogue and exchange of information between the political and technical levels of the agencies, in addition to the creation of the aforementioned support groups.

The Special Meeting involved the participation of over 400 representatives of national governments, parliaments, private institutions, NGOs, cooperation agencies, and research centers. With this representation of nations and interest groups, the Special Meeting became the most important event on HSR held in the Region to date and therefore constituted successful interagency coordination in support of the reform. It also facilitated the identification of leaders and organizations interested in regional and country reform, which will be very useful for the follow-up activities in the immediate future.

In addition to the Special Meeting, interagency coordination made possible other intercountry leadership development activities to support the reform. Notable among them are the seminar on managed competition, promoted by the World Bank (St. Michaels, Maryland); the aforementioned seminar on reform in Central America, promoted by IDB, PAHO, and the World Bank (San José, Costa Rica); and the meeting of parties with a direct interest in the regional study on the health sector of the Caribbean, promoted by the IDB and PAHO in January 1996 (Christ Church, Barbados). Earlier cooperation among IDB, PAHO, and the World Bank had already been responsible for the 1994 meeting of the countries of the Southern Cone and the Andean Area on HSR (Buenos Aires, Argentina).

Another example of interagency cooperation in human resource training is the case of REDEFS. In recent years, this network, which is supported by CIESS, EDI, and PAHO has successfully implemented a work program that is far more intense and diversified than the programs previously carried out by each agency acting in isolation. REDEFS currently operates with support from IDRC, PAHO, ODA, the World Bank, and national sources, mobilized by its 16 affiliated national associations and/or subregional economic and health financing groups. While the associations are becoming increasingly active in detecting and responding to national training needs, the agencies are changing their role, assuming a subsidiary function in support of the activities of the associations. This experience can be very useful for the establishment and operation of the Inter-American Network on HSR, whose creation was mandated by the Summit.

Finally, mention should be made of the activities of IDB and PAHO, with the support of the Caribbean Development Bank (CDB), CARICOM, and the World Bank, in connection with the design and implementation of the Regional Study on the Health Sector of the Caribbean. This study is being conducted with support from the authorities of the countries involved. By evaluating the priority problems of the sector and the progress of the national HSR processes, this initiative is facilitating the development of criteria for adapting national policies and external support for these processes.

5. Internal Activities of the Secretariat

Fulfillment of these mandates has posed a major challenge to the operating capacity of PAHO and has required a special effort to coordinate the cooperation activities provided simultaneously by the various organizational units on different work fronts. In addition to these executive and coordinating functions, there is a need to keep the Secretariat of PAHO continually advised about matters related to the complex problem of HSR.

For this purpose, the Working Group on HSR (WG/HSR) has been created, consisting of the heads of the Division of Health and Human Development and the Division of Health Systems and Services Development, who have the primary responsibility for cooperation in HSR at the regional level. The WG/HSR is being coordinated by the Director of the Division of Health and Human Development, and the Coordinator of the Program on Public Policy and Health of that same division is in charge of the Secretariat.

In each country, responsibility for the implementation of the activities in support of the national HSR processes rests with the PAHO/WHO Representative and his/her technical team. In contrast to many PAHO cooperation activities, support for the national reform processes requires a multidisciplinary approach involving experts from different fields to address the various dimensions involved in—or affected by—the reform.

To provide more effective orientation for PAHO support of HSR, a position paper was prepared that analyzes the principal characteristics of the reform processes in the Region.[7] This work indicates the main areas of PAHO cooperation in the reform processes with regard to the leadership, organization, and financing of the health sector. It mentions the modalities that the cooperation should adopt, as well as the division of responsibilities within the Secretariat concerning the different operational components and aspects involved. After a broad internal discussion, a final version of the document was prepared incorporating the observations from the units at Headquarters, the centers, and the Representative Offices in the countries.

To assist the activities in support of the national reform processes, a system for the collection, processing, and dissemination of literature on HSR was established at the Secretariat. This system organizes the documentation obtained by country and by subject, constituting an original collection in the Region that, by early 1996, already boasted more than 1,500 titles. Based on this collection, an annotated bibliography on the reform has been published that represents the most relevant scientific-technical product for assisting the different actors interested in this area.

