



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



45th DIRECTING COUNCIL

56th SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., USA, 27 September-1 October 2004

Provisional Agenda Item 4.1

CD45/3 (Eng.)

26 July 2004

ORIGINAL: SPANISH

ANNUAL REPORT OF THE PRESIDENT OF THE EXECUTIVE COMMITTEE

1. Presented below, in compliance with Article 9.C of the Constitution of the Pan American Health Organization, is the report on the activities carried out by the Executive Committee and its various subcommittees between September 2003 and September 2004. During that time, the Executive Committee held two sessions: the 133rd Session, on 26 September 2003, and the 134th Session, from 21 to 25 June 2004. The Subcommittee on Planning and Programming held its 38th Session from 24 to 26 March 2004.
2. The Members of the Executive Committee during the period covered by this report were Argentina, Barbados, Costa Rica, Dominica, Dominican Republic, Honduras, Paraguay, Peru, and United States of America. Both sessions were attended by delegates of all nine Members. The 133rd Session was also attended by delegates from Canada, Mexico, and Puerto Rico. At the 134th Session, Canada, France, Mexico, and Spain took part in an observer capacity. In addition, the World Health Organization, four other intergovernmental organizations, and four nongovernmental organizations were represented.
3. The following Members were elected to serve as officers for the 133rd and 134th Sessions: Dominica (President), Honduras (Vice President), and Paraguay (Rapporteur).
4. During the 133rd Session, Argentina and United States of America were elected to serve on the Subcommittee on Planning and Programming on the expiration of the periods of office of El Salvador and Uruguay on the Executive Committee. Barbados was elected to serve on the Standing Committee on Nongovernmental Organizations on the expiration of the period of office of Jamaica on the Executive Committee.

5. The Committee set the dates for the 38th Session of the Subcommittee on Planning and Programming (SPP); the 134th Session of the Executive Committee; and the 45th Directing Council. The Committee also proposed topics for the agenda of the SPP session. In addition, the Committee examined and approved a protocol for reviewing collaboration with nongovernmental organizations in official relations with PAHO.

6. Pursuant to Resolution CD44.R14, the Committee established an open-ended working group for the review of PAHO's situation in the 21st century and appointed Argentina, Barbados, Costa Rica, and Peru as its representatives on the working group. The Committee also agreed that the nine Members of the Executive Committee, with support from the Secretariat, would draw up the terms of reference and work plan for the group.

7. At the 133rd Session, the Committee adopted eight decisions, which appear, together with a summary of the Committee's deliberations, in the Final Report of the 133rd Session (Annex A).

8. During the 134th Session, the Committee appointed the delegates of Dominica and Honduras to represent it at the 45th Directing Council, 56th Session of the WHO Regional Committee for the Americas, and selected the representatives of Costa Rica and Paraguay to serve as alternates for Dominica and Honduras, respectively. It also approved a provisional agenda for the 45th Directing Council. The Committee heard reports from the Subcommittee on Planning and Programming, the Award Committee of the PAHO Award for Administration, the Standing Committee on Nongovernmental Organizations, and the Working Group on PAHO in the 21st Century.

9. The following matters were also discussed during the 134th Session:

Program Policy Matters

- Progress Report of the Working Group on Regional Budget Policy
- Millennium Development Goals and Health Targets
- Observatory of Human Resources in Health
- Access to Medicines
- Scaling Up of Treatment within a Comprehensive Response to HIV/AIDS
- International Health Regulations: Perspectives from the Region of the Americas
- WHO's 11th General Program of Work
- Ten-year Evaluation of the Regional Core Data in Health Initiative

Administrative and Financial Matters

- Strategy for Increasing the Rate of Collection of Quota Assessments
- Report on the Collection of Quota Contributions
- Financial Report of the Director and Report of the External Auditor, 2002-2003
- PAHO Buildings and Facilities

Personnel Matters

- Statement by the Representative of the PASB Staff Association

General Information Matters

- Resolutions and Other Actions of the Fifty-seventh World Health Assembly of Interest to the PAHO Executive Committee

10. In addition, under “Other Matters,” the Director provided updates on the situation of three regional centers: the Pan American Institute for Food Protection and Zoonoses (INPPAZ), the Pan American Foot-and-Mouth Disease Center (PANAFTOSA), and the Caribbean Epidemiology Center (CAREC). She also updated the Committee on the Secretariat’s progress in implementing its Managerial Strategy.

11. At the 134th Session, the Executive Committee adopted 11 resolutions and 3 decisions, which appear, together with a summary of the presentations and discussions on each item, in the Final Report of the 134th Session (Annex B).

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PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



133rd SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 26 September 2003

CD45/FR (Eng.)
Annex A

CE133/FR, Rev. 1 (Eng.)
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FINAL REPORT

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FINAL REPORT

Opening of the Session

1. The 133rd Session of the Executive Committee was held at the Headquarters of the Pan American Health Organization (PAHO) in Washington, D.C., on 26 September 2003. The session was attended by representatives of the following nine Members of the Executive Committee elected by the Directing Council: Argentina, Barbados, Costa Rica, Dominica, Dominican Republic, Honduras, Paraguay, Peru, and United States of America. Also present in an observer capacity were representatives of Canada, Mexico, and Puerto Rico.
2. Dr. Álvaro Vidal Rivadeneira (Peru, President of the Executive Committee at its 131st and 132nd Sessions) opened the session and welcomed the participants, extending a special welcome to the new Members of the Committee just elected by the 44th Directing Council: Argentina, Barbados, and Costa Rica.

Procedural Matters

Officers

3. Pursuant to Rule 15 of its Rules of Procedure, the Committee elected the following Member States to serve as officers for its 133rd and 134th sessions:

<i>President:</i>	Dominica	(Hon. Herbert Sabaroche)
<i>Vice President:</i>	Honduras	(Mr. Elías Lizardo Zelaya)
<i>Rapporteur:</i>	Paraguay	(Dr. Julio César Velásquez)

4. Dr. Mirta Roses Periago, Director of the Pan American Sanitary Bureau (PASB), served as Secretary ex officio, and Dr. Carissa Etienne, Assistant Director of PASB, served as Technical Secretary.

Adoption of the Agenda (Document CE133/1)

5. Pursuant to Rule 9 of its Rules of Procedure, the Committee adopted the provisional agenda prepared by the Director (Decision CE133 (D1)).

Committee Matters

Election of Two Members to the Subcommittee on Planning and Programming

6. Argentina and United States of America were elected to serve on the Subcommittee on Planning and Programming on the expiration of the periods of office of El Salvador and Uruguay on the Executive Committee (Decision CE133(D2)).

Election of One Member to the Standing Committee on Nongovernmental Organizations

7. Barbados was elected to serve on the Standing Committee on Nongovernmental Organizations on the expiration of the period of office of Jamaica on the Executive Committee (Decision CE133(D3)).

Protocol for Reviewing Collaboration with Nongovernmental Organizations in Official Relations with PAHO (Document CE133/2)

8. Ms. Mary Lou Valdez (United States of America) explained that Document CE133/2 had been prepared by the Secretariat pursuant to a request made by the Standing Committee on Nongovernmental Organizations in June 2003, at which time the Standing Committee had consisted of Jamaica, Peru, and United States of America. The Standing Committee had felt that it needed more precise criteria to guide the reviews of relations with NGOs, and had recommended that the Executive Committee request the Director to develop a protocol for evaluating NGO performance. The document laid out a series of basic criteria to assist the Standing Committee in reviewing the activities of NGOs and making a recommendation to the Executive Committee concerning whether PAHO should maintain official relations with those organizations.

9. Drawing the Committee's attention to paragraph 8 of Document CE133/2, she noted that the first sentence should read: "If the response to any of the three criteria 4(a), 4(b), and 4(c) is negative, then Article 5 of the Principles Governing Relations between the Pan American Health Organization and Nongovernmental Organizations will no longer be considered applicable." In the English version of the document, the word "acceptable" erroneously appeared in place of the word "applicable."

10. On behalf of the Standing Committee, she thanked the staff of the Secretariat, especially Dr. James Hill, for drawing up the document.

11. The Delegate of Honduras suggested that an additional criterion for deciding whether to maintain official relations with an NGO should be the submission by the NGO

of duly audited financial statements attesting to the fact that the organization had the financial means to carry out the four-year programs of collaboration and the two-year work plans that it established with PAHO.

12. The Executive Committee approved, with the foregoing amendment, the Protocol for reviewing Collaboration with Nongovernmental Organizations in Official relations with PAHO (Decision CE133 (D4)).

Governing Body Matters

Dates and Proposed Topics for the 38th Session of the Subcommittee on Planning and Programming

13. The Director suggested that the Subcommittee on Planning and Programming (SPP) hold its 38th Session from 24 to 26 March 2004 and proposed that the Subcommittee consider the following topics, some of which arose from the deliberations and resolutions of the 44th Directing Council, while others related to matters raised by Member States during other recent Governing Body sessions and to WHO global initiatives that needed to be discussed at the regional level:

- Report of the Working Group on Regional Budget Policy
- Contribution of Health to the Achievement of the Millennium Development Goals
- Intensification of Cooperation with the Eastern Caribbean States
- Progress Report from the Working Group on PAHO in the 21st Century
- Observatory of Human Resources in Health
- Update on Management of Change in PAHO (work plan, goals, and indicators)
- Improving Access to Drugs
- Strengthening Health Systems for an Integrated Response to HIV/AIDS
- International Health Regulations: Perspectives from the Region of the Americas
- National, Subregional, and Regional Goals: An Instrument for Progress in Health Development
- Report on the Regional Consultation on the WHO General Program of Work
- Ten-year Evaluation of the Core Data Initiative

14. Delegates suggested several additional topics, including suicide prevention, which was a public health priority in the Region; road traffic injuries, which would be the theme of World Health Day in 2004; and technical support for decentralization and regionalization processes, which were under way in the majority of countries in the region. With regard to the item on the contribution of health to the achievement of the Millennium Development Goals, it was pointed out that countries need technical guidance for the development of indicators to measure progress towards the goals. Several delegates felt that the discussion should focus in particular on primary health care, given the level of interest in the topic exhibited during the recent Directing Council and the decision to carry out a year-long series of activities to commemorate the 25th anniversary of the Declaration of Alma-Ata. It was also felt that the issues of social protection in health and extension of universal access to health services should be considered in relation to this item. In addition, it was suggested that discussion of the Millennium Development Goals might be combined with the discussion of national, subregional, and regional goals as an instrument for achieving health development.

15. It was also suggested that the items on improving access to drugs and strengthening health systems to respond to HIV/AIDS might be combined, as the issue of access to medicines invariably came up in discussions of HIV/AIDS. However, several delegates felt that it would be preferable to keep the two items separate, as combining them might hinder consideration of the full range of issues involved in each case.

16. Regarding the update on management of change in PAHO, it was suggested that the Secretariat should present some information on the role of the Pan American Centers and on the composition of PAHO's workforce, both at Headquarters and in the country offices, including information on the current situation and on expectations for the future with respect to workforce composition. In relation to the report of the Working Group on Regional Budget Policy, one delegate expressed the hope that the discussion might include considerations relating to the presentation of budget information.

17. Strong support was expressed for the Secretariat's proposal to discuss the International Health Regulations at the regional level. It was pointed out that the Region of the Americas might also make a valuable contribution to WHO's efforts in the area of global surveillance.

18. The Delegate of Argentina announced that the Cuban delegation had asked him to submit a document prepared by Cuba on integrated management of childhood illness (IMCI) for possible consideration by the Governing Bodies in the coming year. The Delegate of Puerto Rico said that his delegation would like to have the opportunity, during one of the upcoming Governing Body sessions, to share information on an

innovative, low-cost health promotion program (“Salud te recomienda”) recently launched by Puerto Rico’s Department of Health.

19. Finally, it was suggested that the SPP should perhaps examine the possibility of developing a procedural protocol aimed at streamlining sessions of the Directing Council and helping the Council to work more efficiently. In particular, it was proposed that delegations might be asked to focus their comments during meetings specifically on the issues or resolutions under consideration. They could be given the opportunity to present more extensive information on the health situation or on initiatives under way in their respective countries by other means, for example through exhibits or special information sessions or through submission of written reports.

20. The Director explained that the customary practice was for the Executive Committee to authorize the Secretariat to develop the agenda, taking into account the topics proposed by delegates and the mandates of the Governing Body on some items. If the Members were in agreement, the Secretariat would analyze the list of proposed items and put together a provisional agenda for the Subcommittee’s 38th Session. In so doing, it would look at whether some items might be combined, bearing in mind, among other considerations, the intended outcome of the Subcommittee’s deliberations. She pointed out that it was not necessary for all items to be considered three times—first by the Subcommittee, then by the Executive Committee, and finally by the Directing Council. As the Subcommittee was the body concerned with management and programming matters, it made sense for it to focus on the items relating to management issues. On some items—primary health care, for example—which, pursuant to resolutions adopted by the Member States, would obligatorily be considered by the Directing Council in September 2004, it might be sufficient for the Secretariat simply to present a brief progress report during the SPP session. Another possibility would be to hold technical information sessions outside the Subcommittee’s normal working hours. That approach, which had worked well during the recent Directing Council, would afford opportunities for discussion of some of the topics proposed by Member States while keeping the number of formal agenda items manageable.

21. The Committee decided that the 38th Session of the Subcommittee on Planning and Programming would be held from 24 to 26 March 2004 and agreed that the Secretariat would draw up the agenda for the Session, bearing in mind the foregoing considerations (Decision CE133(D5)).

Dates of the 134th Session of the Executive Committee

22. The Committee decided that its 134th Session would be held from 21 to 25 June 2004 (Decision CE133(D6)).

23. The Delegate of the Dominican Republic recalled that the 44th Directing Council had highlighted the desirability of occasionally holding Governing Body meetings outside PAHO Headquarters, as a means of heightening the visibility of the Organization and fostering greater understanding of its work among people in the member countries. He therefore proposed that Committee consider holding its 134th Session in the Dominican Republic.

24. The Director thanked the Delegate for his invitation and said that the Secretariat would confer with the Government of the Dominican Republic to assess the feasibility of holding the session in that country.

Dates of the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas

25. The Committee decided that the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas, would be held from 27 September to 1 October 2004 (Decision CE133(D7)).

Other Matters

26. The President drew the Committee's attention to Resolution CD44.R14, which called on the Executive Committee to establish an open-ended working group for the review of PAHO's situation in the 21st Century. The group's membership was to comprise, among others, selected Members of the Executive Committee. The resolution asked the working group to prepare its terms of reference and work plan with input from the Member States and present its report to the 134th Session of the Executive Committee. The Committee would then review the report of the working group and make recommendations to the 45th Directing Council.

27. The President proposed that the Committee appoint Argentina, Barbados, Costa Rica, and Peru to the working group.

28. In the discussion that followed, it was clarified that, although those four countries would be the official representatives of the Executive Committee on the working group, participation in the group's meetings would be open to all Member States. To encourage the broadest possible participation, the Committee asked the Secretariat to inform Member States of the dates of the group's meetings and to circulate any relevant documentation well in advance. To make the most efficient use of resources and facilitate participation, it was suggested that the group might wish to schedule its meetings at times

when Member States would be gathering for other meetings, in particular those of the Governing Bodies.

29. The Director pointed out that, while the intent of the resolution was that participation in the group should be open to all Member States, it might be difficult to formulate the terms of reference and work plan in a very large group. She therefore proposed that, before opening up the group to participation by other parties as indicated in the resolution, the nine Members of the Committee, with support from the Secretariat, confer with one another—electronically, telephonically, or in writing—and come to an agreement regarding the terms of reference and work plan.

30. The Committee agreed to the Director's proposal and appointed Argentina, Barbados, Costa Rica, and Peru to represent it on the working group (Decision CE133(D8)).

Closing of the Session

31. The Director thanked the Members for their participation and expressed her gratitude to Peru for its service as President of the Executive Committee in 2002–2003. She assured the Committee that the Secretariat would circulate the proposed agenda for the SPP as soon as possible and that it would also begin work promptly on the terms of reference and work plan for the working group on PAHO in the 21st century.

32. The President thanked the delegates for their vote of confidence in electing Dominica to the presidency of the Committee and declared the 133rd Session closed.

Decisions

33. In the course of the 133rd Session, the Executive Committee took the following decisions:

CE133(D1) Adoption of the Agenda

Pursuant to Rule 9 of the Rules of Procedure of the Executive Committee, the Committee adopted the agenda submitted by the Director (Document CE133/1).

(Single meeting, 26 September 2003)

CE133(D2) Election of Two Members to the Subcommittee on Planning and Programming

Argentina and United States of America were elected to serve on the Subcommittee on Planning and Programming.

(Single meeting, 26 September 2003)

CE133(D3) Election of One Member to the Standing Committee on Nongovernmental Organizations

Barbados was elected to serve on the Standing Committee on Nongovernmental Organizations.

(Single meeting, 26 September 2003)

CE133(D4) Protocol for Reviewing Collaboration with Nongovernmental Organizations in Official Relations with PAHO

The Committee approved the protocol, as amended, for reviewing collaboration with nongovernmental organizations in official relations with PAHO (Document CE133/2).

(Single meeting, 26 September 2003)

CE133(D5) Dates and Proposed Topics for the 38th Session of the Subcommittee on Planning and Programming

The Committee decided that the 38th Session of the Subcommittee on Planning and Programming would be held from 24 to 26 March 2004, at the Headquarters of the Pan American Health Organization in Washington, D.C. The Committee authorized the Secretariat to prepare the agenda for the session, bearing in mind the topics proposed by Members and requests from the PAHO or WHO Governing Bodies that certain items be included on the agendas of PAHO's Governing Bodies in 2004.

(Single meeting, 26 September 2003)

CE133(D6) Dates of the 134th Session of the Executive Committee

Pursuant to Article 17.A of the PAHO Constitution, the Committee set the dates for its first regular session in the year 2004, the 134th Session, to be held from 21 to 25 June 2004.

(Single meeting, 26 September 2003)

CE133(D7) Dates of the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas

Pursuant to Article 12.A of the PAHO Constitution and Rule 1 of the Rules of Procedure of the Directing Council, the Committee authorized the Director to convene the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas, for the period 27 September to 1 October 2004.

(Single meeting, 26 September 2003)

CE133(D8) Establishment of a Working Group on PAHO in the 21st Century

Pursuant to Resolution CD44.R14, the Executive Committee established a working group to review the situation of PAHO in the 21st century. The Committee appointed Argentina, Barbados, Costa Rica, and Peru to represent it on the working group. The Committee also agreed that the nine Members of the Executive Committee, with support from the Secretariat, would draw up the terms of reference and work plan for the group.

(Single meeting, 26 September 2003)

IN WITNESS WHEREOF, the President of the Executive Committee and the Secretary ex officio, Director of the Pan American Sanitary Bureau, sign the present Final Report in the Spanish and English languages, both texts being equally authentic.

DONE in Washington, D.C., United States of America, on this twenty-sixth day of September in the year two thousand three. The Secretary shall deposit the original texts in the archives of the Pan American Sanitary Bureau and shall send copies thereof to the Member States of the Organization.

Herbert Sabaroche
Delegate of Dominica
President of the 133rd Session
of the Executive Committee

Mirta Roses Periago
Secretary ex officio of the 133rd Session
of the Executive Committee
Director of the Pan American Sanitary Bureau

AGENDA

1. Opening of the Session

2. Procedural Matters

- 2.1 Election of the President, Vice President, and Rapporteur of the Executive Committee
- 2.2 Adoption of the Agenda

3. Committee Matters

- 3.1 Election of Two Members to the Subcommittee on Planning and Programming on the Expiration of the Periods of Office of El Salvador and Uruguay on the Executive Committee
- 3.2 Election of One Member to the Standing Committee on Nongovernmental Organizations on the Expiration of the Period of Office of Jamaica on the Executive Committee
- 3.3 Protocol for Reviewing Collaboration with Nongovernmental Organizations in Official Relations with PAHO

4. Governing Body Matters

- 4.1 Dates and Proposed Topics of the 38th Session of the Subcommittee on Planning and Programming
- 4.2 Dates of the 134th Session of the Executive Committee
- 4.3 Dates of the 45th Direction Council, 56th Session of the Regional Committee of WHO for the Americas

5. Other Matters

**LIST OF PARTICIPANTS
LISTA DE PARTICIPANTES**

**Members of the Committee
Miembros del Comité**

Argentina

Dr. Carlos Vizzotti
Subsecretario de Regulaciones Sanitarias e
Investigación de Salud
Ministerio de Salud
Buenos Aires

Sebastián Molteni
Secretario
Representante Alterno de Argentina ante la
Organización de los Estados Americanos
Washington, D.C.

Barbados

Hon. Jerome X. Walcott
Minister of Health
Ministry of Health
St. Michael

Mr. Lionel Weekes
Permanent Secretary
Ministry of Health
St. Michael

Dr. Beverly Miller
Chief Medical Officer
Ministry of Health
St. Michael

Members of the Committee (cont.)
Miembros del Comité (cont.)

Costa Rica

Dra. María del Rocío Sáenz Madrigal
Ministra de Salud
Ministerio de Salud
San José

Dominica

Hon. Herbert Sabaroche
Minister of Health and Social Security
Ministry of Health and Social Security
Roseau

Dominican Republic/República Dominicana

Dr. José Rodríguez Soldevila
Secretario de Estado de Salud Pública y Asistencia Social
Secretaría de Salud Pública y Asistencia Social
Santo Domingo

Honduras

Lic. Elías Lizardo Zelaya
Secretario de Salud
Secretaría de Estado en el Despacho de Salud
Tegucigalpa

Paraguay

Dr. Jorge Palacios
Director General de Planificación y Evaluación
Ministerio de Salud Pública y
Bienestar Social
Asunción

Members of the Committee (cont.)
Miembros del Comité (cont.)

Peru/Perú

Dr. Álvaro Vidal Rivadeneira
Ministro de Salud
Ministerio de Salud
Lima

Dr. Julio Pedroza
Director Ejecutivo
Oficina General de Cooperación Internacional
Ministerio de Salud
Lima

United States of America/Estados Unidos de América

Ms. Ann Blackwood
Director of Health Programs
Office of Technical and Specialized Agencies
Bureau of International Organization Affairs
Department of State
Washington, D.C.

Ms. Ginny Gidi
International Health Officer
for the Americas
Office of Global Health Affairs
Department of Health and Human Services
Washington, D.C.

Ms. Mary Lou Váldez
Associate Director for Multilateral Affairs
Office of Global Health Affairs
Department of Health and Human Services
Rockville, Maryland

**Observers
Observadores**

***Other Members States
Otros Estados Miembros***

Canada/Canadá

Ms. Patricia Hoes
Senior Advisor
International Affairs Directorate
Health Canada
Ottawa

Mr. David Strawczynski
Program Officer
International Affairs Directorate
Health Canada
Ottawa

Mexico/México

Dr. Víctor Arriaga
Director General
Dirección General de Relaciones Internacionales
Secretaría de Salud
México, D.F

Lic. Manuel Herrera Rábago
Representante Alterno de México ante la
Organización de los Estados Americanos
Washington, D.C.

Associate Members
Miembros Asociados

Puerto Rico

Dr. Raúl G. Castellanos Bran
Director
Oficina de Coordinación de OPS/OMS Puerto Rico
Departamento de Salud
San Juan

Pan American Health Organization
Organización Panamericana de la Salud

Director and Secretary ex officio of the Committee
Directora y Secretaria ex officio del Comité

Dr. Mirta Roses Periago
Director
Directora

Advisers to the Director
Asesores del Director

Dr. Joxel García
Deputy Director/Director Adjunto

Dr. Carissa Etienne
Assistant Director/Subdirectora

Mr. Eric J. Boswell
Director of Administration
Director de Administración

Dr. Daniel López Acuña
Director of Program Management
Director de Gestión de Programas



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



134th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 21-25 June 2004

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FINAL REPORT

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FINAL REPORT

Opening of the Session

1. The 134th Session of the Executive Committee was held at the Headquarters of the Pan American Health Organization (PAHO) on 21-25 June 2004. The session was attended by delegates of the following nine Members of the Executive Committee elected by the Directing Council: Argentina, Barbados, Costa Rica, Dominica, Dominican Republic, Honduras, Paraguay, Peru, and United States of America. Delegates of Canada, France, Mexico, and Spain also attended in an observer capacity. In addition, the World Health Organization, four other intergovernmental organizations, and four nongovernmental organizations were represented.

2. Hon. Herbert Sabaroche (Dominica, President of the Executive Committee) opened the session and welcomed the participants, extending a special welcome to the observer countries and to the representatives of the various intergovernmental and nongovernmental organizations. He noted that some 200 years earlier Benjamin Disraeli had said that health was the foundation upon which happiness and the powers of the state depended. He thought those were good words to bear in mind as the Committee went about its work.

3. Dr. Mirta Roses (Director, Pan American Sanitary Bureau) also welcomed the participants. As was reflected in the documents before the Committee, considerable progress had been made in the various areas of work since the March session of the Subcommittee on Planning and Programming, and she looked forward to receiving continued guidance on PAHO's work from the Committee. She was confident that the session would be a very productive and fruitful one, marked by good humor and a spirit of camaraderie among the participants. She noted that Dr. José Rodríguez Soldevila (Dominican Republic) would be participating for the last time as an official delegate to the Executive Committee, as he would be retiring in August. Dr. Rodríguez Soldevila had been a great leader of the primary health care movement and had made many valuable contributions to the governance and development of the Organization through the years. She hoped that the Committee would take full advantage of his wisdom and experience.

Procedural Matters

Officers

4. The following Members elected to office at the Committee's 133rd Session continued to serve in their respective capacities at the 134th Session:

<i>President:</i>	Dominica	(Hon. Herbert Sabaroche)
<i>Vice President:</i>	Honduras	(Dr. Manuel Antonio Sandoval Lupiac)
<i>Rapporteur:</i>	Paraguay	(Dr. Julio César Velázquez)

5. Argentina was appointed to serve as Rapporteur pro tempore for the last day of the Session, owing to the absence of Paraguay on that day. The Director served as Secretary ex officio, and Dr. Joxel García, Deputy Director of the Pan American Sanitary Bureau (PASB), served as Technical Secretary.

Adoption of the Agenda and Program of Meetings (Documents CE134/1, Rev. 1, and CE134/WP/1, Rev. 1)

6. In accordance with Rule 9 of its Rules of Procedure, the Committee adopted the provisional agenda prepared by the Secretariat (Decision CE134(D1)). The Committee also agreed with the program of meetings.

Representation of the Executive Committee at the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas (Document CE134/3)

7. In accordance with Rule 54 of its Rules of Procedure, the Executive Committee appointed the delegates of Dominica and Honduras, its President and Vice President, respectively, to represent the Committee at the 45th Directing Council. Costa Rica and Paraguay were designated as alternate representatives for Dominica and Honduras, respectively (Decision CE134(D2)).

Provisional Agenda of the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas (Document CE134/4 and Document CE134/4, Rev. 1)

8. Dr. Joxel García (Deputy Director, PASB) presented the provisional agenda prepared by the Director in accordance with Article 14.B of the PAHO Constitution and Rule 7 of the Rules of Procedure of the Directing Council. The Committee adopted the agenda with the addition of several items proposed by the Director or by Member States, namely, reports on the Extraordinary Meeting of the Hemispheric Committee for the Eradication of Foot-and-Mouth Disease, the 13th Inter-American Conference of Ministers of Labor, the November 2003 meeting of the Regional Advisory Committee on Health Research, and a report on reducing the impact of disasters on health, in connection with the preparations for the World Conference on Disaster Reduction to be held in Kobe, Japan, in January 2005. The Director noted that, as requested by the 44th Directing Council, a special session would be held during the week to commemorate the 25th anniversary of the Alma-Ata Conference and renewal of the commitment to the primary

health care strategy. In addition, it was hoped that the newly elected Secretary-General of the Organization of American States would address the Council.

9. In response to a question concerning the Jacques Parisot Award, Dr. García explained that the award was a fellowship for research in public health or social medicine, awarded every two years by the Jacques Parisot Foundation to a recipient selected from among three candidates proposed by one of the WHO regions. Candidates were nominated by the various regional committees on a revolving basis. It had been the turn of the Region of the Americas to submit nominations in January 2004; however, because the nominations had to be reviewed first by the Regional Advisory Committee on Health Research (ACHR), which had not met until November 2003, the 44th Directing Council had been unable to approve the nominations. The nominations recommended by the ACHR would therefore be submitted to the 45th Directing Council for approval and would then be forwarded to the award selection panel in January 2005.

10. The Delegate of Canada recommended that the Secretariat schedule the various awards ceremonies early in the week in order to ensure that as many ministers of health and other high-level delegates would be present to properly acknowledge the award recipients.

11. The Committee adopted Resolution CE134.R3, approving the provisional agenda, as revised.

Committee Matters

Report of the 38th Session of the Subcommittee on Planning and Programming (Document CE134/5)

12. Dr. Carlos Vizzotti (Argentina, Vice President of the Subcommittee on Planning and Programming) reported on the Subcommittee's 38th Session, which had taken place from 24 to 26 March 2004. The Session had been attended by representatives of the following Members of the Subcommittee elected by the Executive Committee or designated by the Director: Argentina, Barbados, Brazil, Canada, Guatemala, Honduras, Peru, and United States of America. Representatives of Mexico had also attended in an observer capacity. The Subcommittee had elected Barbados to serve as President for the 38th Session. Argentina had been elected Vice President and Brazil had been elected Rapporteur.

13. The Subcommittee had discussed the following items: Millennium Development Goals and Health Targets; Observatory of Human Resources in Health; Access to Public Health Supplies; Scaling-up Health Systems for an Integrated Response to HIV/AIDS; International Health Regulations: Perspectives from the Region of the Americas; Ten-year Evaluation of the Regional Core Data in Health Initiative; Progress Report of the Working

Group on Regional Budget Policy; Strategy for Increasing the Rate of Collection of Quota Assessments; WHO's 11th General Program of Work. As all those topics were also to be discussed by the Executive Committee at the 133rd Session, he would report on the Subcommittee's comments on each one at the time that it was taken up by the Committee.

14. Additionally, under "Other Matters," the Director had updated the Subcommittee on the outcome of a recent conference on foot-and-mouth disease and on the status of three regional centers: the Pan American Institute for Food Protection and Zoonoses (INPPAZ), the Caribbean Epidemiology Center (CAREC), and the Pan American Foot-and-Mouth Disease Center (PANAFTOSA). The Subcommittee had requested that she present a fuller report on the financial situation of the three centers during the present session of the Executive Committee. The Subcommittee had also heard a brief update on the activities of the Working Group on PAHO in the 21st Century. A fuller report on that would also be presented during the Executive Committee's 134th Session. Summaries of the presentations and discussions on each of the aforementioned items could be found in the Final Report of the Subcommittee's 38th Session (Document SPP38/FR).

15. The Executive Committee took note of the report and thanked the Subcommittee for its work.

Progress Report of the Working Group on PAHO in the 21st Century (Documents CE134/6, CE134/6, Add I., and CE134/INF/1)

16. Hon. Jerome Walcott (Barbados, President of the Working Group on PAHO in the 21st Century) recalled that the Working Group on PAHO in the 21st Century had been established by the Executive Committee at its 133rd Session, pursuant to Resolution CD44.R14. The Committee had designated Argentina, Barbados, Costa Rica, and Peru as members of the Working Group. The Group had held its first meeting in Dominica in February 2004. In addition to the aforementioned members, Antigua and Barbuda, Bahamas, Chile, Dominica, France, Mexico, United States of America, Uruguay, and Netherlands Antilles had been represented.

17. Prior to the first meeting, the proposed terms of reference for the Group had been made available in a special chat room on the PAHO website for comment by Members of the Executive Committee. Those terms of reference, which were agreed at the Dominica meeting, were as follows: (1) Challenges in Public Health in the Americas for the Coming Years, (2) Regional and Global Public Health Goods in the 21st Century and Their Relationship with PAHO, (3) Evolving Nature of Partnerships and Alliances in International Development in Health Pertinent to PAHO's Role, (4) Modalities of Technical Cooperation in Health, and (5) Governance of PAHO. During the meeting, the Working Group had agreed to add a sixth topic to the terms of reference: Resources for

Health. The Group had also identified a number of relevant subpoints to be considered under each of the main topics. The subpoints were listed in Document CE134/INF/1.

18. The second meeting of the Working Group had been held in March 2004, immediately before the 38th Session of the Subcommittee on Planning and Programming. At that meeting it had been agreed that between March and May 2004 the members of the Working Group would each prepare a preliminary analysis of one of the terms of reference, seeking support as needed from the PAHO country offices, the regional offices, and other sources deemed appropriate. The topic “Evolving Nature of Partnerships and Alliances in International Development in Health Pertinent to PAHO’s Role” had been assigned to Peru; “Regional and Global Public Health Goods in the 21st Century and Their Relationship with PAHO” had been assigned to Argentina; “Modalities of Technical Cooperation in Health” had been assigned to Costa Rica; and “Governance of PAHO” had been assigned to Barbados. In addition, it was agreed that the Secretariat, which had been asked during the first meeting to undertake the analysis of “Challenges of Public Health in the 21st Century,” would prepare an amended version of its analysis. The topic “Resources for Health” had been subdivided into four subtopics, and it had been agreed that, to avoid duplicating effort, the analysis in the area of financial resources would be undertaken in collaboration with the Consultative Group on the Regional Program Budget Policy. The United States of America, which had participated in all the meetings of the Working Group, had been asked to prepare the preliminary analysis on human resources at PAHO. The analysis of scientific/technical and intangible resources had been entrusted to the Secretariat.

19. It had been expected that all the preliminary analyses would be distributed for comment by Member States before the end of May, but that had not occurred. Only four analyses had been distributed and only one country had commented thus far. Document CE134/6, Add. I, contained summaries of the preliminary analyses prepared by Argentina, Barbados, Costa Rica, Peru, and the United States, as well as the second draft of the Secretariat’s analysis of public health challenges. Other analyses assigned to the Secretariat are under development.

20. Member States were asked to submit their comments on the preliminary analyses by 16 June 2004. The analyses would then be amended accordingly and made ready to be discussed at the next meeting of the Working Group, which would take place on 26 and 27 July in Costa Rica. Minister Walcott concluded his report by thanking the members of the Group and the other Member States that had taken part in the Group’s work. He also expressed appreciation to the Secretariat for its support and cooperation.

21. The Delegates of Argentina, Barbados, Costa Rica, and Peru then gave brief overviews of their respective countries’ analyses of the various terms of reference. Minister Walcott said that Barbados’s paper on “Governance of PAHO” began with a

definition of governance and discussed the present governance structure of PAHO. It then examined the changes and evolution of the Organization's governance over the past 100 years, including its relationship with WHO. It went on to look at PAHO in the future and at the greater role which civil society organizations would play, highlighting the need for PAHO and Member Governments to develop systems for greater transparency and information-sharing. The document also made the point that, to enable PAHO to react effectively to the challenges of globalization and the changing needs of Member States, certain organizational reforms would be needed, including changes in governance, budgeting, and resource allocation. The main governance issues to be addressed were divided into three categories: structure and Governing Bodies of PAHO, functioning of PAHO, and relationships with stakeholders. The paper raised a number of specific issues under each of those headings, some of which were mentioned in the summary contained in Annex II of Document CE134/6, Add.1.

22. Dr. Pilar Mazzetti (Peru) said that the document her country was preparing on the "Evolving Nature of Associations and Alliances in International Health Development" focused mainly on how to enable the Organization to take full advantage of the presence of a variety of new actors in order to advance health development in the Region. There was a long tradition of associations and alliances in the political, social, and economic spheres that had contributed to important accomplishments in international public health. The phenomenon of globalization had led to the emergence of new types of actors and new types of alliances and associations. Those new actors included other sectors, such as the education sector and the economics and finance sector, whose influence on the health sector was undeniable. Others important actors were multilateral agencies, bilateral agencies, regional organizations, financial agencies, private foundations, private companies, civil society, religious groups, nongovernmental organizations (NGOs), professional associations, schools of medicine and other university institutions, and the mass media.

23. The leadership role of PAHO could be weakened by the presence of these new and influential actors and by new and changing scenarios, unless strategies were developed to enable the Organization to adapt to the new context. Such strategies should be aimed at (1) developing PAHO's capacity for coordinating and promoting dialogue among actors; (2) strengthening ties with civil society; (3) building specific partnerships for specific purposes with the new actors in order to make the best use of these associations and alliances; and (4) supporting multipurpose fora, which was part of the new "language" of interrelationship among the countries. By cultivating the skills and competencies needed to take advantage of these new relationships, PAHO would become stronger and more responsive to countries' needs and it would be able to use its work with associations and alliances as a powerful development strategy.

24. Dr. María del Rocio Sáenz Madrigal (Costa Rica) said that her country's analysis of "Modalities of Technical Cooperation in Health" had been guided by the concept of "cooperation among all and for all" in the area of health. The analysis highlighted a number of factors and trends that would influence how PAHO delivered technical cooperation in the future, including a new public health context with new risks and benefits, coexistence of old and new public health problems, a new role for ministries of health, involvement of new actors, new forms of cooperation, the need for evidence-based responses to public health challenges, the need to increase resources, creation of networks, the role of the private sector, and the role of universities.

25. In light of those factors, the document identified several needs with regard to technical cooperation. One was the need for innovative approaches to hemispheric cooperation, including building and taking advantage of the capacities and strengths of countries themselves, seeking or providing support for strategic partnerships and defining the rules of the game for such partnerships, and, possibly, reexamining the way in which countries were currently classified with regard to international technical cooperation and moving towards a classification based on geographic inequities among populations, progress with regard to the development goals of the Millennium Declaration, or other criteria. Other issues raised included the role of PAHO in cooperation at the country, subregional, regional, and global levels and the need for the Organization to carefully define its cooperation strategy with countries in order to make the best use of its limited resources and achieve the best possible results. In addition, the document emphasized the importance of addressing gaps in health and defining where countries wished to go and how PAHO could help them to get there, and it signaled the need to ensure a necessary and sufficient workforce for that purpose, including a balance between staff assigned to PAHO Headquarters and personnel in the country offices and country participation in personnel performance evaluation and oversight. Finally, the document identified several challenges to be addressed in future work with regard to modalities of technical cooperation, including definition of an organization and work plan, opening up the discussion to other Member States and motivating them to participate, and achieving integration with other initiatives, such as the IDB/World Bank/PAHO Shared Agenda and the efforts to attain the goals of the Millennium Declaration.

26. Dr. Carlos Vizzotti (Argentina) summarized the content of his country's paper on "Regional and Global Public Health Goods in the 21st Century and their Relationship to PAHO," which sought to define what constituted a public good and to identify PAHO's role in the management of regional public health goods. Public goods generated benefits that could not easily be limited to a single purchaser or group of purchasers. Unlike private goods, they were in the public domain and were accessible to everyone. Public goods included such diverse things as world peace, environmental equilibrium, and economic stability. In the case of global public goods, the benefits extended beyond national and regional frontiers. With globalization, many public goods had become global

public goods that could not easily be supplied by countries without some type of international cooperation. Globalization had also modified the nature of health challenges, creating “international health problems,” which could be defined as health problems, challenges, and activities that transcended national borders, that might be influenced by circumstances in several countries, and that could best be addressed through cooperative processes.

27. In this new context, what was PAHO’s role in assisting countries in addressing health needs and ensuring the supply of regional public health goods? Some suggestions included, first, a joint analysis, by Member States and the Secretariat, of the regional public health goods most needed by the countries of the Region. Another major role for PAHO was providing reliable, high-quality information and facilitating equitable access to information for all Member States. In addition, the Organization could assist countries through support for consensus-building and strengthening of the capacity for negotiation and implementation of international agreements in health; joint negotiations for the procurement of drugs and strategic health supplies and technologies; support for regional economic evaluation studies to assess the costs of regional and subregional interventions to control HIV/AIDS, malaria, tuberculosis, and other diseases; characterization of strategies used in disease prevention and control, and dissemination of best practices; definition of priority countries by type of regional health problem and support to assist them in jointly addressing problems such as malaria or Chagas’ disease; and cooperation in identifying regional health needs and coordination of efforts to address them, including encouraging regional development banks to provide financing for health initiatives and supporting the joint production of regional public health goods.

28. In the discussion that followed, Members thanked the Working Group for its efforts and commended the various countries for the abundance of interesting ideas and suggestions put forward in the preliminary analyses. The Secretariat was asked to comment on how those ideas and suggestions would be incorporated into the Organization’s programming and work. It was pointed out that the Working Group process offered an ideal opportunity to find a way to tie together all the various parallel efforts being carried out in different areas, both within the Organization and beyond it in the broader international development community. In the area of HIV/AIDS, for example, multiple agencies were involved in multiple initiatives across the Region, and some mechanism of coordination was needed in order to avoid duplication of effort and ensure that the various parties involved were not working at cross-purposes. Within PAHO, too, it was important to find ways of linking the work under way on the various Program Policy Matters discussed by the Committee during the week. In that connection, it was suggested that a space for general comments be created on the Working Group’s website. At present, space was allotted only for specific comments on the various preliminary analyses. Providing space for general comments would not only enable countries to

comment on the process as a whole, but it might also serve as a means of beginning to consolidate the various documents and comments.

29. The Secretariat was also asked to ensure that the information posted on the website for the Working Group was made available in both English and Spanish and that the website itself was easily accessible, as some delegates had indicated that they had experienced difficulty in accessing the site. It was suggested that the PAHO/WHO Representatives (PWRs) should also be asked to encourage stakeholders in their respective countries of assignment to submit their comments by the 16 July deadline.

30. The Representative of the Inter-American Development Bank said that the IDB viewed the Working Group process as a very positive thing and had been pleased to consider a request for support of that process. It was expected that the request would be approved shortly. He agreed that there was a great need for coordination among the various international cooperation agencies and pointed out that the Shared Agenda could serve as a coordination mechanism and also as a means of advancing the Working Group's efforts to define a new strategic agenda for PAHO. The IDB currently had two initiatives which could lend support, in particular, for the Group's work in the area of regional public goods. One was a fund for projects related to the provision of regional public goods. The amount currently available in the fund was \$5 million,¹ but in 2005 it would rise to \$10 million. In addition, the Bank was providing support for the development of a methodology for the selection and dissemination of successful experiences in the area of health. The aim was to establish a permanent space on the Internet to disseminate information on successful experiences and best practices and to make the methodology available for countries to use in assessing health experiences. The methodology itself would thus be a regional public good.