Special attention was also devoted to the development of methodologies and instruments, in an attempt to design and/or adapt some technical tools necessary for the implementation of the reform initiatives. A comprehensive series of manuals and technical guidelines on the organization and management of health services at the local level was also prepared and placed at the disposal of the governments to support the decentralization processes, which have been confirmed as one of the key components of the sectoral reform. Methodologies and instruments for health sector analysis were developed, and the quality and response capability of the health services, as well as the implementation of management information systems in health, were evaluated. An instrument for analyzing the supply and demand for human resources was designed and applied in seven countries, within the context of the sectoral reform. A position paper has been prepared to orient studies on the labor market in nursing within the context of the reform.

A guide for health sector analysis was prepared with contributions from the programs specializing in the topics involved, for use in identifying the sector's priority problems in order to justify and formulate the reform. Support is being provided for a special study on the creation of basic health care packages, while information on the most relevant regional experiences in this area has been disseminated to all the countries. An annotated bibliography has been published on new ways of organizing health systems and services within the context of the sectoral reform and managed health care, as a

[7] This same analysis was used as the basis for the preparation of the first draft of the interagency position paper submitted to the Special Meeting.

contribution to the aforementioned workshop on this topic in Uruguay. A document is also being published that contains targeting criteria and discusses some practical experiences of the health and nutrition programs in this area, based on material produced for a seminar on this topic promoted jointly with EDI and UNICEF in Ecuador.

Finally, the training and updating of the technical staff of the Secretariat and the Representative Office in the countries on the most relevant topics of the reform processes was promoted. This was accomplished through information dissemination, seminars and internal workshops, and participation in formal training activities.

6. Future Activities in Support of Health Sector Reform

Beginning in 1996, the order of priority for PAHO activities in support of HSR is expected to be reversed, a phenomenon that will intensify in the coming years. Action at the country level should be granted higher priority and receive the necessary interagency support and support from the PAHO Secretariat, as indicated below.

6.1 *Cooperation with National Processes*

Despite its budgetary constraints, PAHO has programmed an extensive program of cooperation activities to support the national HSR processes for 1996 and subsequent years. The priority assigned to these activities will be constantly reassessed at both the national and regional level, in keeping with the emerging needs of the countries, the possibilities of working on an expanded regional or subregional scale, and the availability of the Organization's own resources or those mobilized from other sources. These activities will concentrate on the following lines of work:

- *Direct Support.* This will involve intensifying the political dialogue with the authorities and national counterparts to foster opportunities for negotiation and consensus-building that will help to make the reform proposals viable. HSR should be viewed as one of the strategies for achieving greater equity, efficiency, and effectiveness in the health sector, instead of just another slogan with a temporary impact. To this end, efforts will be made to emphasize the links between HSR and the processes involved in the renewal of the health for all strategy, the search for equity in health, and the strengthening of Pan Americanism. In support of this, PAHO should emphasize the need to ensure the sustainability of the policies adopted by the national reform processes. This support will be based on the action of the PAHO/WHO Representative Office in each country, with the support of the regional programs. The WG/HSR will also compile and disseminate to the countries a regional directory of institutions and skilled experts who can provide support in the various fields of knowledge required for the reform. PAHO's policies, even its future strategic and programmatic orientations, should accord increasing priority to multisectoral

dialogue to promote progress in health, particularly with the sectors responsible for national economic development policies. Another aspect that needs to be emphasized in the cooperation with health sector reform processes is the promotion of social participation as a mechanism for endowing HSR with legitimacy and sustainability. How far will the current reform processes permit the societies involved, mainly the marginalized social groups, to exert real influence in defining health sector objectives and allocating sector resources? It is not enough simply to achieve greater coordination among the different state agencies or between the public and private producers of goods and services in health.