31. The President of the Working Group, responding to a request from a delegate that he review the Working Group's timeline for completing its work and reporting to the Directing Council, said that the comments received by 16 July would be incorporated into the various documents, which would then be carefully reviewed by the Working Group at the next meeting in Costa Rica. The Working Group would also look at a short-term budget and timeline for its future work. The six documents would, thereafter, have to be consolidated into one document, for which purpose the Working Group would require assistance from the Secretariat. It was not expected that the Working Group would make a formal presentation to the 45th Directing Council in September 2004; however, it was hoped that the consolidated document would be ready for discussion at that time—perhaps in a round table in which Member States could provide additional comments and input. After that, some empirical evidence would need to be gathered to complete the document.

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

For example, certain aspects of the functioning of PAHO would need to be evaluated and certain data would need to be reviewed.

32. The Working Group would submit its final report, with conclusions and recommendations, to the 46th Directing Council in 2005. It would then fall to the Directing Council to take action on those recommendations in order to ensure that the Group's work did not end merely in a collection of papers but in concrete outcomes that would transform PAHO for the good of all countries.

33. The Delegate of Costa Rica thanked the IDB for its willingness to provide support for the Working Group's meeting in her country and for the continuation of the Group's work. She recalled that the Working Group had been established at the initiative of Member States and stressed the need for all countries to participate in its work in order to enable the Group to fulfill the mandate given to it by the 44th Directing Council.

34. The Director assured the Committee that the Secretariat was fully cognizant that the Working Group was a country-led initiative and that it stood ready to provide whatever support the Group needed to accomplish its mandate. The Secretariat would take steps to address any technological problems that were hindering Member States' access to the Working Group documents, and it would involve the PWRs to a greater extent in disseminating the documents and encouraging all countries to participate actively in the process. It would also endeavor to make available to the Working Group and to all Member States a wealth of information that existed within the Secretariat but that had not, to date, been widely distributed. One example was a recent study on staff distribution and staffing trends, which could be a valuable input for the Group's work in the area of human resources. The Working Group might also find it useful to examine the evaluations of the Organization's country cooperation strategies which PAHO was undertaking in various countries, using a methodology agreed with WHO.

35. She felt that the Working Group could make an enormous contribution to PAHO's growth, both from a technical perspective and from an institutional and policy standpoint. One of the things that had been lost through the years was the existence of a unit within the Secretariat devoted specifically to institutional development. The consultation with Member States within the Working Group could help fill that void. Input from Member States would also be beneficial in another area in which the Organization had a weakness: the formal expression of certain policies. PAHO had long been a strong supporter of and partner with the countries in subregional integration initiatives, for example, but it had no explicit policy on the matter, and there had never been a formal discussion of the topic by the Governing Bodies. Indeed, with the exception of the resolution in 1983 on decentralization and the role of the PWRs and the 1995 document on Pan Americanism and technical cooperation among countries, there had been virtually no debate in the Governing Bodies on policy elements of institutional management and the management of

technical cooperation. The Working Group's discussion of such issues was therefore most welcome.

36. Although the Secretariat had not sought or received any additional resources for such processes of institutional reflection and self-examination, it was certainly grateful for the support being offered by the IDB for the Working Group and would welcome suggestions from Member States as to how additional resources could be mobilized to sustain similar processes.

37. As to the way in which the Secretariat would utilize the ideas and recommendations emanating from the Working Group, she pointed out that some recommendations would be noncontroversial and easy to implement. Such recommendations would be adopted immediately. Indeed, some of the Working Group's suggestions were already being put into practice. In other cases, the Working Group's suggestions had not yet been refined to the extent that they could be taken as clear recommendations, and it would therefore be necessary to allow time for further discussion and await formal guidance and recommendations from the Directing Council. She concluded by reiterating that the Secretariat was firmly committed to supporting the Working Group process and believed that it would strengthen the Organization as an institution and enhance its ability to respond to the countries' cooperation needs.

38. The Executive Committee thanked the Working Group for its efforts and encouraged all Member States to comment promptly on the preliminary analyses.

Report of the Award Committee of the PAHO Award for Administration, 2004 (Documents CE134/7 and CE134/7, Add. I)

39. Mrs. Roxana Terán de De la Cruz (Costa Rica) reported that the Award Committee of the PAHO Award for Administration, 2004, consisting of the representatives of Costa Rica, Dominica, and Paraguay, had met on 23 June 2004. After examining the documentation on the candidates nominated by the Member States, the Committee had decided to confer the award on Dr. Gastão de Souza Campos, of Brazil, for his outstanding contribution to the transformation of the health care model in his country through the development of a management method that increased the democratization of health services.

40. The Committee adopted Resolution CE134.R11, endorsing the decision of the Award Committee and extending congratulations to the other candidates and appreciation to the Member States that had submitted nominations.

Report of the Standing Committee on Nongovernmental Organizations in Official Relations with PAHO (Documents CE134/8 and CE134/8, Add. I)

41. Hon. Jerome Walcott (Barbados) reported that the Standing Committee on Nongovernmental Organizations (NGOs), composed of the representatives of Barbados, Peru, and United States of America, had considered one application submitted to it by the Director in accordance with the *Principles Governing Relations between the Pan American Health Organization and Nongovernmental Organizations*. After reviewing the background paper prepared by the Secretariat on the organization in question, the Latin American and Caribbean Women's Health Network (RSMLAC), the Standing Committee had decided to recommend to the Executive Committee that it admit RSMLAC into official relations with PAHO.

42. The Standing Committee had also examined documentation on the following five NGOs whose status as organizations in official relations with PAHO was due for review: Pan American Federation of Associations of Medical Schools (FEPAFEM), Latin American Federation of Hospitals (FLH), Inter-American College of Radiology (ICR), Pan American Federation of Nursing Professionals (FEPPEN), and Latin American Association of Pharmaceutical Industries (ALIFAR). In addition, pursuant to Resolution CE132.R9 adopted by the Executive Committee in June 2003, the Standing Committee had reexamined the status of two inter-American NGOs whose official relations had been renewed for one year, with the understanding that the status of their activities and performance in accordance with an agreed collaborative work plan would be reviewed again at the meeting of the Standing Committee in June 2004. Those two NGOs were the International Organization of Consumers Unions (CI-ROLAC) and the Pan American Union for the Control of Sexually Transmitted Diseases (UPACITS, formerly ULACETS).

43. After a brief presentation by the respective NGOs and comments from the PAHO Secretariat, and in light of the written information provided on collaborative activities between each of the following NGOs and PAHO, the Standing Committee had decided to recommend to the Executive Committee that it authorize continuation of official relations with ICR, ALIFAR, FLH, FEPAFEM, FEPPEN, and CI-ROLAC for a period of four years.

44. The Standing Committee recommended that official relations between PAHO and the Pan American Union for the Control of Sexually Transmitted Diseases (UPACITS, formerly ULACETS) be discontinued.

45. The Committee endorsed the recommendations of the Standing Committee, adopting Resolution CE134.R7.

Program Policy Matters

Progress Report of the Working Group on Regional Budget Policy (Documents CE134/9 and CE134/9, Add. 1)

46. Dr. Karen Sealey (Area Manager, Planning, Program Budget, and Project Support, PAHO) introduced the item. She began by apologizing for the delay in distributing the document containing the proposed new budget policy, explaining that it had been due to the Secretariat's attempts to ensure maximum participation by Member States in the development of the policy. She recalled that, in order to obtain input from Member States for the budget policy revision, the Secretariat had set up a consultative group of national experts in planning, budgeting, and international development. That group met for the first time in March 2004, just before the 38th Session of the SPP. The Secretariat then conducted analytical work on the budget policy taking into account the comments formulated at this meeting and the recommendations of the consultative group. Subsequently, a second meeting of the consultative group had been held in mid-May 2004. Additional work had been undertaken in order to ready a proposal in time to be presented to the Executive Committee. That proposal was set out in Document CE134/9, Add. I.

47. She then outlined the content of the document, by reviewing the background and context for the revision of the Organization's budget policy. The major reasons identified included the expressed desire of Member States to review current allocation practices; the need to update the current policy, which dated from 1985, to reflect the current plans and directions of the Organization; the impact of Resolution WHA51.31, which had substantially reduced the allocation from WHO to the Region (although, fortunately, that decision had been rescinded during the Fifty-seventh World Health Assembly in May 2004); the approval of the new Strategic Plan and Managerial Strategy for PAHO during the Period 2003-2007, with an intensification of PAHO's country focus and the identification of five key countries; and the decisions of the 44th Directing Council, which had called for a review of the criteria for resource allocation among countries and the development of a more equitable, needs-based approach.

48. The document outlined the factors that were taken into consideration in formulating the proposed budget policy, including the development goals of the United Nations Millennium Declaration, which were now the major compass for the efforts of all development agencies; the increasing demand for PAHO support of regional and subregional integration processes in the area of health; the need to reflect PAHO's core values of equity and solidarity and to ensure performance of its core functions at all levels; the increased country focus; and the need to identify a needs-based methodology for allocating technical cooperation resources, which had been one of the most challenging aspects of the process. The document also delineated the relationship between the functional levels (country, subregional, and regional), areas of work, and organizational

units of PAHO, and described the contribution of each to the overall delivery of technical cooperation by the Organization. Under the proposed policy, the country portion of the allocation would go from 35% to 40%, and a new subregional component of 5% would be introduced. The subregional component represents work that directly or indirectly supports the country level but was being categorized to properly reflect work that takes place at the subregional level or in support of the health agenda on subregional integration processes.

49. The document went on to discuss the factors to be considered in the allocation of resources among countries. Those factors included, first and foremost, the principle of equity among countries, with the countries in greatest need receiving proportionately more, and solidarity in the resulting redistribution of funds, which would necessarily entail a reduction in the allocation of some countries in order to increase the allocation for others. Other factors were cooperation with all countries; the increasing demand for cooperation at the subregional level; flexibility to respond to changing needs in a timely fashion; and the impact of widely varying population size in the countries of the Region. The proposed approach to resource allocation comprised two tiers: core and variable funding. The core portion included two components: a floor portion, to ensure a minimum level of cooperation for all countries, and a needs-based portion that would be driven by the relative health and economic needs of countries. The variable tier would provide flexibility, making it possible to increase the allocation to countries on a short-term basis to enable them to accelerate the achievement of a collective priority or goal. Not all countries would be eligible for variable funding, and the criteria for their allocation might change over time, but those criteria would be made explicit in each biennial program budget (BPB) proposal.

50. Mr. Roman Sotela (Chief, Program Budget Unit, PAHO) then provided further details on the conceptual model that was being recommended for the Committee's consideration. That model, which was described in Annex B of Document CE134/9, Add. I, comprised five elements.

51. The first element of the model was a two-tiered approach to resource allocation. The second was a needs-based parameter—the health-needs index (HNI)—which ensured objectivity in the determination of need. It functioned as a surrogate marker of the degree of health needs, based on two well-known summary measures of health and its determinants: life expectancy at birth and gross national income per capita. (Annex B of the document showed the statistical formula used to derive the index.) The third element of the model was the grouping of countries into quintiles. This grouping was important because, although the index would serve to place countries in a relative order based on need, it was not necessarily the best measure to use for the actual allocation of resources, owing to inconsistencies in the underlying statistics. Grouping the countries into quintiles

would ensure that all countries in the same group would be treated the same in the application of needs-based criteria.

52. The fourth element was quintile weighting, or progressive distribution of resources, based on relative need. The idea behind progressive distribution was to preserve the principle of equity: those in greater need would receive a greater share of total resources. Thus, each successive quintile group would receive a proportionately larger share of resources than the group before it. The final element was population smoothing, which was a means of dealing statistically with the wide variation in population size among the countries of the Region. It ensured that small and medium-sized countries would have reasonable access to needs-based funds. At the same time, it ensured that, all else being equal, larger countries would receive more resources than smaller ones, although smaller countries would receive more per capita. Annex B showed the results of the application of the model, based on the level of resources approved for the 2004-2005 BPB, with a minimum floor allocation of \$500,000 per country and a progressive weighting scale of 50%, which meant that each successive percentile group received 50% more. The variations in the allocations shown in Tables 3 and 4 was due to differences in the population smoothing method applied (log squared or square root of the population). As Members would appreciate, the method used sometimes yielded substantially different results in terms of whether a given country's allocation would rise or fall. The Secretariat sought input from Member States on the best methods of progressive weighting and population smoothing, based on the desired allocation results and the distributive impact on equity.

53. Hon. Jerome Walcott (Representative of the Subcommittee on Planning and Programming) reported that the SPP had voiced firm support for the revision of the regional budget policy to reflect the current greater emphasis—by both WHO and PAHO—on country-level programs and activities. The Subcommittee had encouraged the Consultative Group undertaking the revision to look carefully at how the budget policy might be used to improve health for marginalized populations in the countries, including women, children, older adults, and indigenous groups, and at how the budget might be structured to be more effective at the country level, particularly for the countries in greatest need. Delegates had also stressed that the increase in resources at country level should be coupled with thorough oversight of the use of those resources, through monitoring, evaluation, and financial accountability. The Subcommittee had made several suggestions for the future work of the Consultative Group. With regard to the criteria for allocation of funds, it had been suggested that the Human Development Index could be a useful means of weighting allocations between countries in the Region. It had also been proposed that, in addition to examining the criteria for allocation and use of resources, the Consultative Group should look at possible mechanisms and strategies for mobilizing additional budgetary resources to enable the Organization to respond to the new demands being placed on it.

54. The Executive Committee thanked the members of the Consultative Group and the Secretariat staff for their hard work in drafting the new budget policy and devising the proposed model. Like the Subcommittee, the Executive Committee expressed solid support for the effort to revise the method of allocating the Organization's budget so as to make it more equitable, acknowledging that that effort responded directly to a request made by Member States themselves during the 44th Directing Council. It was pointed out that the revision process under way in the Americas was important not only because of the effect it would have in the Region, but also because it might well have a bearing on WHO's revision of the criteria for allocation of WHO regular budget resources to regions, pursuant to Decision WHA57(10).

55. The Committee indicated the constraints for commenting on Document CE134/9, Add. I, since it had not been made available in advance of the session. While delegates understood the reasons for the delay, some of them noted that they had not had sufficient time to obtain input from other officials in their respective governments, and that they were therefore not in a position to make substantive comments on the proposal. The Committee urged the Secretariat to circulate the proposal among all Member States and solicit their comments well in advance of the 45th Directing Council. It was suggested that it might also be advisable to hold a special consultation to give countries the opportunity to obtain more information and express their views on the proposal prior to the Directing Council.

56. A number of specific questions and concerns were raised with regard to the proposed policy and model. The Secretariat was asked to provide information on the formula used for calculating allocations under the 1985 budget policy and on how it differed from the proposed new methodology. Concerning the proposed minimum allocation of 40% to countries and 5% to the subregional level, more information was requested on how those levels had been determined and, specifically, whether the higher percentage for the country level was supported by data on the distribution of resources among functional levels for the different areas of work. Delegates also asked whether all sources of funding—including extrabudgetary funds and the probable increase in funds from WHO—had been considered in formulating the proposal. With regard to the five quintiles of countries, the Secretariat was asked to provide more information on how it had arrived at those particular groupings and where it had drawn the cut-off lines between groups. In addition, delegates asked whether, within the proposed needs-based allocation scheme, the five priority countries identified under the Strategic Plan would receive any special treatment.

57. While decided support was expressed for the allocation of proportionately more resources to countries in greater need, several delegates expressed concern about the possible impact of the consequent reductions in other countries. It was suggested that it might be possible to introduce some additional smoothing factors within each population

quintile to minimize the effects of any reductions. The Secretariat was asked to comment on whether, in applying the model, it had introduced any correction factors which might also help to mitigate the impact of reductions, such as correcting for inflation or taking account of the contributions that countries made towards the costs of maintaining the PAHO country offices, for example. It was emphasized that any reductions should be introduced gradually in order to give countries time to prepare for their impact and to complete any projects currently under way. It was pointed out that it was also important to introduce increases in funding gradually, as some recipient countries might not have the capacity to absorb a large increment all at once. In that connection, the need for thorough monitoring and evaluation of the use of resources at country level was underscored.

58. Several suggestions made at the 38th Session of the SPP in March were reiterated, notably that the Secretariat should prepare a composite chart showing how the budget policy was aligned with the Millennium Development Goals, the Summit of the Americas goals, and PAHO's Strategic Plan for 2003-2007, and that the Secretariat should prepare a presentation on the experience with the modality of work of technical cooperation among countries (TCC) in the Region over the previous 20 years.

59. Dr. Sealey thanked the Committee for its comments, which had provided good guidance on the areas in the proposal that still needed additional work or clarification. She found it heartening to know that delegates appreciated all the work that gone into the proposal and that they seemed generally to agree that the Secretariat was headed in the right direction. She indicated that the Secretariat would look very carefully at the Committee's suggestions—the one concerning use of additional smoothing factors within groups of countries, for example—with an eye to further refining the proposal before the Directing Council. The Secretariat would also take steps immediately to produce the composite chart showing the alignment of the budget policy with the various regional and global goals and mandates. With regard to the suggestion for a report on TCC, she noted that a document on the subject was currently being prepared and would be presented to the SPP in 2005.

60. Responding to the questions concerning the percentages to be allocated to countries and to the subregional level, she said that those proportions were supported by past experience and also by the global trend within WHO to move work closer to the countries. The Secretariat would undertake the analysis of the budgets for the current and previous biennia in order to provide more information on percentages allocated in the past to the various functional levels; however, it was known that the percentage currently going to the country level surpasses the 35% minimum set under the previous budget policy but has not yet reached the level of 40%. It also recognized that Member States were demanding that more be done directly at the country level. The factoring in of direct country contributions to the operation of the PWR offices is a variable that has not been keyed into the equation. In fact, the Consultative Group had felt that one of the advantages

of the model was that it would allow greater flexibility for rethinking—bilaterally, between PAHO and individual countries—the country presence and the arrangements at the country level after the new ceilings were set.

61. With respect to the key countries, one of the things that the Secretariat had looked for in the model was to ensure that they fell into the neediest group and thus were treated most favorably in the allocation of resources among countries. Although, depending on the statistical methods used, one or two of the key countries might sometimes come in for a small decrease in funding, the availability of variable funds under the two-tier system would make it possible to guarantee that, in fact, there would be no reductions for any of the key countries.

62. Concerning the formula for allocation of resources to countries under the policy adopted in 1985, the needs-based portion of the country allocation had been calculated on the basis of three indicators: infant mortality, population, and availability of health resources as measured by doctors per population. In the new formula, life expectancy at birth had been chosen partly because it was a summary indicator that reflected all the various factors that contributed to morbidity and mortality, including infant mortality.

63. As for whether other sources of funding had been considered in the proposal, they had. One of the things the Secretariat had tried to make clear was that the policy would guide budgeting of all funds, including extrabudgetary as well as regular funds. The possibility of an increase in the WHO allocation to the Region had also been taken into account, but it had been impossible to factor in any specific figures since it was not known when the redistribution would occur or how much the Americas would receive.

64. She wished to make it very clear that the Secretariat had recognized from the very beginning that the kinds of redistributions being contemplated would have to be phased in. It was not intended that the proposed changes in allocations should be implemented all at once; rather, they would be introduced gradually over two to three biennia. That phasing in would ensure that any commitments for ongoing projects were fulfilled. The Secretariat was also recommending that the policy be reviewed every six years (i.e., every three biennia) to ensure that it remained relevant and responsive to changing needs.

65. She assured the Committee that the Secretariat intended to use as many routes as possible to obtain feedback, in writing, from Member States prior to the Directing Council. One of the first routes would be to brief the PWRs so that they could encourage countries to examine the proposal and respond. It was not proposed to hold any additional consultation meetings, but the Secretariat was, of course, open to the wishes of Member States. In any case, she and the rest of the Secretariat staff involved in developing the proposal would be happy to confer with officials from individual Member States at any time in order to respond to their queries or concerns.

66. Mr. Sotela, replying to the question about the grouping of the countries, said that various numbers of groups had been modeled, ranging from three to twelve. The Secretariat had settled on five groups, or quintiles, because it seemed to be a number that offered a clear distinction of five different levels of need. It was important to avoid dividing countries into too many groups, because the result would approximate reliance on the actual indicator, which was precisely what the grouping of countries into quintiles was intended to prevent. Too few groups, on the other hand, did not give a clear enough separation of countries by need.

67. With regard to correcting for inflation, the results shown for illustrative purposes in Annex B of Document CE134/9, Add. I, were based on the approved 2004-2005 budget ceilings. As only one set of figures had been used as an example, no inflation factor had been incorporated. Inflation factors were incorporated, however, when the proposals for cost increases in the BPBs were developed. The Secretariat looked at both inflation and devaluation for all countries in order to assess their impact on the dollarized budget, although in the majority of cases, inflation and devaluation cancelled each other out. Most cost increases in the PAHO budget were accounted for by inflation in Washington, D.C., where there was no devaluation factor against the dollar.

68. The Director thanked the countries that had contributed their expertise to the Consultative Group. She felt that the budget policy revision process had been an excellent example of professional collaboration between the Secretariat and Member States, which had produced a concrete product in very little time and at very little actual cost to the Organization. Similar exercises carried out by other international organizations had cost hundreds of thousands of dollars. In addition, the process had yielded a policy and a model that did what Member States had called for so emphatically at the 44th Directing Council: distribute the resources of the Organization in a more equitable and needs-based manner. In her view, that made the proposal good news for everyone concerned.

69. Of course the redistribution would result in increases in the amounts allocated to some countries and reductions in the allocations to others, but those changes had to be looked at in the light of several factors. The regular budget funds shown in the tables in the document included both post and nonpost funds. If a post in a country were eliminated or converted from a United Nations post to a local post, then the amount of resources available for operational purposes in that country would increase significantly, although the total allocation would not change. Similarly, if a post were moved from Headquarters to a country or from one of the Centers to country level, the country would derive benefits from the presence of those experts, but, again, its actual allocation would not change. Hence, the allocation of regular funds was not a complete reflection of the amount of technical cooperation being provided.

70. It should also be borne in mind that, in addition to regular budget funds, countries received project funds. Moreover, the Organization was sometimes successful in mobilizing large amounts of resources for countries from donors, foundations, development banks, and other sources such as the Global Fund to Fight AIDS, Malaria, and Tuberculosis. As a result, the amount that a particular country actually received from the Organization might be several times more than its regular budget allocation.

71. Another factor to be considered, as the Committee had pointed out, was the contribution that Member States themselves made towards maintaining PAHO's presence at the country level. Some contributed substantially, whether through the provision of physical facilities, personnel, or payment of actual costs, while others did not. Under the model currently in effect, the poorest and smallest countries had historically contributed proportionally more to the support of the Organization's work at country level. The new model would make it possible to arrive at a more equitable arrangement.

72. Finally, as the Committee had also noted in 2006-2007, the amount available from WHO for countries was expected to increase, pursuant to the Director-General's decision to progressively move a greater proportion of WHO funds to Regions and countries. Those funds should also help to mitigate any reductions foreseen in comparison to other levels.

73. The Director felt that it was important to get the new budget policy in place as soon as possible so that it could be applied in formulating a budget proposal for the 2006-2007 biennium that would respond to the 44th Directing Council's call for a more equitable distribution of resources. She therefore encouraged the Committee to recommend to the 45th Directing Council that it adopt the policy.

74. In the discussion of the proposed resolution on this item, some delegates expressed the view that, because Members had had very little time to review the proposal, it might be premature to recommend any resolution to the Directing Council. Other delegates, however, considered it important to move towards adoption of a budget policy in September 2004 so that the new policy could guide the formulation of the BPB for 2006-2007. After further discussion and in light of the Secretariat's assurances that written comments about the policy would be requested from and disseminated to the Member States, and revisions and adjustments based on the additional inputs would be incorporated into the final submission to the Directing Council, the Committee adopted Resolution CE134.10.

Millennium Development Goals and Health Targets (Document CE134/10)

75. Dr. Ilona Kickbusch (Senior Advisor for Millennium Development Goals and Health Targets, PAHO) outlined the main elements of PAHO's approach to supporting

Member States in attaining the Millennium Development Goals (MDGs). She began by noting that mainstreaming of the goals into the work of PAHO had moved ahead very proactively since her report to the SPP in March. That explained the presence in the room of such a large number of PAHO staff from so many different program areas. They were all anxious to hear the Committee's comments and to continue receiving guidance on how PAHO could best assist countries in working towards the goals.

76. She went on to explain that the eight goals known as the Millennium Development Goals built on the United Nations Millennium Declaration, adopted in 2000. Those goals and their corresponding targets and indicators were listed in Document CE134/10. The document focused in particular on the goal relating to global partnership and, more specifically, on partnership within the Region and on how countries were supporting each other as they worked to achieve the goals. The document also stressed very strongly the need for a truly intersectoral effort throughout the Region. There was strong political commitment to the goals in the Region, as evidenced by the Brasilia Declaration and the effort to link the goals to the Summit of the Americas process. Almost all countries in the Region had now created a high-level political entity to follow through on the MDGs. Nevertheless, the kind of really committed intersectoral approach needed to achieve the goals still did not exist in many countries.

77. While the MDGs had given health much greater visibility and higher priority in the global development agenda, progress towards achievement of the health-related goals, especially in the PAHO priority countries, had been too slow, and even countries that might reach the MDG averages by the target date of 2015 would not do so among their most vulnerable populations. That was why, as the Director had so often stated, the foremost challenge of the MDGs for the Americas was overcoming the inequity in the Region. PAHO saw the MDGs as an entry-point into addressing inequities between population groups and moving forward to reduce them significantly.

78. The approach that the Organization was advocating to the health-related MDGs viewed them not as a separate undertaking but as an indivisible package, the achievement of which meant addressing all the myriad determinants of health, including the social and environmental determinants, but also the new global determinants. PAHO's approach to the MDGs was one that emphasized the synergy between health and overall development, poverty reduction, and enhanced quality of life. It was based on four principles: (1) country ownership, (2) accountable governance and targeted development, (3) costing for investment to reach the poorest population groups, and (4) policy, not charity. The document provided additional information on the approach and on the eight strategic goals for PAHO's work in supporting countries.

79. Some of the next steps in the Organization's work on the MDGs would include participation in upcoming meetings on the linkages between the MDGs and research and

between the MDGs and primary health care, support for a meeting of ministers of health on the MDGs immediately preceding the next Summit of the Americas, and incorporation of a stronger MDG focus into the Shared Agenda with the World Bank and the IDB. In addition, the process of mainstreaming the goals into all areas of work within PAHO would, of course, continue. In that connection, she noted that the Secretariat was working on tackling the challenge raised by the SPP of determining how much money PAHO was investing, directly and indirectly, in the MDGs. She concluded by emphasizing that, for PAHO, achieving the MDGs was truly a joint venture between the Organization and its Member States, its other international partners, the NGO community, and the academic community.

80. Dr. Carlos Vizzotti (Argentina, Vice President of the Subcommittee on Planning and Programming) said that the Subcommittee had applauded PAHO's commitment to helping all countries of the Region achieve the goals and targets set out in the Millennium Declaration and had voiced general support for the technical cooperation approaches and activities described in the document presented to the Subcommittee. Particular support had been expressed for PAHO's efforts to integrate its MDG-related work into existing programs and activities and its emphasis on the country level. Delegates had underscored the need for a sustained commitment over time and the need to incorporate the goals as an integral part of national policy frameworks, rather than approaching them as distinct, separate initiatives. The Subcommittee had also considered it important to link work on the MDGs with work on various other global and regional health and development initiatives, such as the Action Plan of the Summit of the Americas.

81. The Subcommittee had viewed resource allocation and mobilization as critical to countries' success in attaining the goals and had suggested that PAHO could help countries by helping them to calculate how much would need to be invested over the next 10 to 15 years. The Subcommittee had suggested that another way in which PAHO could support countries was by assisting them in programming their existing aid more efficiently and effectively, and in harmonizing and integrating the efforts of all international cooperation partners. Country-to-country cooperation had also been seen as a key strategy for mobilizing the necessary technical and financial resources, and PAHO had been encouraged to continue helping countries to forge such bilateral partnerships. Finally, the Subcommittee had emphasized the need for ongoing monitoring to track progress towards the MDGs.

82. The Executive Committee also welcomed PAHO's efforts to help countries achieve the MDGs, although it pointed out that the MDGs did not comprise the whole health agenda in the countries of the Region. Members expressed support for a number of the strategies and approaches mentioned in the document, particularly the emphasis on equity and on ensuring that the goals were met for all population groups. It was pointed out that differential approaches would be required within countries to address the specific

needs of different groups and that, often, certain groups in one country had more in common with similar groups in a neighboring country than they did with the rest of the population in their own country. That was true, for example, of indigenous groups and populations living along national borders. For that reason, every opportunity should be sought, particularly at the subregional level, for collaboration among countries that were facing similar challenges.

83. The alignment of PAHO's work on the MDGs with other initiatives, such as the Summits of the Americas, was applauded, as was the Organization's proposal to use existing planning and policy frameworks like the Poverty Reduction Strategy Papers. It was suggested that a particularly important role for PAHO would be to assist individual countries in identifying specific indicators to enable them to track progress towards the MDGs in the short, medium, and long terms and to call attention to areas where more effort was needed in order to achieve the goals. In addition, it was suggested that the Organization's technical team could make a valuable contribution by assisting ministries of health in orienting their planning and budgeting more effectively towards achievement of the goals.

84. Delegates made a number of suggestions both for enhancing PAHO's approach and for improving the document. The Delegate of Costa Rica, alluding to the strategic priorities for PAHO listed in paragraph 35 of the document, suggested adding "individual and collective" to the strategic priority that read "Protect health as a public good and human right." Otherwise, it might appear that the concern was only for the health of individuals, not health in its collective dimension. The Delegate of Canada underscored the importance of reflecting in the Organization's MDG strategy the key role of sexual and reproductive health in the attainment of a number of the targets. He also suggested that PAHO should develop an implementation timetable for its MDG work, indicating major milestones and deadlines for activities. The Delegate of Mexico proposed specific changes and additions to paragraphs 11, 12, 33, and 38 and said that his delegation would submit additional comments in writing. In particular, he suggested that the Secretariat should take a careful look at paragraph 12 in order to ensure that it did not give the impression that PAHO would lead the process of building partnerships and strategic alliances at country level. PAHO's function should be to support ministries of health in that process and to strengthen their capacity to forge such alliances in response to needs identified by the country itself.

85. The Delegate of the United States said that she, too, would be submitting written comments, which her delegation hoped would be taken into account by the Secretariat in revising the document prior to the Directing Council. The United States appreciated the changes that had been made to the document since its presentation to the SPP, but it was disappointed and concerned that some of the points raised during the Subcommittee session in March had not been taken into account. In particular, her delegation reiterated

its suggestion to more clearly define the approaches PAHO would use to assist countries in adapting the broadly defined goals and targets to specific programmatic actions with measurable outcomes. In paragraph 52, for example, it was very difficult to see how it would be possible to measure whether the activities listed were really having an impact in countries.

86. The United States was also concerned by the document's heavy focus on Goal 8, particularly as the targets and indicators identified for that goal had never been formally agreed to by Member States. Her delegation felt that too much emphasis was being placed on that goal, to the detriment of other goals that fell more within PAHO's mandate as a technical agency. The Organization probably did not have the competencies needed to undertake a systematic analysis of the larger contextual determinants of health identified in the document, and it lacked the mandate to enter into policy discussions on political or economic matters such as those mentioned in paragraphs 20 and 21. PAHO should focus, instead, on carrying out its technical mandate, particularly helping countries to build the necessary capacity to use data more effectively for policy development, for monitoring and evaluation of programs, and for strengthening of health systems and public health approaches. Concerning the section in the document that discussed resource mobilization and the need for increased official development assistance (ODA), she said that the United States was strongly committed to providing bilateral assistance to countries of the Region, as evidenced by the inclusion of three of PAHO's priority countries on the list of countries eligible to receive flexible direct aid through her government's Millennium Challenge Corporation. However, it felt that PAHO's focus, as a technical agency, should be on helping the health sector to make more efficient and effective use of its allocation of resources.

87. Finally, the United States renewed its objection to the use of the term "Millennium Development Goals" and to the implication in the document that the MDGs had been agreed to by Member States. What had been formally negotiated and agreed by heads of state was the United Nations Millennium Declaration, adopted in the year 2000. Thereafter, the United Nations, the World Bank, the OECD, and the IMF had developed what they called a road map towards implementation of the Declaration. The road map set targets and indicators for the goals included in the Declaration, and it was that set of goals, targets, and indicators that had come to be known informally as the "Millennium Development Goals." Nevertheless, the targets and indicators had never been formally agreed by Member States. For that reason, her delegation felt strongly that any resolution that was adopted on this matter should refer not to the Millennium Development Goals but—consistent with Resolution WHA55.19, adopted by WHO Member States in 2002—to the development goals of the United Nations Millennium Declaration.

88. The Delegate of Barbados, supported by the Delegate of Dominica, said that it was difficult to see how the Organization could avoid being concerned with the issues

addressed under Goal 8, given the nexus between health sector development and national development and between investment in health and macroeconomic development. All those things, in turn, were influenced by the global economic environment and by the twin issues of globalization and trade liberalization. While globalization had brought a tremendous number of benefits, it had also had a number of negative impacts, and smaller, more vulnerable open economies, such as those of the eastern Caribbean, were the ones which suffered the most. The resulting destabilization of important sectors of their economies compromised their ability to invest in health and education, two of the fundamental principles in the development goals. In his view, therefore, achieving the Millennium Development Goals had to be a collective undertaking of the international comity of nations, as called for in Goal 8. It could not be only a bilateral responsibility; all nations had to be involved, as did the Fortune 500 and other large companies around the world. If the discussion were restricted to bilateral cooperation, then many opportunities for promoting international health development would be lost.

89. With regard to the objections put forward by the United States concerning the expression “Millennium Development Goals,” while it was certainly true that the goals arose out of the United Nations Millennium Declaration, the term “Millennium Development Goals” was now widely used and commonly understood. The MDGs had been affirmed at the Monterrey conference and reaffirmed in the Brasilia Declaration, and the term had been used repeatedly during the present session of the Executive Committee. Moreover, the set of goals known as the MDGs had not introduced anything that had not been included originally in the United Nations Millennium Declaration. All of the goals and targets included in the MDGs were also in the Declaration, including Goal 8. That goal and its associated targets were identified in paragraphs 13, 15, 16, 18, and 20 of the Declaration. He therefore did not see any need to avoid using the term or to change the wording of the proposed resolution.

90. The Delegates of Argentina, Costa Rica, Dominican Republic, and Paraguay concurred with the view expressed by the Delegate of Barbados concerning use of the term “Millennium Development Goals” and the wording of the proposed resolution.

91. The Delegate of Argentina reported that the MDGs had been discussed at a meeting of the health ministers of South America held in his country the previous week. The participants had agreed that the objectives might need to be adapted to the reality of each region and had suggested establishing a specific problem tree with intermediate objectives and outcomes. They had also underscored the need for intersectoral and multidisciplinary action and had agreed on the importance of increasing cooperation with other partners, especially developed countries. Given the importance attached to the MDGs, it had been decided to continue the discussion during a meeting of ministers of health and environment to be held in June 2005 in Mar del Plata, Argentina. That meeting would carry on the work begun at the meeting of Health and Environment Ministers of the

Americas (HEMA) held in Ottawa in 2002 and would serve as input for the next Summit of the Americas, which would also take place in Argentina in 2005.

92. The Representatives of the IDB and the Inter-American Association of Sanitary and Environmental Engineering (AIDIS) commended PAHO for its efforts to assist countries in achieving the MDGs and offered the support of their organizations for those efforts. The Representative of the IDB reiterated the Bank's willingness to work with PAHO and with countries through the Shared Agenda. The Representative of AIDIS, noting that development of human resources would be crucial to attaining the MDGs, offered PAHO and Member States the support of his organization for that purpose and for the execution of other programs and activities that would contribute to the achievement of the goals.

93. Dr. Kickbusch assured the Committee that its comments would be taken into account, both in revising the document and in refining the Organization's approach to its technical cooperation and to its work with partners in initiatives such as the Shared Agenda. Emphasizing that PAHO believed very strongly in country ownership of the MDGs, she said that the Secretariat would look especially carefully at the concern raised by Mexico in relation to paragraph 12 of the document. She felt that the Executive Committee had made a very important point, one which the Secretariat had tried to reflect in the document, namely, that the MDGs were not something separate; they were part of a larger health agenda, and as such they were one expression of commitment to accountable health governance. Clearly, countries were at different levels of health progress, and for certain countries, the MDGs were a good first step in the move towards accountability, an inroad that would allow them then to widen the notion of health goals and targets to other issues that were central on their respective national health agendas.

94. She pointed out that a very important aspect of the MDGs was that they were more than just a set of goals: they were part of a global conversation about new modes of technical cooperation and joint accountability for progress. Some of that global conversation had just taken place within the Executive Committee. She felt that if PAHO could facilitate such dialogue, then it was making a valuable contribution towards a stronger political commitment to the achievement of the goals. Nevertheless, it was true that PAHO's uniqueness lay in the very specific technical contribution that it could make, and she hoped that that idea came across clearly in the document. It had not been possible, in a general strategic document, to share with the Committee everything that PAHO was doing in the way of technical cooperation on the MDGs, but by the time of the 45th Directing Council, the Secretariat hoped to have ready a brochure describing the many ways in which the different parts of the Organization had now made the MDGs part and parcel of their work.

95. Dr. Daniel Lopez Acuña (Director of Program Management, speaking at the request of the Director, briefly updated the Committee on some of the work being undertaken on the MDGs with the World Bank and other partners in the framework of the Shared Agenda and other initiatives. He reported, *inter alia*, on the outcomes of the various meetings of the High-level Forum on the Health MDGs, cosponsored by WHO and the World Bank, noting that those meetings had laid the foundation for a creative and fruitful dialogue on the MDGs between Member States and technical and financial cooperation agencies. He indicated that additional information was to be provided during the special briefing on the Shared Agenda and other international issues held during the week of the Committee's 38th Session.

96. The Director reemphasized that a major thrust of PAHO's work on the MDGs had been, and remained, to call attention to the fact that the Americas were still the most inequitable region in the world and that the MDGs, contrary to the perception that had prevailed in some quarters, were applicable to the Region. Unquestionably, the MDGs were only one part of the broader unfinished health agenda, but a common characteristic of all the items on that agenda was that they affected certain groups and communities disproportionately and unfairly. The MDGs offered an opportunity to highlight and remedy some of the disparities that existed between population groups in the Region and thus make significant headway in addressing the unfinished agenda and achieving greater equity. Another important aspect of PAHO's work was involving vulnerable groups themselves in the MDG process, whence the emphasis on communication and advocacy strategies.

97. With regard to Goal 8, PAHO's chief concern was increasing the flow of resources for health development. The Organization's work in the area of national health accounts and analysis of health sector financing had shown that another characteristic of the Region was the relatively small proportion of national budgets and total national expenditure devoted to the social sector in general and to the health sector in particular. But discussion of how to increase resources for health led inevitably to discussion of issues relating to greater solidarity and greater justice in financial flows between countries.

98. As the document emphasized, the Organization considered it important to take maximum advantage of the opportunities afforded by subregional and regional processes to strengthen political commitment to the MDGs. Several such opportunities had arisen recently in the framework of the inter-American system, including the High-level Meeting on Poverty, Equity, and Social Exclusion, held in Venezuela in October 2003, and the Special Summit of the Americas, held in Mexico in January 2004. The adoption of the proposed social charter, following the model of the Inter-American Democratic Charter adopted in 2001, would lend further political impetus to the MDG process. At the subregional level, too, the MDGs had now been incorporated into the agendas of the various subregional groupings, which had sought support from PAHO for that purpose.

Hence, from the standpoint of heightening political awareness of and support for the MDGs in the Region, substantial progress had been made. It was to be hoped that it would be sufficient to enable the Americas finally to shed the label of “most inequitable region in the world,” particularly as the failure to reduce the equity gaps between population groups was probably one of the most important reasons why the Region had not been able to make more progress in democratic governance or achieve sustainable economic growth.

99. Following extensive discussion and revision of the proposed resolution on this item, the Committee adopted Resolution CE134.R8, entitled “PAHO’s Contribution to the Development Goals of the United Nations Millennium Declaration.”

Observatory of Human Resources in Health (Document CE134/11)

100. The presentation on this item was given by Dr. Charles Godue (Unit Chief, Human Resources Development, PAHO), who noted that the reforms of the health sector undertaken in the 1990s had considerably widened the agenda of challenges, topics, and problems relating to the development of human resources. The focus had shifted to new processes or to processes with a new emphasis, encompassing issues such as performance, competence in the working environment, quality of human resources, human resource management, incentives, working conditions, and concerns about the impact of the process of reform itself on working conditions. Additionally, there had been a shift both in international development cooperation agencies and in national governments towards recognition of the growing importance of human resources as an essential and strategic dimension in the creation of viable policies on health, health services, and health systems. Human resources planning had thus evolved from a purely administrative matter into an essential strategic element of the steering function of health authorities.

101. Following the reforms of the 1990s, the approach to the topic of human resources had become more democratic, transparent, and participatory, a change to which the Observatory initiative had contributed. It had become a process which recognized the legitimacy of the interests of the parties concerned in a context as complex as human resources policies, and recognized also that the participation of the human resources themselves was essential to making policies viable. Human resources were no longer seen as simply an instrument for the implementation of health policies, but as an active agent of change or, when the principles of participatory democracy were not respected, as an active agent of resistance to the implementation of certain policies.

102. As with other aspects of public health, there was an unfinished agenda in the area of human resources, as evidenced by the persistence in numerous countries of the Region not only of acute shortages of health personnel, but also of profound imbalances in the distribution and composition of the health workforce. It was to address that unfinished

agenda that PAHO had launched the initiative of the Observatory of Human Resources in 1999. Nine countries had originally joined the initiative. Today they numbered 21.

103. The concept of the Observatory was simple to state but complex to implement. Its aim was to produce and disseminate information and knowledge in order to improve policy-making for human resources and to contribute to human resources development within the health sector through the sharing of experiences among countries. PAHO considered the observatory not as a bureaucratic structure, but as a flexible strategy which adapted itself to specific contexts and realities in the countries. It was meant to be a practical instrument for analyzing and prioritizing human resource problems and then formulating policies and interventions to address them. The information generated by the Observatory provided evidence for decision-making in the five main areas that comprised the steering function of health ministries with regard to human resources: policy formulation, human resource planning, regulation, education, and human resource management.