- *Monitoring*. In compliance with the mandates of the Summit and the Special Meeting, the Representative Offices will play a special role in the implementation of the scheme to monitor the progress of the reforms in the Region. At the same time, the national authorities and the cooperation agencies should provide the data and information needed to make this monitoring scheme viable. The monitoring will attempt to make maximum use of the information customarily produced by the countries. The WG/HSR will be responsible for processing the results of the monitoring, reviewing them with the participating agencies, and preparing the respective reports to the Organization's Governing Bodies. Special emphasis should be placed on monitoring and assessing the impact of HSR on the poorest countries and the most vulnerable social groups within each country. In formulating and implementing HSR, the actors involved should be especially careful not to cause even greater harm to population groups at a disadvantage due to their political, social, economic, cultural, or health situation. Here it should be noted that even policies that pursue egalitarian objectives can be very inequitable when the same treatment is given to groups that are very different.

- *Inter-American Network*. Also in compliance with the mandates of the Summit and the Special Meeting, the PAHO/WHO Representative Offices in the respective countries will be responsible for promoting the affiliation of institutions and representatives of the executive and legislative branches of government, universities, the private sector, NGOs, and health care providers and users with the Inter-American Network for HSR. It is hoped that the principal actors involved in HSR in the Region will gradually contact each other directly through this network. PAHO will facilitate access to directories and discussion groups via E-mail or other media, in order to facilitate communication among network members.

- *Leadership and Human Resources Development*. The Organization will continue to promote high-level forums on HSR to facilitate the building of a basic consensus among groups interested in the reform. In these activities, it will promote the participation of community organizations involved in health, who

have had less opportunity to participate in this process. It will also provide support for seminars and workshops to train key personnel in relevant technical and management areas in order to make implementation of the reform projects a viable undertaking. To this end, it will enlist the necessary collaboration from the schools of public health, the health administration programs, the national associations that participate in REDEFS, and other entities. Each Representative Office, center, and program or division should assume the responsibility for the training activities corresponding to their respective sphere of activity.

- *Sharing of Models and Experiences.* Emphasis will be placed on the promotion of exchanges between governments with common objectives and/or policies in HSR, under the assumption that similar experiences will stimulate information exchange and facilitate the incorporation of changes. In addition, the recommendations of the workshops between Canadian and Latin American experts mentioned in Section 3 will be implemented. Exchanges between the U.S. Health Care Financing Administration (HCFA) and its counterparts in the other countries of the Region on the management of national health insurance systems will be promoted. Likewise, greater information exchange will be encouraged between the Region and the other WHO regions that are undergoing important HSR processes, such as Europe and the Western Pacific. Each program or division should promote this line of work in its respective areas.

- *Research.* The Organization will promote and support health sector analysis to detect problems related to the organization, management, and financing of the health sector and identify opportunities for sectoral reform projects. In compliance with the recommendation of the PAHO Subcommittee on Health Services Research, a new call for research projects on HSR is being issued, competitions that will emphasize an examination of the sector's coverage deficits and the implications of the organizational and financial changes for equity and efficiency in health. In coordination with IDB, IDRC, ODA, USAID, and the World Bank, the Organization will seek better coordination of current research initiatives on HSR. The research promoted by these competitions will be geared toward supporting the countries in the formulation of their respective sectoral reform policies. The projects selected in each competition will be financed with resources from the regular budget earmarked for the Research Grants Program. At the same time, it will establish a mechanism for speedy dissemination of the results of the research in the Region on mechanisms and instruments for the implementation of HSR. This line of work will be the responsibility of the programs and divisions in charge of the respective topics, under the coordination of the Internal Advisory Committee on Health Research.

- *Information.* Scientific and technical information on the most relevant aspects of the reform will be collected and processed to facilitate access by policy makers,

managers, and other actors involved in the national HSR processes. The participation of the Latin American and Caribbean Center on Health Sciences Information (BIREME) and other sources of scientific and technical information in this effort will be a key element. Special priority will be given to the dissemination of information on instruments and mechanisms for the implementation of HSR. The PAHO/WHO Representative Offices and the regional centers and programs will be responsible for processing the technical information on the reform in their respective geopolitical or thematic areas, particularly with respect to non-conventional literature.

- *Mobilization of Resources.* PAHO will continue to promote the creation of external support groups for the national HSR processes, with the participation of bilateral and multilateral technical and financial cooperation agencies. At the same time, it will seek the support of multilateral and bilateral agencies for projects and initiatives related to HSR at the regional and country level. The creation and operation of external support groups for national HSR processes will remain an important aspect of this activity. Each PAHO/WHO Representative Office and each regional program or division will be responsible for this mobilization effort in its respective area, with the support of the Office of External Relations.