104. The actual costs of the Observatory initiative were extremely modest. The amount allocated for PAHO Headquarters, for example, in both the 2002-2003 and 2004-2005 biennia was \$120,000 in operational funds. The amount allocated by PAHO's country offices for the participation of national health officials in Observatory activities was only \$60,000 per biennium. However, as the country observatories were essentially an instrument based in and available for the use of health authorities in the countries, the bulk of the investment came from the countries themselves. The actual contribution of countries was the information which came from academia, working groups within ministries, regulatory bodies, and other sources, and the monetary value of that contribution was much higher. It was important to note that that fairly modest investment had created an extremely useful instrument for the health authorities in the participating countries.

105. Turning to the future development of the Human Resources Observatory, Dr. Godue said that a very important activity would be implementing the Observatory in all five priority countries. Currently there were observatories functioning only in Nicaragua and Bolivia, and PAHO hoped to extend the initiative to the other three as soon as possible. The Subcommittee on Planning and Programming had suggested that more intensive work should be undertaken on regional or subregional issues, and to that end PAHO intended to create fora for discussion on topics such as population mobility and access to health services, migration of health personnel, accreditation and reciprocity, and similar concerns shared by numerous countries in the Region. Other important areas of work in the future would be development of human resources policies to sustain new models of primary health care, public health workforce planning and human resources development in public health, and integrated approaches to the development of human resources, the latter with a view to creating a network of training and capacity-building

centers. Work would also need to be undertaken on the design of a proposal for monitoring and evaluation of the Observatory initiative itself, as recommended by the SPP.

106. Hon. Jerome X. Walcott (Barbados, President of the Subcommittee on Planning and Programming) reported that the Subcommittee had welcomed the help that the Observatory could give countries in the development of human resource policies, particularly with respect to difficult and complex problems such as human resource shortages, recruitment and retention of health professionals, and migration of health workers. Delegates had made several recommendations for the future work of the Observatory, including that it should focus on development of valid and reliable core data sets allowing comparisons across jurisdictions and across countries; that it should be not simply an academic research structure but a responsive, current, and relevant resource for policy- and decision-makers; that it should avoid duplication of effort and integrate its work with the work under way in parallel structures, including WHO and the Organization for Economic Cooperation and Development (OECD); and that it should continue to promote the view that health human resources are not just an important component of the health system, but its very foundation. The Subcommittee had also suggested that PAHO could offer a valuable and forward-looking service by hosting regular health policy fora that would bring together Member States to discuss issues of mutual interest, such as migration and accreditation of health professionals.

107. The Executive Committee applauded the Organization's attention to human resource issues, which, some delegates felt, had been largely overlooked in discussions of health sector reform. The Committee was also pleased with the revisions made to the document since the March session of the SPP and with the inclusion of financial information in the presentation. It was felt that the document now gave a much more balanced view of the persistent and newly emerging factors influencing human resources in health.

108. Because the range of topics covered by the Observatory was so broad, it was suggested that some basic objectives or a basic agenda of issues to be dealt with should be set, either at the regional level or at the subregional level, based on the concerns that were of greatest importance to the countries in each subregion. It was also suggested that the recent World Health Assembly resolution on migration of health personnel (Resolution WHA57.19) could provide a framework for PAHO's future work in relation to the multifaceted and complex issues of migration, human resources capacity, professional development, and recruitment and retention.

109. The Committee suggested that human resources priorities should include forecasting needs in terms both of numbers and of workforce composition; identifying competencies, including medical and nonmedical skills for professional and

paraprofessional staff; and designing curricula and learning delivery systems to meet those needs. A priority human resources issue for a number of countries in the Region was the total lack of certain specialized medical professionals. Some countries had a critical shortage of radiotherapists, for example. Countries needed guidance on how to remedy the shortage of those professionals—which was a fairly long-term undertaking, given the time needed for their training—while at the same time trying to meet the existing demand for their services. On a related issue, while progress had been made on academic certification and accreditation of health professionals, more work was needed on accrediting the training facilities where they learned their skills. That was true in particular of the practical component of technical training programs. Also in regard to training, the Secretariat was asked to provide an update on the status of the Virtual Campus of Public Health developed by PAHO and to indicate how that initiative was being integrated with the Observatory initiative.

110. It was pointed out that another area to be explored further was the informal health sector, particularly the impact on mortality and morbidity and the cost-benefit of self-care at the community level via traditional healers, midwives, and voluntary community health agents. If that information were then estimated in value terms and compared against international health accounts, an interesting perspective on those uncounted health benefits would be gained.

111. The President, speaking as the Delegate of Dominica, suggested that in terms of migration of health personnel, the document seemed to reveal a paucity of information from the Caribbean. Since migration of health personnel, particularly nurses, was such a major problem for the Caribbean region, greater attention should be paid to obtaining data on the issue. It was pointed out that the document also still lacked a defined evaluation strategy and that programs were more accountable if measurable objectives were clearly defined, enabling progress to be measured and weaknesses to be corrected. Some delegates felt that some steps should be taken to address that need before the document went forward to the Directing Council. If data were found to be lacking, then a strategy should be developed so that the initiative could be properly assessed in the future.

112. Dr. Godue, responding to the comment on the lack of specific and measurable objectives, which could assist PAHO in knowing whether it was heading in the right direction, recalled that the initial aim of the Observatory of Human Resources had been to generate an environment for interaction between the different stakeholders in the human resources area, to stimulate discussion and debate about available information on human resources, and to foster a process that would help the stakeholders reach agreement on what the key issues were and how they should be addressed at the national level. As the Committee had pointed out, the range of issues to be addressed in the various countries was extremely broad. But now that the Observatory had been in existence for five years, PAHO had a better perspective of what the main issues were and was therefore in a better

position to begin identifying specific objectives in terms of human resource policies and then to track their achievement over the coming years at regional or subregional levels.

113. The fundamental notion underlying PAHO's work through the Observatory thus far had been that, as an organization providing technical assistance, it would support processes within countries that responded to their specific needs, realities, and possibilities. What PAHO had tried to do was to offer the support and legitimacy of the Organization and to assist countries through the provision of documentation, best practices, methods, and other resources. However, the initiative had now reached the point where, while continuing to provide specific assistance tailored to individual countries, PAHO could also establish a more overarching agenda for the Region as a whole. That would make it easier to design an assessment methodology.

114. With regard to the Virtual Campus of Public Health, the two initiatives were indeed linked. In fact, the Observatory could be accessed from the website of the Virtual Campus. He recalled that the Virtual Campus had been created in response to concern that public health issues were being overlooked by the health sector reform processes of the 1990s and that, in some countries, the delivery of essential public health functions was deteriorating. That had led to the realization that greater investment in training was needed to develop an adequate public health workforce. The Virtual Campus was an attempt to respond to that need, using new approaches and technologies. However, information is almost nonexistent on the composition and profiles of the public health workforce in the Region; norms and methodologies for needs assessment and planning are urgently needed, and this is the potential contribution of the Observatory of Human Resources.

115. He agreed that migration of health personnel was an important issue for the Caribbean. It occurred elsewhere, too, but in the Caribbean subregion it was especially visible, and was creating obvious pressure on the health system. PAHO hoped to examine the issue in a systematic and practical way: not merely documenting what was happening but also exploring possible solutions, such as compensation arrangements between receiving countries and the countries that were training and then losing this human capital. To that end, the Organization hoped to involve the Caribbean countries to a greater extent in the Observatory initiative.

116. The Deputy Director noted that, as he reached the end of his first year in office, he had come to realize that one of the core health issues in the Region was that of capacity in countries, and of human resources in particular. He pointed out that the Observatory was only five years old, and that a great deal of effort and resources were being poured into the issue, which was vital not only for the survival of public health in the Americas but also for overall quality of life for the people in the hemisphere. He recalled that his native town was Arecibo, Puerto Rico, site of the largest observatory in the world. One of the things he had learned as a child was that an observatory, however powerful, could capture

a celestial body only if it produced or reflected light. In the human resources context, as well, countries had to ensure that they, too, were emitting light, in terms of their work on development of human resources policies and their attempts to change their health workforce based on real scientific data. Then the Observatory would be able to capture what was happening, and it would thus be able to make its contribution to achieving the best possible public health scenario for the Region as a whole.

117. The Committee adopted Resolution CE134.R9 on this item.

Access to Medicines (Document CE134/12)

118. Dr. José Luis Di Fabio (Area Manager, Technology and Health Services Delivery, PAHO), presented the document on this item, which outlined the proposed strategic lines of action for a PAHO work program aimed at improving access to essential public health supplies for the countries of the Region. He began by defining the concept of “essential public health supplies,” explaining that it included not only essential drugs but also pharmaceutical products and medical supplies that were required to achieve the goals of priority public health programs, as well as products whose rational use would have a direct impact on disease burden, prevention, and control.

119. The debate on access to essential public health supplies was taking place in all segments of society, with the fundamental question being how to achieve equitable access to the essential public health goods required to save and improve the lives of the peoples of the Americas, particularly the poor and marginalized. The mandate for PAHO’s work on the issue came from the goals established in the United Nations Millennium Declaration, which not only called directly for increasing access to affordable essential drugs in developing countries, but also included goals of which access to drugs formed a component: reducing child mortality, for example, and combating HIV/AIDS, malaria, and other diseases.

120. The strategic lines of action for WHO in this area focused on four components: policy, quality and safety, access, and rational use. Within the component of access, PAHO had identified four lines of action: promotion of coherent generic medicines policy, development of cost containment strategies, strengthening public health commodity supply systems, and capacity-building in procurement at national and regional level. The first step towards a coherent generic medicines policy was to try to define the concept of “generic,” as an essential prerequisite for moving on to the stage of establishing legislation and regulation. With the regulatory framework in place, it would then be necessary to establish reliable quality assurance systems to implement those regulations and ensure that the generic medicines were quality products. The next step would be to convince health professionals and the general public of their quality, and the final one would be to provide economic incentives for the manufacture, registration, prescription, and use of generics.

121. With regard to cost containment strategies, PAHO was focusing on two areas: pricing and intellectual property. In the area of pricing, the Organization would seek to assist countries in understanding the pricing process, developing tender options, and building negotiating capacity in order to promote competition, which was known to be the most effective method of reducing the price of medicines. It would also examine options such as price controls, which were one means of containing costs, though they were not necessarily the most effective one. In the area of intellectual property, PAHO's efforts would be directed towards helping countries understand and take advantage of the regulatory options provided under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement), such as voluntary and compulsory licensing, parallel imports, and options data protection. Another aspect of the work in this area would be monitoring of the effect that global, regional, and bilateral trade agreements were having on access to and prices of essential public health supplies.

122. PAHO's assistance to countries in the area of supply management would include mapping of supply systems in order to understand how the various countries were addressing supply management issues. PAHO would then be able to produce planning and programming tools, provide training in commodity management, and address issues of sustainability. In the area of procurement, there were many new actors offering funding resources to countries: the Global Fund to Fight Aids, Tuberculosis and Malaria, the Emergency Plan for AIDS Relief established by the President of the United States, and others. PAHO would continue working to help countries avail themselves of those resources. It would also assist them in identifying options for sourcing essential medicines and in handling issues of prequalification and registration. Pooled procurement, particularly for small countries, would secure economies of scale. PAHO could assist countries with pooled procurement through a revolving fund, such as the Revolving Fund for the Expanded Program on Immunization or the more recent Regional Revolving Fund for Strategic Public Health Supplies (commonly known as the Strategic Fund).

123. In addition to revision of the document and further development of the proposed program of work on generics, intellectual property, cost containment, and supply management, activities since the meeting of the Subcommittee on Planning and Programming had included the organization in April 2004 of a workshop on TRIPS and access to medicines. In connection with that event, a document had been produced which explained how to incorporate TRIPS within national legislation and offered a series of recommendations for government, civil society, and international organizations. More recently, the first meeting of the Working Group on Access had brought together PAHO technical units, WHO collaborating centers in the Region, the World Bank, CAN (the Andean Community), CARICOM, and some NGOs.

124. Resources allocated for the work on access to medicines amounted to \$125,000 from the 2004-2006 regular budget. A further \$450,000 in extrabudgetary resources was

currently under negotiation. Additionally, it was estimated that a further \$450,000 would be needed in order to achieve all of the objectives. In terms of human resources, the essential medicines unit at Headquarters was currently staffed by 1.5 professionals. They were assisted by staff in the PAHO country offices and the collaborating centers, but additional human resources would probably be needed.

125. Hon. Jerome X. Walcott (Barbados, President of the Subcommittee on Planning and Programming) reported that the Subcommittee had voiced solid support for PAHO's four main lines of action, and had identified a number of needs for achieving the objectives under each of them. With regard to generic drugs, the Subcommittee had agreed that there was a need to seek consensus among countries on the concept of "generic". It had also felt that attention needed to be paid to the impact of multilateral and bilateral trade agreements on access to medicines, particularly new ones such as antiretrovirals. The issue of drug quality had been considered extremely important. Given that government regulation of generic drugs was essential to provide reassurance to the public on their use, the Subcommittee had been pleased to see that one aspect of PAHO's work would be assistance to countries in establishing ground rules that would lead to public acceptance of generics. In the area of cost containment strategies, delegates had urged PAHO to provide advice that was unbiased and data-driven, and to take account of ongoing research and various models. PAHO had also been encouraged to build on a recent WHO study on drug pricing. Another area where PAHO had been encouraged to provide technical advice and support had been in the regulation of pharmacies in order to ensure that cost savings achieved at the wholesale level were not eaten away at the retail level.

126. The Subcommittee had noted that many countries needed to enhance their procurement processes and had felt that PAHO could provide valuable support for that purpose. It had been suggested that storage and transport conditions and physical plant status should be added to the items making up the review of the supply management chain. It had also been pointed out that countries needed assistance in forecasting their needs, for both drugs and nonpharmaceutical supplies, of which there were sometimes critical shortages in the Americas.

127. The Executive Committee also expressed support for the proposed program of work, emphasizing that addressing the needs of the two billion people without access to affordable medicines of quality must remain a priority issue for WHO, for PAHO, and for all Member States. Clarification was sought on the reasons for the focus on generic drugs, rather than on a broader national drug policy encompassing both branded drugs and generics. Delegates stressed that the work on cost containment should be strongly evidence-based. It was suggested that dissemination of price information could be added to the list of proposed actions, as well as an evaluation of price transparency throughout the Region. It was also pointed out that limited availability of laboratory capacity might be acting as a bottleneck in the evaluation and approval of new medicines, and it was

suggested that PAHO might help to strengthen the Pan American Network for Drug Regulatory Harmonization (PANDRH).

128. The Committee asked for clarification of whether PAHO was proposing a third fund, over and above the EPI Revolving Fund and the Strategic Fund, and also asked whether there had been any evaluation performed of the latter fund, looking in particular at why it had not been used to a greater extent. The Committee appreciated the inclusion of information in financial and human resources in the presentation and suggested that that information should also be added to the document.

129. The Delegate of the United States of America urged caution with respect to PAHO's involvement in assessing intellectual property matters as they related to medicines. Other efforts were under way, including those of the WHO Commission on Intellectual Property Rights, Innovation, and Public Health, which her delegation felt was the proper forum for consideration of the matter. However, it was also suggested that PAHO could provide technical and policy support, if asked, to Member States' efforts to take full advantage of the flexibility provided by TRIPS and the decision of 30 August 2003 from the General Council of the World Trade Organization in relation to public health problems.

130. Several Members provided information on their countries' programs for provision of medicines to their populations, and the Delegate of Canada reported that his country had recently changed its patent laws so as to make it easier for developing countries to obtain less expensive versions of patented pharmaceutical products needed in the treatment of HIV/AIDS, tuberculosis, malaria, and other public health problems.

131. Dr. Di Fabio said that the main purpose of encouraging the use of generics as an alternative to branded medicines was to bring the price of medicines down, through the mechanisms of competition. Expanding on the reasons for the focus on generics, he explained that the first essential step was to define what was meant by generic medicines. WHO did have a definition, but each individual country defined the term differently. Establishing the definition in that way then made it possible to provide the legal framework for the regulations that would guarantee product quality. After definition, and then legislation, the next step was quality assurance, which would eliminate from the market products of inadequate quality.

132. Turning to the issue of quality, he explained that in addition to its work aimed at strengthening the Region's regulatory authorities, PAHO was also seeking to reinforce the countries' quality assurance systems. One difficulty lay in the differences in the quality and ability of the regulatory bodies in the various countries. The Pan American Network for Drug Regulatory Harmonization brought together all of the regulatory bodies of the Region, and PAHO was working through the Network to support those countries whose

regulatory framework needed to be enhanced. The question of laboratory capacity was also an important one. While it was certainly important to have a network of authorities responsible for registering new medicines and evaluating their quality on a theoretical basis, there was also a need for sufficient laboratories capable of evaluating the quality and properties of such medicines in actual practical tests. Part of the reason that PAHO was seeking extra funding for the initiative was so that a full-time professional could work in collaboration with laboratories on the testing and certification of new drugs.

133. He agreed fully on the need for a strong evidence base for tackling cost containment issues. Building that evidence base was precisely PAHO's aim in collecting information and compiling countries' experiences. In the area of intellectual property, he explained that countries had been requesting assistance from PAHO, for example in the form of information on lessons learned in other countries, and that it was incumbent upon the Organization to respond to such requests. PAHO's work on intellectual property was strictly concerned with how such legal issues affected access, its aim being to help countries to take maximum advantage of the flexibilities provided under the TRIPS Agreement to improve access to medicines. He assured the Committee that PAHO was well aware of the work of the Commission on Intellectual Property Rights, Innovation, and Public Health, and was supporting that work. Indeed, the Commission would shortly hold a meeting at PAHO Headquarters.

134. Responding to the questions concerning the two revolving funds, he stressed that PAHO was not proposing the creation of a new fund, but rather was working on reviewing the structure of the Strategic Fund and assessing how to make it more effective. Procurement was not, strictly speaking, part of PAHO's mandate, but the Organization was trying to use the Strategic Fund to help countries with supply management, prediction of future needs for medicines, and other issues.

135. The Director clarified that the focus on generic drugs was not intended to supplant a broader drugs policy encompassing both branded and generic drugs. PAHO had had a comprehensive drugs policy for many years, and the current emphasis on generics arose out of the difficulties being encountered in implementing the portion of that comprehensive policy that related to generics, owing to some of the shortcomings and information gaps that Dr. Di Fabio had described. With respect to PAHO's role in the intellectual property area, she emphasized that the Organization was involved only because medicines were subject to laws on intellectual property. Following the Doha conference, countries of the Region had asked for the Organization's assistance in understanding how intellectual property laws and trade agreements could affect their access to medicines, and it was PAHO's duty to respond to such requests.

136. As to why greater use had not been made of the Strategic Fund established in the year 2000, she pointed out that it had a much shorter history than the EPI Revolving Fund,

which went back to 1979. As had been seen in the presentation of her Financial Report, the latter fund had really taken off in the past six years. The Revolving Fund was a very important mechanism of Pan American solidarity, in that the participation of the large countries enabled the small countries to benefit from economies of scale which they would not have been able to achieve on their own. Use of the Fund allowed for long-term planning and sound supply management to meet demand. PAHO was now undertaking an internal audit of its various purchasing mechanisms, which it was hoped would be completed by the time of the upcoming 45th Directing Council.

137. The Committee adopted Resolution CE134.R6 on this item.

Scaling-up Treatment within a Comprehensive Response to HIV/AIDS (Document CE134/13)

138. Dr. Carol Vlassoff (Chief, HIV/AIDS Unit, PAHO) outlined the steps PAHO was taking to scale up the response to HIV/AIDS in the Region, particularly through implementation of the “3 by 5” Initiative proposed by WHO Director-General Dr. Jongwook LEE. She began by reviewing the status of HIV/AIDS in the Americas, noting that despite the challenges posed by the epidemic, there were many opportunities for technical cooperation to assist countries in confronting it, including a heightened political and financial commitment on the part of countries; increased availability of funding from the Global Fund to Fight AIDS, Tuberculosis, and Malaria and other sources; and the “3 by 5” Initiative, which aimed to provide treatment to three million people worldwide by the end of 2005. In the Region, the goal set for the Americas by the Declaration of Nuevo León, adopted at the Special Summit of the Americas held in Monterrey, Mexico, in January 2004, was provision of antiretroviral therapy to at least 600,000 individuals needing treatment by the year 2005.

139. The hub of PAHO’s “3 by 5” response was its internal Core Team, which included wide participation by units and areas both at Headquarters and at CAREC. The Core Team had been assisted by a task force consisting of PAHO staff and key stakeholders from the country level, which in January 2004 had established as the goal for the Organization’s response to the “3 by 5” Initiative in the Americas: to work in partnership with Member States to enable the greatest possible contribution towards improved survival and quality of life for people living with HIV or AIDS in the Region, while advancing toward the ultimate goal of universal access to antiretrovirals as a human right, as an effective prevention method, and as a measure against discrimination for those living with HIV and AIDS. Reaching the goal of universal access for those currently in need of treatment would mean providing ARV therapy for an additional 170,000 individuals.

140. The task force had also defined specific strategies, actions, and indicators and had identified five strategic orientations to guide the Organization’s technical cooperation:

(SO1) political commitment and leadership, partnerships, and community mobilization; (SO2) strengthening of health systems and services, including the adaptation and application of appropriate tools; (SO3) efficacious, reliable supply of drugs, diagnostics, and other basic supplies; (SO4) links with health promotion and prevention of STIs and HIV/AIDS within health services; and (SO5) strategic information and application of lessons learned. In all of the orientations, a central element was communication and education. As prevention and treatment were clearly part of a continuum, prevention was also a major component of the orientations, particularly in the case of SO4.

141. PAHO had prioritized countries according to HIV prevalence and availability of ARV therapy. The highest priority were countries with high prevalence and low ARV coverage, but countries where both prevalence and ARV availability were low were also a priority because it was in those countries that preventive interventions could be most cost-effective and make the most difference. However, in all countries, PAHO had a clear role to play in strengthening of laboratory services, procurement and quality monitoring of medicines and commodities, capacity-building in voluntary counseling and testing, prevention of mother-to-child transmission, provision of care and treatment for sexually transmitted infections, provision of strategic information, and monitoring and evaluation.

142. With the availability of increased funding for ARV therapy in most of the priority countries, the Organization was striving to maximize its technical cooperation through its country offices and through close collaboration with other regional, multilateral, and bilateral organizations. Since her report to the SPP in March, PAHO had taken part in several events aimed at promoting collaboration among regional and global partners, notably the second meeting of regional directors of the cosponsors of UNAIDS, held in June 2004. The regional directors had endorsed the “Three Ones” principle for the coordination of national responses to HIV/AIDS: one agreed AIDS framework that provided the basis for coordinating the work of all partners; one national AIDS coordinating authority, with a broad-based multisectoral mandate; and one agreed country-level monitoring and evaluation system. That meeting had resulted in greater synergy for concerted action in the Region, including the approval of a joint advocacy plan focusing on youth, an agreement on working together on the “3 by 5” Initiative, and several other common strategies, including coordination of all United Nations staff working at regional and country level.

143. With regard to resources, funding from WHO had been limited, but funds had been made available for a “3 by 5” coordinator post at the regional level and a coordinator post in Haiti. Resources for Guyana and for a subregional post in Central America were expected in the second wave of WHO funding. However, as WHO support alone was unlikely to be sufficient to enable the Region to reach its goal of universal access to treatment, PAHO would be seeking additional resources. In that regard, she acknowledged the request made at the SPP session in March for an overview of resource availability and

needs, and said that the Secretariat would present that information to the 45th Directing Council. By then, the amount of WHO funding coming to the Region would have been determined and the Secretariat would have a clearer picture of both the financial and human resources available for PAHO's work on HIV/AIDS.

144. Hon. Jerome Walcott (Barbados, President of the Subcommittee on Planning and Programming) reported that the SPP had endorsed the strategies presented in the document presented to the Subcommittee on PAHO's efforts to scale up the response to HIV/AIDS in the Region. Delegates had expressed particular support for the Organization's focus on implementing the "3 by 5" Initiative; its promotion of an integrated and comprehensive response that included prevention, treatment, and care; its incorporation of a human rights perspective; and its attention to the problem of stigma and discrimination against persons living with HIV/AIDS. Although the Subcommittee had agreed with the strategies proposed, several delegates had felt that there should be more emphasis on prevention and avoidance of risk behaviors, as prevention remained a crucial strategy in the fight against HIV/AIDS. It had also been noted that the greater availability of ARV therapy might cause people to become more lax about prevention and risk avoidance, and it had therefore been deemed vital to continue promoting behavior change and encouraging healthy behaviors. The importance of targeting young people with prevention efforts had been stressed. The Subcommittee had urged PAHO to continue helping countries to develop proposals for submission to the Global Fund and to continue using its influence to bring down the price of ARV drugs. Concerning the Global Fund, Members had drawn attention to the plight of middle- and upper-middle-income countries, which, under the current eligibility criteria, were unable to avail themselves of the Fund's assistance. The Subcommittee had also highlighted several major challenges with regard to strengthening health systems in order to enhance the response to HIV/AIDS, including bolstering the capacity of systems to identify and reach persons who needed antiretroviral drugs and to address other critical health problems while also meeting the demand for HIV/AIDS services.

145. Like the Subcommittee, the Executive Committee welcomed PAHO's efforts to strengthen the regional response to HIV/AIDS and, particularly, the steps it was taking to increase access and make ARV therapy affordable for poor and vulnerable populations, although the Committee also stressed the need for continued emphasis on prevention and on promotion of healthy behaviors. It was pointed out that the need for treatment represented a failure of prevention, and that efforts to expand access to treatment must be underpinned by vigorous prevention campaigns; otherwise, there was a risk that people might come to think of AIDS as a disease that was easily treatable and therefore become less careful about risk avoidance. In that connection, PAHO was strongly encouraged to incorporate promotion of abstinence into its advocacy strategy for youth. The Organization was also encouraged to promote the integration of HIV/AIDS programs with

sexual and reproductive health programs, including programs for the prevention of sexually transmitted infections (STIs).

146. The Committee mentioned a number of roles for PAHO, including technical cooperation with countries to develop logistic and distribution systems for drugs and commodities, promotion of simplified treatment regimens using safe and effective drugs of high quality, and evaluation of actions and strategies to identify the best and most cost-effective practices. The Committee also identified a number of challenges that needed to be overcome in order to strengthen health system response to the epidemic, including better training for health workers and strengthening of laboratories and other support services. It was pointed out that scaling-up treatment was not just a question of improving access to drugs. It was also essential to ensure the necessary laboratory capabilities to monitor patients and measure viral load, provide patient education in order to promote better compliance with treatment regimens, provide psychological and social support services for patients and their families, and address the care needs of terminal patients. Another challenge was educating the population—particularly the population of persons living with HIV/AIDS—about when treatment was really necessary and beneficial, as there was a tendency to think that all HIV-infected individuals should have treatment.

147. Delegates underscored the need for cooperation between neighboring countries for HIV/AIDS prevention and treatment in mobile populations. The need for consistent attention to gender equity issues was also highlighted. One delegate emphasized the importance of involving men and boys in the continuum of HIV/AIDS programs, including prevention, care, treatment, and support, while another pointed to the need for a greater focus on and inclusion of women in the response to HIV/AIDS, particularly high-risk groups of women, such as sex workers, prisoners, and intravenous drug users. Citing the successes achieved in the prevention of vertical transmission in their countries, several delegates stressed the importance of ensuring treatment for all HIV-positive pregnant women.

148. Various delegates reported on steps their countries were taking to scale up the response to HIV/AIDS. The Delegate of Argentina mentioned his country's efforts to improve quality of life for persons living with HIV/AIDS through access not only to medical care and treatment but also to other essential goods and services. The Delegate of the Dominican Republic outlined some of the successes achieved through his country's Presidential Council on AIDS (COPRESIDA). The Delegates of Canada and France noted their country's recent contributions to the Global Fund, while the Delegates of Mexico and Costa Rica described a subregional initiative to address the needs of mobile populations, for which their countries and other Mesoamerican countries were seeking support from the Fund. The Delegate of Costa Rica pointed out that such multicountry initiatives were one way in which countries such as hers, which were ineligible for support from the Global Fund on their own, could also take advantage of that funding mechanism.

149. The Delegate of the United States reported that her country's Food and Drug Administration had recently announced an expedited process for review and approval of low-cost, safe, and effective copackaged and fixed-dose combination HIV therapies for use under the President's Emergency Plan for AIDS Relief (PEPFAR). She also noted that the United States National Institute of Child Health and Human Development had recently published the results of a study on HIV/AIDS and risks for breastfeeding, which her government would be pleased to make available to PAHO and to other Member States. The Representative of the World Association for Sexology expressed her organization's willingness to continue collaborating with PAHO in its integrated approach to AIDS in the Region.

150. The Representative of the World Association for Sexology, alluding to paragraph 1 of the document, which summarized the characteristics of the HIV/AIDS epidemic, noted that transmission among men who have sex with men was also an important factor in her country and asked that that information be included in the document.

151. Dr. Vlassoff thanked the Committee for its comments and its expressions of support for PAHO's work with regard to HIV/AIDS. She also thanked the various delegates for sharing information on their countries' innovative approaches to scaling up the response to the epidemic. Such exchanges of experience were extremely valuable for all concerned. She felt that the Committee had raised a number of excellent points. For example, it was very true that the issue of adherence to treatment regimens sometimes tended to get overlooked in the effort to increase access to drugs, but it was absolutely crucial, as it did little good to supply the drugs if patients did not use them properly. It was also true that one of the challenges that might arise as treatment became more readily available was that people who did not really need it would begin to demand it. As the Committee had correctly pointed out, initiatives to scale up treatment must be accompanied by education so that people understood that not all HIV-infected individuals needed ARV therapy immediately.

152. Responding to a question from one of the delegates concerning the care and treatment fact sheets to which she had alluded in her presentation, she explained that PAHO and UNAIDS were preparing a set of fact sheets on the situation with regard to care and treatment for persons living with HIV/AIDS in all countries in the Region, including Canada and the United States. They would be used mainly to monitor implementation of the "3 by 5" Initiative, but they would also be useful to countries for their own monitoring and for program support and advocacy purposes. They were being compiled in-house in order not to burden countries with additional requests for data, but they would still require country input to complete the information, and they would be sent to countries for that purpose once they were ready. It was intended to update the fact sheets at least every six months.

153. With regard to the composition of the technical advisory committee, which she had also mentioned in her presentation, the aim was to recruit members with expertise in each of the areas covered by PAHO's five strategic objectives. The committee would also include a member from at least one NGO representing people living with HIV/AIDS and an expert from the field of communications and health promotion. Personnel from national AIDS programs would be invited to participate as observers, as would partners from other organizations, but they would not actually be members of the committee.

154. Concerning the comments on the importance of prevention, she stressed that prevention and treatment must be viewed as part of a continuum, not as separate activities. Certainly it was true that prevention made treatment unnecessary, but there was increasing evidence that there was a link between treatment and prevention: as had been clearly shown in the Bahamas, Brazil, and other countries, fewer new cases occurred when treatment was available. Hence, it was important not to look at prevention and treatment as a matter of either/or. Governments had a responsibility to do both.

155. The Director observed that the proliferation of new actors working in the area of HIV/AIDS had necessitated a redefinition of PAHO's role. Whereas in the early years of the epidemic, the Organization had focused more on situation analysis and on tracking the course of the epidemic, while at the same time supporting countries in a wide variety of prevention and control activities, now, as other partners had taken on more of those responsibilities, the Organization was concentrating to a greater degree on analyzing the response to the disease. The fact sheets mentioned by Dr. Vlassoff were one reflection of that shift in focus. They were intended to be a source of updated information on the response to the epidemic in the various countries, especially with regard to care and treatment. That information would be of use not just for the countries themselves, but for all the technical and financial partners involved, as it would provide a metaanalysis of what was being done and of what needed to be done to enhance the response.

156. As the Committee had noted, HIV/AIDS was a complex and multifaceted problem that required a comprehensive multisectoral and multidisciplinary response. Hence, in order to support Member States effectively, the Organization had had to strengthen its own capacity to provide that kind of response. That was why it had formed the internal Core Team, which included staff with expertise in a wide variety of areas, and that was why it planned to convene an external technical advisory committee. Past experience had shown that such bodies could provide invaluable guidance on how the Organization should focus its efforts in order to best assist Member States. Indeed, the idea had now been adopted at the global level by WHO, which was in the process of forming a global technical advisory committee whose members would include several experts from the Region of the Americas.

157. A critical role for PAHO in the current context of dramatically increased funding and support for AIDS-related activities was to help those countries that were beneficiaries of that assistance to utilize it effectively. For example, PAHO, together with the Global Fund, was trying to identify the bottlenecks that were hindering the implementation of projects approved in the first rounds of Global Fund proposals, many of which still had not been implemented. The Organization was also looking at how to remove bottlenecks in the area of drug procurement, as despite the successes achieved in negotiation of more favorable drug prices, in many cases countries were still not purchasing adequate quantities to ensure the availability of drugs for everyone who needed them.

158. Finally, another extremely important function for the Organization was assisting countries in coordinating the support being provided by all the many different agencies and institutions that were now involved in the response to HIV/AIDS at country level. While, obviously, countries welcomed that support, they were concerned about how to manage it in order to avoid duplication of effort and make the most effective use of the resources available. To that end, PAHO would promote adherence to the “Three Ones” principle, which it viewed as crucial, and it would engage other partners in dialogue with a view to achieving better coordination of their work. By the time of the Directing Council, the Secretariat hoped to have prepared a table showing, on one side, needs and obstacles that needed to be addressed, and, on the other side, opportunities for assistance from the various partners in meeting those needs and overcoming those obstacles.

159. The Executive Committee adopted Resolution CE134.R4 on this item.

International Health Regulations: Perspectives from the Region of the Americas (Document CE134/14)

160. Dr. Marlo Libel (Regional Advisor on Communicable Diseases, PAHO) presented the document on this item, focusing on four main points: the purpose of the International Health Regulations (IHR), the principles guiding the revision process, progress to date in the revision, and lessons learned from the four consultation meetings held in the Region. As Members were aware, the IHR currently in force dated from 1951 and had originally been intended to help monitor and control six infectious diseases. That number had since been reduced to three. In 1995, the World Health Assembly had called for a revision of the IHR to address the threat posed by the emergence and resurgence of certain infectious diseases and the heightened risk of their international spread as a result of the growth of international transport, trade, and other manifestations of globalization.

161. Five key changes were being proposed: (1) expansion of the scope of reporting to include any public health emergency of international concern; (2) designation by national governments of national focal points to serve as points of contact and communication links with WHO; (3) definition of core surveillance and response capacities required at

the national level, including specific surveillance and response capacities at points of entry; (4) recommended measures for dealing with public health emergencies of international concern and with ongoing public health risks; and (5) external expert advice regarding the IHR, including the establishment of two advisory bodies: the Emergency Committee, whose function would be to advise the Director-General on whether an event constituted a public health emergency of international concern and on the issuance of emergency recommendations, and the Review Committee, which would issue standing recommendations; review, monitor, and advise on the application of the Regulations; and help resolve disputes concerning their interpretation or application.

162. The first draft of the revised Regulations had been published in 2004, following an extensive technical consultation process. Member States had been invited to comment on the first draft and provide input into the final draft, which would go to the Intergovernmental Working Group on the IHR in November 2004. For that purpose, a series of consultations had been held at the regional level. In the Americas, four subregional consultation meetings had been organized, one involving the South American countries, another involving the English-speaking countries of the Caribbean, a third involving the Central American countries, Cuba, and the Dominican Republic; and the fourth involving the countries of North America.

163. Although many different issues had been raised during those consultations, in the Secretariat's view, the concerns of the countries of the Americas fell basically into five categories. First was the feasibility of implementing the Regulations. The countries felt that human and financial resource limitations would make it difficult to put in the place the necessary surveillance and point-of-entry capacities by January 2006, when it was expected that the new IHR would enter into effect, and called on WHO and PAHO to help them build those capacities. The second set of concerns revolved around the functioning of the two expert advisory committees. The countries wanted clarification regarding the structure of the committees and the criteria for selection of the experts who would form them. They stressed that the process used to determine whether an event constituted a public health emergency must be transparent and open, and they also felt that it was important to provide an opportunity for affected Member States to be represented on the Emergency Committee and to participate in decision-making regarding the action to be taken. The third area of concern had to do with communications between Member States and WHO/PAHO. The countries had raised questions as to the role and responsibilities of the proposed national focal points and were concerned that their designation as the primary points of contact might mean that national health authorities were not always consulted before information was reported to the Organization.

164. The fourth source of concern was notification. Some countries felt that, in addition to the algorithm for determining what constituted a public health emergency of international concern, the Regulations should include a list of reportable diseases. An

alternative suggestion that had emerged from the consultations was that the list of diseases should serve more as an aid to countries in utilizing the decision-making algorithm. In other words, it would not necessarily be mandatory to report any outbreak of a disease on the list, but the occurrence of any of those diseases should prompt countries to use the algorithm to determine whether the event met the criteria for notification. Finally, an issue noted with concern in some subregions was the proposed limitation on imposing measures exceeding those recommended under the IHR restricting of movement of conveyances, persons and goods, which some countries viewed as an infringement of their national sovereignty. It was considered essential to strike a balance between national interests and international interests such that the International Health Regulations would serve as a code of conduct that would protect countries against the spread of international public health threats but that would also guard against unnecessary or excessive restrictions on travel and trade.

165. Dr. Carlos Vizzotti (Argentina, Vice President of the Subcommittee on Planning and Programming) reported that the Subcommittee had expressed strong support for the revision process and had applauded PAHO's efforts to ensure that the views of governments in the Americas were taken into account. The Subcommittee had emphasized that the revised Regulations must be flexible yet clarify the conditions under which it would be appropriate to impose restrictions on the movement of humans, animals, or cargo to prevent the spread of disease. Concern had been expressed about WHO's proposal to use an algorithm as the sole means for determining reportable events, and it had been suggested that the revised Regulations should also require reporting of a specific list of diseases with a potential for creating international public health emergencies. The Subcommittee had also stressed the importance of collaboration between countries and regions in early detection and response to disease outbreaks. Technical cooperation between countries had been viewed as essential to assist countries that might lack the expertise or human resources needed to detect and respond to disease outbreaks.

166. The Executive Committee also voiced strong support for the revision of the IHR, noting that the Regulations adopted in 1951 were clearly insufficient in the current context of rapid, high-volume international migration, emerging infections, and increasing threats of bioterrorism. Like the Subcommittee, the Committee stressed the need for Regulations that were flexible but that clearly delineated the authorities and conditions under which WHO might recommend restrictions on travel or trade to contain the spread of disease. The Committee also emphasized the importance of active participation by Member States in the revision process and commended PAHO for its role in facilitating that participation. WHO and its regional offices were encouraged to continue to play a leadership role in coordinating consultation with countries in order to enable the adoption of a set of clear and balanced Regulations that all Member States could embrace enthusiastically and implement fully. It was pointed out that the subregional consultations held in the Americas not only had produced helpful input that would assist WHO in redrafting the text of the

Regulations, but they had also contributed to greater understanding between countries of the Region with respect to the challenges and opportunities for working together in response to public health emergencies of international concern.

167. The Delegates of Canada, Mexico, and the United States said that they had found the North American subregional consultation extremely instructive and useful. The meeting had yielded an excellent set of recommendations, some of which were mentioned in the document and had been highlighted by Dr. Libel in his presentation. It was suggested that the next version of the document should contain a more detailed account of the recommendations that had come out of the various subregional meetings. In particular, it was felt that specific mention should be made of the recommendation from the North American consultation concerning the inclusion of a list of reportable diseases.

168. The Delegate of the United States said that his government remained convinced that the revised Regulations needed to include a list of reportable diseases in addition to the algorithm. The United States supported the use of an algorithm to identify certain public health emergencies of international concern, especially if the term was carefully defined, but it strongly believed that the Regulations should also require reporting of a list of certain serious communicable diseases with a known potential for creating such emergencies. His government felt that the list should be integrated with the algorithm, as had been recommended during the North American consultation. The recommendation proposed specific diseases that should be included on the list because they fell into one or more of several categories, including communicable diseases that could be spread by the droplet or aerosol routes and that could have life-threatening or severe consequences, and selected vector-borne diseases that could be translocated to nonendemic countries with compatible vectors. He also noted that his country had submitted two sets of written comments to PAHO/WHO and requested that the content of paragraph 30 of Document CE134/14 be modified to also reflect the content of the second submission.

169. The Delegate of Canada, observing that the document mentioned that several countries were beginning a process of reorganizing their surveillance systems to help prepare for future disease outbreaks, suggested that the information in paragraph 30 on his country's efforts in that regard should be reworded as follows: "Shortly after the SARS outbreak in Canada, Health Canada commissioned an analysis of how well the situation was handled, what worked, and what did not. The report recommended the need for a new public health agency, and Canada is now actively engaged in the planning and design for such an agency." He noted that a key point made in the document was that the framework for the revised IHR was the understanding that the best way to prevent the international spread of diseases was to detect and contain them while they were still a local problem. That required a collaborative effort among countries, and Canada, as a founding member of the Global Alert and Response Network (GOARN) believed that GOARN was an excellent mechanism for effecting that collaboration.

170. The Delegate of Mexico said that his country, too, was a strong supporter of the revision process and had formed an interinstitutional group specifically to review the draft text of the Regulations and formulate Mexico's response. That group, which comprised representatives of various government ministries and agencies, would be submitting further comments within the next few days.

171. The Representative of the Inter-American Development Bank said that he had noted with concern that one of the critical issues raised during the subregional consultations had been the lack of institutional capacity in some countries to assume the responsibilities that would be incumbent upon Member States under the revised Regulations. The IDB viewed prevention of the international transmission of disease as a regional public good, and ensuring the provision of regional public goods was a priority area of interest for the Bank at present. Accordingly, the IDB stood ready to help countries strengthen their national institutional capacity in order to ensure that they could fulfill their responsibilities under the new Regulations.

172. Dr. Libel thanked the delegates for their suggestions on improving the PAHO document. He had taken note of the specific changes to be made and would see that they were incorporated into the next version of the document. He assured the United States that its recommendation concerning the list of diseases would be included in PAHO's report to WHO on the outcome of the consultations held in the Region. That recommendation had been discussed at length during the North American consultation meeting, and it had been pointed out that there were both advantages and disadvantages to including a set list of reportable diseases in the Regulations. It had been agreed that if a list was to be included, as had been suggested by several countries, it should be used as a safety net or reminder on the use of the algorithm. The list would serve as a means of ensuring that countries did not forget that even one case of certain diseases constituted an international public health problem.

173. The rationale for not including a disease list in the current draft was that, first, compliance with the current list of reportable diseases was not what it should be. Countries did not always report cases of the three diseases on the list, even though such notification was mandatory under the present IHRs. Second, with the emergence or reemergence of so many pathogens in the last 20 years, it would be very difficult to maintain an updated list of diseases to be included in the Regulations. Another drawback to including a preset group of diseases was the need for laboratory confirmation before a disease outbreak was officially reported. Nevertheless, the recommendation that had come out of the North American consultation would definitely be submitted to WHO for consideration in the next draft.