6.2 *Interagency Action*

When mobilizing interagency cooperation in support of the reform, PAHO should assign special importance to the health objectives defined by the countries, seeking the best possible balance with the objectives pursued by the other agencies--objectives that have also been defined by the countries. Here, interagency dialogue is analogous to the intersectoral dialogue that PAHO should promote at the national level to further the reform.

External cooperation should respect each country's autonomy in defining its national reform objectives and the policies for achieving them. While these agencies should insist that national authorities honor the international commitments collectively assumed by the countries, they should not impose the adoption of specific objectives or policies. In addition, given its complex and controversial nature, HSR is, par excellence, an area that requires a large dose of "local flavor" if it is to be successful. The reform, moreover, touches on many sensitive areas in which the action initiative is clearly national in scope.

Contacts with the agencies that comprise the Interagency Committee have lately been renewed in order to define the course of action in follow-up to the Summit and the Special Meeting. Efforts will be made to keep the Committee as a mechanism for consultation and coordination among the cooperation agencies working in sectoral reform

in the Region to increase the impact of the cooperation. At the same time, the dialogue between PAHO and each of these agencies will continue to be strengthened at the policy and technical levels. From the standpoint of PAHO, the following topics require priority attention from the Committee:

- Publication of the report on the Special Meeting, as the framework for the national reform processes and external cooperation to them;

- Formation of support groups for the national HSR processes, as in Chile;

- Implementation and validation of the scheme for monitoring HSR, mandated by the Summit and the Special Meeting;

- Support for the implementation of the Inter-American Network on HSR, also mandated by the Summit and the Special Meeting.

6.3 *Internal Activities of the Secretariat*

The Secretariat of PAHO will have to make an ongoing effort in the area of in-house training, institutional development, monitoring, and evaluation in order to respond effectively to the current and future challenges related to its cooperation in support of sectoral reform. Within the framework of the position paper on PAHO activities in support of sectoral reform, the operations of the WG/HSR as a coordinating mechanism for the Organization's activities in that field will be strengthened. An effort will also be made to extend this coordination mechanism to other programs and divisions interested in topics linked with the reform. Based on the experience amassed to date and bearing in mind the policies drafted by the Organization's Governing Bodies and the specific demands of the Member States, the following priorities can be identified for the internal activities of the Secretariat concerning the reform in the coming years:

- Identification, development, evaluation, formalization, and or validation of the instruments necessary for the implementation of HSR policies;

- Ongoing training of its technical staff for the acquisition of the knowledge and skills needed for situation analyses of the countries and response to their demands in regard to HSR;

- Greater communication with WHO and its regional offices to share experiences on support for the reform;

- Periodic reporting to the Governing Bodies of PAHO on the monitoring of the national HSR processes.

Annex

Annex

THE WHITE HOUSE

WASHINGTON

December 12, 1995

Dear Mr. Alleyne:

One year after we gathered together in Miami for the historic Summit of the Americas I wanted to let you know how important your personal attention has been to achieving progress in our Summit agenda.

Together we are building a true community of nations committed to the shared values of democracy and the promise of prosperity. Our close cooperation over the past year has been critical in this effort, and I look forward to a continuation of this same spirit as we further advance the Summit agenda.

We have already achieved a positive effect on people's lives by making progress in opening markets, improving health standards and combating corruption. Our efforts to stop money laundering and improve regional security contribute to the provision of safer homes for our people and our children. Our vision is bold but achievable. We must stay the course and continue to pursue full implementation of the Summit's Plan of Action.

PAHO has made an important contribution to this record by serving as Responsible Coordinator for Basic Health Care Services, and by hosting the ministerial meeting in October 1995, on health and the environment. PAHO's continued participation in Summit initiatives is vital, and we look forward to increasingly close and productive cooperation.

Sincerely,

Mr. George A. O. Alleyne
Director of the
Pan American Health Organization
525 23rd St., N.W.
Washington, D.C. 20037