174. He thanked the United States for the very detailed comments and suggestions it had submitted to WHO and PAHO for revision process. Its submissions did not represent

the view only of the health sector but clearly stated the national position of the entire United States government. He stressed the importance of including the perspective of other sectors in countries' comments on the Regulations. The United States had done that, as had Mexico. During the North American consultation, Mexico had raised an extremely important point in addition to the five categories of concerns he had mentioned in his presentation, namely, that the role of the WHO regional and country offices in implementing the Regulations should be explicitly defined. PAHO's view was that, for Member States in the Americas, the PWR offices should be the first point of contact with WHO. That point would be clarified in the next draft of the Regulations.

175. He thanked the governments of Brazil, Canada, the Dominican Republic, and Grenada for hosting the subregional meetings, which the Secretariat felt had been very productive indeed. He also thanked the Representative of the IDB for his comments and welcomed the Bank's willingness to support countries in strengthening their public health surveillance infrastructure.

176. The Director agreed that the subregional consultations had been very productive and had resulted in a solid contribution from the Region of the Americas. However, in the Secretariat's view, one thing that was still lacking from the consultation process was sufficient involvement of other sectors and professions. There had been some participation by representatives of other sectors in the subregional meetings, but more was needed. At the national level, in the majority of countries the revision process had not thus far included the participation of all the sectors that needed to be consulted. It was essential that the views of the agriculture, trade, foreign affairs, tourism, and other sectors be taken into account, not only because they would be affected by the new Regulations, but because they would have to be involved in strengthening the infrastructure needed to implement them and in actually applying the Regulations once they were adopted.

177. Multidisciplinary participation in the consultation process was essential, too. Veterinary public health professionals had been involved to some extent, but advice was also needed from environmentalists, toxicologists, and a variety of other professionals. That was because the Regulations did not deal only with infectious agents. Chemicals, foods, and medicines, for example, could also pose an international threat to public health, and it was crucial to get input from experts in those areas. PAHO therefore encouraged all countries to make every effort to ensure multisectoral and multidisciplinary participation in their future consultations on the Regulations. The Organization also urged Member States not to wait for the Intergovernmental Working Group meeting in November, but to continue to move the process forward in the meantime. In that connection, she noted that the discussions within the Working Group on PAHO in the 21st Century might provide an opportunity for further consultation on the Regulations, as one of the topics being examined by that group was regional public health goods.

178. The Committee asked that the Secretariat take note of and transmit to WHO its comments on the revision of the International Health Regulations.

WHO's 11th General Program of Work (Document CE134/15)

179. Dr. Pascale Brudon (Task Force Manager, General Program of Work, Department of Planning, Resource Management and Performance Monitoring, WHO) presented an overview of the progress towards defining WHO's 11th General Program of Work. She pointed out that the Subcommittee on Planning and Programming and the Executive Committee were among the first regional bodies to be providing comments, and said that the Task Force working on the draft Program was currently engaged in incorporating the Subcommittee's comments into it. Recalling that Article 28 of the WHO Constitution stipulated that the organization should have a General Program of Work (GPW), she pointed out that the current one, which would come to an end in 2005, had been a very brief document, simply outlining WHO's mandate, strategic directions, and core functions. The Director-General had decided that the next GPW should be a very different type of document. It was to be a forward-looking plan, one that tried to understand the future and to determine how all concerned, working together, could influence that future. A further innovation was that the new GPW would cover a ten-year period, 2006-2015, with its end thus coinciding with the target date for achievement of the development goals of the Millennium Declaration.

180. The work so far on the Program was still in a very preliminary stage, with many issues still open, as WHO continued to look for inputs from all partners, including the Executive Committee. Drawing attention to the draft outline of the Program in Annex I to Document CE134/15, she said that the Program of Work would take a very broad look at the world and at the place of health in it, reflecting the linkages between health and the broader development agenda and reaffirming the status of health not only as a means to development but as important in its own right. As it was difficult to predict in detail how the world would be ten years hence, the second part of the document would lay out alternative scenarios and, by highlighting questions, would become a road map of different routes to health, one that presented a range of strategic directions, as suggested by the Subcommittee on Planning and Programming in March. It would make a very strong statement on the strategic direction and role of WHO, of the Secretariat, of its Member States and of other partners.

181. The process of developing the 11th GPW afforded a good opportunity to examine potential scenarios in order not only to better understand the future but also to assist in choosing and creating that future. Initially, three scenarios had been studied: one of a stable and reasonably predictable future; one with a number of variations which might simultaneously present opportunities and challenges, calling for new ways of doing business; and one of radical changes in the health environment, whether positive or

negative. That approach had subsequently been changed, in part because of some of the comments made by the Subcommittee on Planning and Programming. It appeared that the radical scenario envisaged was not particularly unrealistic, which made the challenge one of defining a visionary scenario in which global health could be shaped into a more coherent image of the future. On the basis of the Subcommittee's comments, it had been agreed that after the review of what the world might look like in ten years' time, the Program should lay down what were the strategic directions and options, based on WHO's principles and core values. The result, it was hoped, would be a strong chapter which would provide guidance on how WHO could influence global health.

182. Another key chapter would look at the WHO's leadership role and at how WHO could begin now to influence the future: In what form and in what domains should that leadership be expressed, and what capacities needed to be developed in order to do so? How could WHO influence development policies, and what policies were open to influence? Another issue was the expectations for WHO at the country level: What was WHO expected to be doing, what skills and resources did it need in order to meet those expectations? Overall, the intention was to better define what should be the role of WHO, its Secretariat, the Member States, and other, nontraditional partners, and to determine how WHO and its partners could work effectively together within a set of core principles which included partnership, sustainability, and accountability.

183. The process of developing the Program was as important as the outcome. That process would comprise two phases: a divergent phase and a convergent phase. The divergent phase, which would go on until the end of 2004, would be devoted to gathering information, inputs and different views. That phase would involve regional consultations and country studies, and it was intended that it should be characterized by "out-of-the-box" thinking. During the convergent phase, the information gathered would then be consolidated into a final document for presentation to the WHO Executive Board in January 2006 and then to the World Health Assembly in May of the same year.

184. In conclusion, she reiterated that the GPW was still a work in progress and emphasized that WHO looked forward to receiving additional input from Member States through regional and country-level consultations. Such close cooperation between WHO headquarters and the regions would help to move the work forward in the coming few months.

185. Dr. Carlos Vizzotti (Representative of the Subcommittee on Planning and Programming) said that the Subcommittee had discussed the 11th General Program of Work at its 38th Session in March. The Subcommittee had expressed satisfaction at WHO's intention to ensure that the regions and individual Member States would have the opportunity to provide input as the Program was being developed. It had emphasized that the lessons learned from previous programs of work should be applied in planning the new

one, and that as a whole it should be evidence-based and data-driven. The Subcommittee had recognized that the preparation of the 11th GPW would offer a unique opportunity to assess health trends and identify future health challenges, and was pleased that the Program would examine the linkages among health, poverty, and development, as well as the impact of trade on health and the possible negative health impacts of globalization. The Subcommittee had felt that the first part of the document should focus more on WHO's priorities, strategic directions, and goals, with a clear delineation of WHO's role, opportunities, and comparative advantage. It had also suggested that more attention should be paid to key opportunities and to areas where WHO could take the lead in making a difference, and that there should be greater emphasis on intersectoral cooperation.

186. The Executive Committee welcomed the presentation, affirming the view that the General Program of Work offered a unique opportunity to evaluate trends in health matters and identify the measures that the international community must take in order to achieve the development goals of the United Nations Millennium Declaration. Noting that a plan for a period as long as ten years could be a disastrous failure if drawn up on the basis of traditional assumptions, the Committee welcomed the use of different futures or scenarios, each of them with its own difficulties and potential. It was pleased with the improvements in the document since the meeting of the Subcommittee on Planning and Programming. The Committee appreciated the expansion of Part II of the document and the inclusion of a new Part III, which attempted to better address WHO's priorities, strategic directions, and goals and to more clearly delineate WHO's roles and comparative advantage. The document could be further enhanced by more information and a clearer picture of WHO's future work with Member States and by an articulation of WHO's role in the larger global public health context. The Committee was pleased in particular that the "key challenges" were now presented in a positive rather than a negative context, targeting the areas where both WHO and Member States could improve health outcomes and health systems. It expressed interest in how the 11th General Program of Work would be linked with the program and budget for 2006-2007.

187. The Committee stressed that a monitoring and evaluation component was crucial. In particular, there was a need to examine how the evaluation of the current Program of Work would contribute to the development of the new one. Expressing appreciation for the participatory and consultative process being used to develop the GPW, the Executive Committee urged that the Program should be evidence-based and data-driven and emphasized that it should propose actions that would be measurable not just by WHO but also by its Member States. It was suggested that it might be useful for the Task Force drawing up the GPW to consult with the Working Group on PAHO in the 21st Century.

188. Dr. Brudon thanked the Executive Committee for its comments, which she said would be very useful to the Task Force as it moved the document forward. She agreed that a much greater emphasis on monitoring and evaluation was needed, and said that this

would be incorporated. Additionally, it was planned to undertake an evaluation of the current General Program of Work. Given the difficulty of ensuring that work planned now would still be relevant in ten years' time, it might be appropriate to evaluate the GPW once it had been operational for five years.

189. She agreed that the GPW should offer assistance in measuring the progress made towards achievement of the goals of the Millennium Declaration, and that it should put forward actions that would be measurable both by WHO and by its Member States. Welcoming the idea of close cooperation with the Working Group on PAHO in the 21st Century, which could be mutually beneficial since the same main issues faced both organizations, she said that a mechanism should be established to formalize such cooperation. As country experiences represented a valuable contribution, WHO also hoped to propose a mechanism in the near future which would enable such experiences to be gathered. Turning to the question of the linkage between the General Program of Work and the 2006-2007 budget and program, she explained that it was hoped, through close cooperation and consultation, to feed some of the preliminary ideas on the GPW into the next program budget, but that this would be done more intensively for the 2008-2009 budget cycle.

190. The Director welcomed the approach being taken by WHO in the development of its Program of Work, and in particular its readiness to seek input from the regions. That close cooperation could only be beneficial to all involved. She reaffirmed the commitment of the Americas to the process of developing the GPW, pointing out that six countries from the Region were members of the WHO Executive Board and thus had an opportunity to be very closely involved in creating the Program. She also reported that the planning and financial managers from all the regions had recently met at PAHO Headquarters with their counterparts from WHO Headquarters. The meetings had worked very harmoniously on the tasks of preparing strategic planning frameworks, drawing up the budgets for the next biennium, aligning global and regional programs and priorities, and allocating resources among the various regions.

191. Noting with regret that she would have to be absent for a part of the following afternoon's deliberations, she explained that she had been asked to make a presentation to the Permanent Council of the Organization of American States on future collaboration within and strengthening of the inter-American system. Just as it was desirable that there should be strong collaboration among the bodies of the inter-American system, so too it was highly beneficial that there should be close cooperation between WHO and its regions.

192. The Executive Committee took note of the report and requested that Dr. Brudon convey its comments to the Task Force.

Ten-year Evaluation of the Regional Core Data in Health Initiative (Document CE134/16)

193. Dr. Enrique Loyola (Epidemiologist, Health Analysis and Information Systems, PAHO) reported on the ten-year evaluation of the Regional Core Data in Health Initiative, noting that some of the suggestions and comments from the Subcommittee on Planning and Programming had been incorporated into the current presentation. He began by explaining that the core health data represented a minimum set of information needed to characterize a health situation. They were not meant to be comprehensive, but to be the minimum set of important indicators serving at least to delineate the geographical area and specific health problem concerned. The core data currently comprised 117 indicators, with some of them being disaggregated by age and sex in order to address and identify the most vulnerable groups.

194. The specific purposes of the Regional Core Data in Health Initiative (RCDHI) were to orient strategic policy management; to facilitate the setting of priorities for action in the health sector; to improve the evaluation and adaptation of technical cooperation in each of the countries and programs; to assist countries in devising investment strategies or special programs for health policy or health services development, as well as the prevention and control of specific health problems; to facilitate the mobilization of financial resources; to orient research priorities; and periodically to distribute reports on health trends in each country and the Region as a whole.

195. The year 2004 would see the tenth edition of “Health in the Americas: Basic Indicators.” The publication had been used by all the countries to assist them in improving their data disaggregation, and an attempt was now being made to include more indicators offering age and sex disaggregation. In order to facilitate access to the data, in 1997 PAHO had prepared an automated table generator system that allowed monitoring of and access to the core health indicators. Using the system, the data could be analyzed over time or by geographic distribution. To give an overall picture of the data, PAHO had prepared the regional Core Health Indicator Atlas. At present, it covered the 57 indicators contained in the “Basic Indicators” brochure, but efforts were being made to provide information for additional indicators and also to give a greater degree of disaggregation.

196. Between December 2003 and January 2004, a survey had been conducted, with the twin objectives of evaluating the impact of the RCDHI and of determining how it could be improved. Thirty-seven of the 48 countries of the Region had responded, 30 of them indicating that they had a national core data initiative, with national groups actively participating in its construction and updating. Sixteen countries were using the RCDHI to measure or identify inequalities in health, and 21 to identify health needs and set priorities. The initiative had also been used for program evaluation and for other purposes.

Seventeen of the 30 countries had indicated that they coordinated their RCDHI monitoring efforts with their monitoring of progress towards the development goals of the United Nations Millennium Declaration.

197. Currently, 24 countries were producing a systematic set of indicators. Some of them, such as Argentina or Cuba, had started in 1996 and continued all the way up to 2003. Others had less complete data, but they too were starting to produce information on an increasingly systematic basis. In terms of the products arising out of the Initiative, 24 countries already had brochures, leaflets, or similar items publishing their indicators and data. Several of them produced the information in electronic versions or on CDs, and 14 countries had web pages showing the indicators and data. One country had the table generator on a website, while seven countries had adopted other approaches. With regard to database completeness, despite ten years of data collection, there was still a long way to go. Some of the countries had revealed different levels of information reliability, while the use of secondary sources raised comparability issues. In some cases, there were gaps in the data for certain indicators relating to specific countries. Notably, the data on mortality were particularly unsatisfactory. However, thanks to a major programming effort, that situation was shortly expected to change for the better.

198. Turning to the relationship between the Millennium Development Goals and the core health data, he pointed out that of the 18 health-related indicators to be monitored in the development goals, 12 were already in the regional core health database. Broadly speaking, data were available for 60% to 70% of those 12 indicators for the period 2000-2003. One major purpose of the Initiative was to identify and address health inequalities occurring in the countries, and PAHO would be using mapping tools and methods to analyze them.

199. The recommendations and suggestions for improvements from the countries surveyed included the need to facilitate implementation and maintenance of the regional core health data, to facilitate access to the sharing of national health information systems, and to improve the flow of information between countries and PAHO offices, as well as ways to achieve greater promotion and dissemination of information about the Initiative within ministries of health. Mechanisms and operational instruments that had been suggested as ways to improve the Regional Core Data in Health Initiative, at both the regional and the national levels, included the creation of a general coordination commission to facilitate the political and administrative management of initiatives; interagency working groups to take on technical coordination responsibilities; interdisciplinary technical committees to facilitate and identify methodological and operational analysis; identification of a technical secretariat to define the process and carry out follow-up; establishment of common data and indicator sets; and facilitation of an interoperable information system. Some of those initiatives would require the participation

of national statistical institutes, academic bodies, intercountry working groups, professional societies, and others.

200. Dr. Carlos Vizzotti (Argentina, Vice President of the Subcommittee on Planning and Programming) reported that the Subcommittee had also discussed the RCDHI at its March session. The Subcommittee had emphasized the desirability of further disaggregation of the data by specific population groups, especially marginalized populations such as older adults, indigenous peoples, and children. It had also drawn attention to the importance of gender analysis in the study of social inequities. The Subcommittee had felt that it would be helpful to see a list of the indicators recommended to Member States, as well as the technical documentation underlying PAHO's development of the indicator set. It had suggested that the document would benefit from a more detailed presentation of the availability of core data across the countries and the Region, along with a discussion of individual countries' levels of participation in the Initiative. It had also suggested that a more detailed analysis of existing human and financial resources, together with a projection of needs, should be added. In addition, Members had considered that the document should contain more information on how the Initiative was proving useful to Member States—for example, the extent to which it was contributing to health ministries' planning and policy-setting.

201. The Executive Committee expressed its appreciation for the very comprehensive presentation, as well as for PAHO's efforts to promote the routine collection of standard health data across the Region. The Secretariat's technical cooperation with Member States had enabled a better and more practical use of data for health planning and better monitoring of health programs. Accurate data were a key element in decision-making and policy development, providing the necessary evidence base for action to improve health in the Americas. Accurate data were also necessary to monitor health disparities and to measure progress towards national and international health goals. The Committee applauded the modifications made to the document since the March session of the Subcommittee on Planning and Programming, particularly the inclusion of the appendices and references. The Committee also voiced support for the various suggestions put forward in the document for enhancing the Initiative in the future, and looked forward to practical proposals on how to make those suggestions a reality.

202. Some delegates felt that the "Outlooks and Challenges" section of the document did not fully address the challenges of the work ahead. What was needed was a better discussion of the reasons for the lack of data with regard to some of the indicators, in particular the indicators on mortality, notably for North America. As there continued to be a lag in data collection and analysis with regard to vulnerable populations, a discussion on successful models and initiatives and sustainable approaches to improve the situation would be welcome.

203. The Delegate of Canada was pleased to see an inclusion in the paper of an example of Canada's ongoing utilization of health data in the formulation of policies and programming. Health Canada, Statistics Canada, and the Canadian Institutes for Health Information were working closely together in the coordinated provision of health data to PAHO for its annual core data publication. The Delegate of Costa Rica noted that the success of the Initiative in her country had caused various other government sectors, such as environment or justice, to investigate the possibility of creating similar indicator systems in their areas of interest.

204. The Committee was disappointed that the paper did not include information on the budgetary and human resource utilization for the initiative. It felt that it should contain information on current funding levels for the initiative, covering both regular and extrabudgetary funding, as well as future funding projections. The information provided in Annex C was considered useful, although clarification was needed of some of the values given. The Representative of the Inter-American Development Bank suggested that it might be useful to include more data on the costs of essential medicines, which in low-income families in the Region amounted to about 70% of health-related expenditures.

205. Dr. Loyola, responding to the comments concerning the lack of data for some indicators, pointed out that the table in Annex C of Document CE134/16 showed the number of indicators per category, multiplied by the number of years. Various factors explained the gaps in the data. Most of the socioeconomic indicators came from World Bank estimates, in which some indicators were not determined for the United States or Canada, such as distribution of income. Indicators on literacy came from UNESCO, but they too did not include figures for the United States. In the specific area of mortality, in the past there had been some difficulties in the processing of the data within PAHO in order to achieve the complete disaggregation by age and sex requested. The database was currently being updated and was expected to show a significant improvement by the time of the Directing Council.

206. The Secretariat tried to limit the requests it made to the countries to provide data, which was the reason for using secondary data sources, but a special effort was made to accommodate those countries that wished to provide additional information not captured in the secondary sources. For the next iteration of the core health data system, it was intended to make the provisional data available for a few weeks to allow countries to review and amplify them as necessary before they were input into the system in final form. In addition, the Secretariat was working with the PAHO/WHO country offices in order to have them take a more active role in data collection.

207. The question on funding would be relatively simple to answer in the specific case of Health Analysis and Information Systems activities, but since the RCDHI also involved other technical units and offices, more work would be required. He undertook to try to

have that information available for the Directing Council. While agreeing that information on the costs of essential medicines was an important concern for PAHO, he felt that that was an issue more appropriately addressed in the area of national health accounts.

208. The Director added that an important component of the Regional Core Data in Health Initiative was its interprogrammatic group whose function was to attempt to detect future data needs and at the same time to prevent the list of indicators from becoming too extensive. In light of the effort involved in obtaining the data currently requested, and of collecting it on a comprehensive basis, adding to the list of indicators was not something to be undertaken lightly. In the selection of such new indicators, it was essential to ensure that priority was given to those that were of specific relevance to, or generated within, the health sector, based primarily on their importance for the determination of policies and priorities and for the allocation of resources.

209. One of the most promising activities currently under way was the effort to ensure that the various information systems were able to dialogue with one another, making it possible to extract those indicators which were relevant to public health actions. As had been pointed out, it was often the case that the overall information picture was generated in many different places. That had been seen, for example, in the case of World Health Day with its topic of road accidents. There, it was clear that the health sector held only a small portion of the relevant data, a portion which was not sufficient to explain the phenomenon of road accidents or to formulate the necessary interventions to prevent them, but which did at least make it possible to draw attention to the magnitude of the problem as a public health issue.

210. In addition to the interprogrammatic group, various mechanisms were in place to strengthen the data collection effort, and the countries themselves were enhancing coordination between their various national data-generating bodies. Some of the indicators would need to be refined, because they formed part of the monitoring for the Millennium Declaration goals, including access to medicines, drinking water and sanitation, vulnerable populations, and others. PAHO was capturing the information needed as a priority, since the Organization was firmly committed to the achievement of the goals.

211. The Committee took note of the report on the ten-year evaluation of the Regional Core Data in Health Initiative but did not consider it necessary to adopt a resolution on this item.

Administrative and Financial Matters

Report on the Collection of Quota Contributions (Document CE134/18 and CE134/18, Add. I) and Strategy for Increasing the Rate of Collection of Quota Assessments (Document CE134/17)

212. The Executive Committee decided to consider the two items relating to quota contributions jointly. First, the Committee heard a report by Ms. Linda Kintzios (Finance Officer, Financial Management and Reporting, PAHO) on the collection of assessments and the status of countries potentially subject to Article 6.B of the PAHO Constitution. Then, Ms. Sharon Frahler (Area Manager, Financial Management and Reporting, PAHO) briefed the Committee on the initiatives being implemented by the Director to increase the rate of quota collections in response to concerns expressed by Member States at the 44th Directing Council.

213. Ms. Kintzios reported that collections of quota payments as of 31 December 2003 had totaled \$81.4 million, of which \$64.2 million represented payment of 2003 assessments and \$17.2 million pertained to prior years. That represented a collection rate of 71% of current year assessments and 35% of arrears, and an overall rate of collection for the 2002-2003 biennium of 77%, which compared favorably with previous biennia. Detailed information on receipts of quota payments by Member States and payment dates was included in Annex A of Document CE134/18. On 1 January 2004, total arrears for years prior to 2004 had stood at \$58.2 million. The increase in arrearages was largely attributable to the severe economic difficulties impacting several Member States during 2002 and 2003, including significant destabilization of national currencies in Argentina, Brazil, Uruguay, and Venezuela. Payments on arrears received between 1 January and 14 June 2004 had amounted to \$16.7 million, or 29% of that total, reducing those arrears to \$41.5 million, as compared to \$39.7 million and \$30.6 million in arrears at the corresponding times in 2003 and 2002, respectively.

214. The collection of contributions for 2004 assessments had amounted to \$21.1 million as of 14 June 2004. Eleven Member States had paid their 2004 assessments in full, 4 had made partial payments, and 24 had not made any payments. The collections represented 23% of the current year's assessments; the corresponding figures were 23% in 2003, 33% in 2002, and 32% in 2001. Together, the collection of arrears and current year's assessments during 2004 totaled \$37.8 million, as compared to \$30.5 million in 2003, \$48.3 million in 2002 and \$61.5 million in 2001. Detailed information on payments received and the application of those payments could be found in Annex B of Document CE134/18.

215. As Members were aware, Article 6.B of the PAHO Constitution provided for the suspension of voting privileges if at the date of the opening of the Directing Council a

country was in arrears by an amount in excess of two full years' quota payments. The Member States subject to Article 6.B at the present time were Argentina, Cuba, Dominican Republic, Paraguay, and Suriname. Argentina owed a total of \$24.6 million, of which \$12 million related to the year 2001 and prior. In 2003, the Secretariat had negotiated a new deferred payment plan with the Government beginning with a required payment of \$3.5 million in 2003, which had been paid prior to 15 September 2003. In 2004, Argentina was required to make payments totaling \$5 million. To date, the Organization had received payments totaling \$1.1 million. The Organization would have to receive the balance of payments due under the plan by 15 September 2004 for Argentina to be considered in compliance with its approved plan.

216. Cuba owed \$1.9 million, of which approximately \$44,000 related to 2001. At the end of 2003, the Secretariat had negotiated a new five-year deferred payment plan with the Government beginning with a required payment of \$1.0 million in 2004, as well as the balance owing for 2003 under the previous plan of \$63,000. To date, the Organization had received payments totaling \$315,000. Cuba was thus making payments towards its arrears and was in compliance with its deferred payment plan.

217. The Dominican Republic owed approximately \$478,000, of which \$16,000 was attributable to 2001. The deferred payment plan approved by the Secretariat in 2001 stipulated that the Dominican Republic needed to pay \$197,500 in 2003. The Organization had received \$193,103, leaving a balance due of \$4,957 resulting from currency exchange fluctuations. In accordance with the plan, the Government must pay \$207,500 in 2004. Thus the total amount due in 2004 was \$212,457. The Dominican Republic had not so far made any payments during 2004, and thus needed to pay at least \$4,957 prior to the opening of the 45th Directing Council and \$207,500 prior to the end of 2004 to meet its requirements under the payment plan.

218. Paraguay owed approximately \$525,000, of which about \$63,000 related to 2001. No payments had been received from Paraguay in 2004. A minimum payment of \$62,754 was required prior to the opening of the 45th Directing Council.

219. Suriname owed approximately \$282,000, of which about \$102,000 related to 2001 and prior years. The Secretariat had negotiated a deferred payment plan in 2003 which had stipulated that Suriname should pay \$10,000 in 2003. The Organization had received the payment of \$10,000 in January 2004. In accordance with the plan, Suriname needed to pay an additional \$70,000 in 2004.

220. Ms. Frahler said that PAHO was committed to improving the rate of collection, to which end the Director had instituted several strategies. The most visible was the inclusion of the report "Quota Contributions Due From Member States" both on PAHO's Internet site and on its Intranet. The Secretariat was pleased to note the positive feedback it had

received regarding that initiative and was committed to updating the site as often as necessary to ensure that the information was current and useful.

221. During the preceding year, the Director had sought input from the PAHO/WHO Country Representatives and regional center directors on defining additional strategies that would help to increase the rate of collection. Many of the representatives had responded that their host governments would value the ability to make their payments in respect of assessments to PAHO in local currency. That was because, at times, the ministries of health had the necessary funds allocated in their budget, but the payment would be delayed owing to foreign exchange controls and other internal requirements. If countries were allowed to pay in local currency, PAHO could be assured of more timely payments from some of its Member States. That option might also encourage and facilitate the payment of arrears of Member States experiencing serious economic stress.

222. Including an additional source of local currency in the country offices' funding options would also reduce the transaction costs associated with the periodic sale of United States dollars in the local market. While the Secretariat and the PAHO/WHO Country Representatives had ensured that such transactions were made under the most advantageous credit and exchange terms, there were still significant costs involved, including transaction fees, exchange differences, and commissions.

223. The United Nations and several of its specialized agencies, including WHO, currently allowed payment of assessments in local currency. The Secretariat had discussed the topic with colleagues in sister organizations in order to assess the inherent risks and determine the appropriate policy with regard to managing additional sources of local currency at the country office level. In order to mitigate any risk from exchange fluctuations, the Member State would be required to request advance approval from the Secretariat before making its quota payment in local currency. The Area of Financial Management and Reporting maintained statistics on monthly purchases of local currency and total disbursements by country office, which would allow the Treasury Unit to assess the absorptive capacity of the office in relation to the request for such approval. In accordance with current PAHO policy, any local currency funds received in excess of the country office's absorptive capacity during the following 30 days would need to be transferred to a local United Nations office or sold and transferred to the Secretariat's dollar account in Washington. The Member State would be credited with the dollar equivalent of the local currency received and absorbed in the country, using the United Nations Operational Rate of Exchange in effect at the time. Any funds that had to be transferred to the Organization's Headquarters account would be credited at the market rate of exchange received by the Secretariat.

224. An amendment to the Financial Regulations would be required to allow for the payment of assessed contributions in local currency. That amendment, which had been

drafted using the WHO Regulations as a guide, had been included in Document CE134/17 for the Executive Committee's review. The revised Regulations would stipulate that the Director determine the acceptable currencies of payment for quota assessments. Furthermore, a new Regulation would be required, stipulating that payments in local currencies would be credited to Members' accounts at the United Nations rate of exchange, except where the conversion of excess currency was deemed to be prudent financial management, in which case the market rate of exchange would apply.

225. The Director had also implemented several other strategies, including encouraging installment payments during the biennium for those Member States that had difficulty in paying the annual quota assessment in a single payment, and encouraging quota discussions by PAHO senior staff at every level and opportunity. Her message to all PAHO managers had been that ensuring the prompt and full payment of Member States' assessed contributions constituted an integral part of the responsibilities of all senior managers throughout the Organization.

226. Hon. Jerome X. Walcott (Barbados, President of the Subcommittee on Planning and Programming) reported that the Subcommittee had received an update from Ms. Frahler in March on the efforts being made to increase the rate of quota collection. The Subcommittee had pointed out that some countries had fiscal years other than the calendar year. Several of those fiscal years started in April, which might help explain why the figures reported in March had shown such a low amount collected for 2004. Further information had been requested on several points, including the reasons for allowing payment in local currency, and the steps envisaged to guard against foreign exchange risk. Ms. Frahler had given to the Subcommittee the explanation that she had just repeated to the Executive Committee, namely that the intention was to obviate the problem that occurred in some countries between the ministry of health and the treasury ministry responsible for purchasing United States dollars.

227. The Executive Committee welcomed the presentation, commending the Director and the Secretariat on the efforts being made to increase the rate of quota contributions. Noting that WHO allowed payment of quota assessments in local currency, the Committee was in favor of PAHO's doing the same, provided that adequate controls against exchange risk would be put in place, which did seem to be the case. The Committee noted, however, that Regulation 6.7 of WHO's Financial Regulations made additional stipulations on the conditions under which local currency contributions could be accepted, and hoped that the same provision would be adopted at PAHO.

228. The Executive Committee called on all countries to pay their assessments in full and on time, noting that the Organization could not be expected to fulfill its commitment to improve the health of the people of the Americas if the Member States did not uphold their responsibilities as well. Members felt that the innovations being made would be of

assistance to those Member States that were struggling conscientiously against great difficulties to meet their commitments and pay off their arrears.

229. In response to the remarks about the conditions under which local currency could be accepted, Ms. Frahler explained the distinction between the Financial Regulations, which were the overarching governance for the financial transactions of the Organization, and the Financial Rules, which governed its daily work. The detailed conditions for acceptance of local currency would be included in the Financial Rules. If the Governing Bodies approved the resolution currently proposed, which called for an amendment to the Financial Regulations, the Secretariat would then prepare a further resolution on the Financial Rules, for presentation at the Executive Committee session to be held immediately after the Directing Council in September 2004.

230. The Director said that the rate of collection of quota assessments was naturally a topic of the highest priority for PAHO. Achieving a higher rate was a cooperative undertaking, one in which PAHO officials needed to have discussions with many different arms of government in the Member States. In many countries, the issue of the PAHO assessments was not solely the responsibility of the ministry of health, but might involve the ministries responsible for the budget or financial planning or even foreign relations. Moreover, the procedures sometimes differed depending on whether it was the current year's assessment or arrears that were in question. The PAHO country offices had been of great help to the headquarters financial departments by determining and communicating the various countries' procedures for formulation, approval, and release of the funds to pay quota assessments.

231. She pointed out that it was PAHO, through herself as Director or Ms. Frahler and her team as the Organization's financial arm, that held the responsibility for ensuring that the countries of the Americas made their contributions to WHO. The tasks of securing the contributions to PAHO and of securing the contributions to WHO were thus indivisible. She took the opportunity to express thanks to the countries of the Americas for their support at the preceding World Health Assembly during the discussion of the allocation of resources among the different regions.

232. The Committee adopted two resolutions in relation to quota assessments: Resolution CE134.R1, recommending to the 45th Directing Council that it approve a revision of the Organization's Financial Regulations to permit payment of quota assessments in local currency, and Resolution CE134.R2, urging all Member States to pay their outstanding quota contributions as soon as possible and recommending to the Directing Council that it apply the provisions of Article 6.B strictly.

***Financial Report of the Director and Report of the External Auditor 2002-2003
(Official Document 315)***

233. Ms. Frahler also presented *Official Document 315*, which contained the Director's report on the financial transactions of PAHO for the period 1 January 2002–31 December 2003, the financial position of the Organization as of 31 December 2003 and 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). As was customary for a biennial report, the document was accompanied by an audit opinion from the External Auditor.

234. The Statement of Income and Expenditure and Changes in Fund Balances highlighted the Organization's continued commitment to prudent financial management. The quota receipts of current biennium assessments had reached \$139.5 million, an increase of \$7.4 million over the previous biennium. However, the collection of prior biennia's assessments had been \$32.4 million, a decrease of \$3.6 million. Together, collection of current and prior biennia quotas had resulted in a net increase of \$3.8 million over the previous biennium.

235. Miscellaneous income for the period, including earned interest and savings on, or cancellation of, prior periods' obligations, had totaled \$9.8 million. Unfortunately, that amount reflected not only a decrease of \$8.6 million in comparison with 2000-2001, but also a shortfall of \$6.7 million from the budgeted amount of \$16.5 million, attributable mainly to extraordinarily low interest rates in the United States and other countries. That shortfall had dramatically impacted the financing of PAHO's Program Budget. Towards the end of the biennium, the Director had implemented additional strict oversight and review measures so as to ensure that Regular Budget income would be sufficient to cover expenditures. Furthermore, efficiencies had been generated by the realignment process implemented in 2003. Together, those two factors had decreased projected Regular Budget expenditures by \$7 million and helped to keep total expenditures down to \$171.1 million.

236. The careful oversight of Regular Budget expenditures had resulted in a surplus of income over expenditures on operations of \$15,634. With significant financial investment being required to update and maintain the Organization's information technology infrastructure and desktop computing environment, \$3.4 million had been transferred from the Regular Budget Fund to the Capital Equipment Fund upon receipt of over \$10 million in quota arrears. That transfer had resulted in a deficit of \$3.4 million for the biennium, which had been charged to the Working Capital Fund, thus resulting in a Working Capital Fund balance of \$11.6 million on 31 December 2003.

237. The Regular Budget expenditures funded by the Region's allocation from WHO had been \$73 million, a decrease of \$4 million from the previous biennium. PAHO had

received a total of \$13 million in extrabudgetary funds for WHO projects, comprising \$9 million for the Voluntary Fund for Health Promotion, \$1 million for program support costs, and \$3 million for other projects.

238. The Organization's total 2002-2003 expenditures had amounted to \$733 million, an increase of \$60 million, or 9%, over the 2000-2001 biennium, which was attributable mainly to an increase in vaccine purchases through the Revolving Fund for the Expanded Program on Immunization and increased purchases through the Strategic Fund.

239. The Statement of Assets, Liabilities and Reserves, and Fund Balances also reflected the prudent management of the Organization's financial assets during the 2002-2003 biennium. On 31 December 2003, the Organization's pending obligations had been \$6.2 million in comparison with \$13.5 million at the end of 2001 and \$16.2 million at the end of 1999.

240. The Statement of Advances from Governments and Institutions for Procurement showed that the procurement fund had begun the biennium with a balance of \$6 million available for the Member States' purchase of supplies, equipment and literature. Countries had transferred \$20.6 million to the Organization for additional purchases. The Revolving Fund for the Expanded Program on Immunization (EPI) had begun the biennium with a \$30.8 million balance. Purchases had totaled \$290 million, an increase of \$76 million, or 35%, over the previous biennium. The Fund's capitalization—the funds earned from the 3% service charge on purchases—had increased from \$18 million to \$26 million during the biennium, bringing the total increase over the previous ten years to \$20.3 million.

241. The Statement of Trust Funds reflected the status of extrabudgetary projects at the end of the biennium. During the biennium, \$110 million had been contributed to trust fund projects, implementation of which had cost \$107.2 million.

242. The three centers (CAREC, CFNI and INCAP) had received a total of \$19.5 million in income and spent \$18.0 million on projects. After the adjustments for the delays in collection of quota contributions and the receipt of quota payments from prior biennia, the three centers had had a combined excess of income over expenditures of \$1.5 million. The Financial Statements for CAREC showed that in 2002-2003 Regular Budget income exceeded expenditures by \$209,000, increasing the Center's Working Capital Fund to \$946,000. The Statement of Quota Contributions from Members showed that balances due as of 31 December 2003 had decreased to \$3.8 million, from \$5.2 million at the end of 1999. The increase in quota contributions continued to contribute to the improved financial status of CAREC. The Statement of Trust Funds for CAREC reflected \$7 million of donor funding which was an increase of \$3 million over the 2001-2003 biennium. Additional funds received for projects totaled \$1.7 million as of 31 December 2003, resulting in a cash balance of \$1.6 million in CAREC's Trust Funds.

243. The financial statements for CFNI showed a Regular Budget deficit of \$62,000 for the biennium. Collection of quota assessments had decreased to \$542,000 in the biennium, and the arrears had increased to \$1.3 million, as compared to \$1.2 million as of 31 December 2001. The delay in the collection of quota assessments, which was mainly due to three countries, directly impacted the Center's biennial financial performance. The cumulative deficit in CFNI's Working Capital Fund had grown to \$405,000. The Statement of Trust Funds for CFNI reflected a significant increase in extrabudgetary funds received for projects. The Center had received ten new projects and \$972,000 in additional funding in the current biennium, as compared to three new projects and \$346,000 in funding during the previous one.

244. INCAP had received Regular Budget income of \$1.4 million in the 2002-2003 biennium, which was slightly higher than the previous biennium. In spite of careful oversight, the Center's expenditures had exceeded its income by \$180,000. The shortfall had been covered by a transfer from INCAP's income from services activities. The Working Capital Fund continued to be fully funded at \$1 million. The INCAP Endowment Fund had earned \$15,000 in interest during the biennium, and had a balance of \$357,000. The collection rate for 2002-2003 quota contributions had increased to 82%, as compared to 75% in the previous biennium. The Statement of INCAP Trust Funds showed project income reaching \$2.2 million with expenditures totaling \$2.4 million. The Center continued to explore different means of attracting projects financed by extrabudgetary resources. Overall, INCAP's financial performance appeared sound.

245. The Report of the External Auditor was presented by Mr. Graham Miller on behalf of the External Auditor, Sir John Bourn (Comptroller and Auditor General, National Audit Office of the United Kingdom of Great Britain and Northern Ireland). Mr. Miller reported that the audit had revealed no weaknesses or errors which the auditors had considered materially to impact the validity of the financial statements as a whole. The External Auditor had been pleased to place an unqualified audit opinion on the statements for the period 1 January 2002 to 31 December 2003. That was not an automatic outcome but a finding based on an informed and independent scrutiny, conducted according to rigorous professional standards and best practices.

246. The audit report for 2002-2003 confirmed that the Regular Budget and the Working Capital Fund showed a net excess of income over expenditures of \$15,634, with transfers of \$3.41 million to the Capital Equipment Fund, offset by a transfer of \$3.39 million from the Working Capital Fund. The financial results for the biennium revealed the Organization to be in a sound financial position, although there had been a certain drop in the collection of prior years' contributions, with some \$58 million of quota contributions outstanding at the end of the biennium.

247. With regard to the three regional centers, the financial position of CAREC had improved generally, in particular with a considerable increase in Trust Fund income and a surplus on the Working Capital Fund. However, arrears of assessments were continuing to affect the Center's financial viability, and the External Auditor encouraged Member States to pay their contributions in a timely manner.

248. At CFNI, although the quota collection rate had improved, it continued to be significantly lower than the comparable rate for PAHO. Amounts outstanding had increased from \$150,000 to \$1.3 million, which was having a detrimental effect on CFNI's financial viability, as demonstrated by the Working Capital Fund's being overdrawn by \$0.4 million.

249. There was a separate audit report on INCAP, which noted the small net shortfall of income relative to expenditure, despite improved collection of quota contributions. In order to maintain the \$1 million in the Working Capital Fund, transfers of \$180,000 had had to be made from special funds to cover the deficit for the biennium. As revealed by a routine examination, the systems of financial control at INCAP remained sound and effective.

250. Auditors had visited PAHO Headquarters and had also made audit visits to 11 field offices. Management letters reporting on those visits had been sent to PAHO management and to the Internal Audit Unit. The External Auditor had made a number of observations on management matters which touched on the quality of governance arrangements in the Organization. Such observations had covered the understaffing of the internal audit function at PAHO, as well as internal organizational changes at Headquarters, including the loss through merger of a finance post and some structural changes which had had the effect of reducing the previous degree of segregation of duties.

251. Although the standard of financial control exercised at field offices was generally high, and it was supplemented by a satisfactory level of management oversight from Headquarters, the auditors had made a number of observations and recommendations in separate management letters, with a view to further enhancing the existing financial management and controls in field offices. A major area of the work for 2002-2003 had been a review of the implementation of the Technical Cooperation Planning, Programming, and Evaluation System and the Office Management Information System (AMPES/OMIS) in the field offices, which had identified weaknesses in security arrangements and the need to improve important elements of the financial control and scope. Reports to management had been provided on the implementation of the systems in Honduras and Guatemala.

252. While the results for 2002-2003 were entirely satisfactory for auditing purposes, there was one further matter to which he needed to draw the Committee's attention. At the

time of finalizing his report, the External Auditor had been informed of anonymous allegations concerning conflicts of interests and impropriety in the conduct of PAHO's business. The External Auditor had considered it appropriate to make the existence of such allegations known to Member States in the audit report and audit opinion, even though the results of the Auditor's own testing indicated that the financial statements did in all material respects present fairly the results of the operations and cash flows for the period and the Organization's financial position as at 31 December 2003.

253. At the Director's request, the External Auditor had agreed to conduct a special examination within the remit and authority of his appointment and terms of reference. The Director had given an assurance of her full cooperation and had requested all PAHO staff to give all possible help as well. Since such an examination would be outside the scope of the audit of the financial statements, it was tentatively estimated that at least 17 weeks' work would be involved and that the overall cost might be around \$150,000. The special examination would cover transactions, activities, and business processes, and would involve a review of files and records and interviews of PAHO personnel, firstly at Headquarters over the coming 10 days and then at country offices, probably starting on 12 July. It was hoped that a report on the special examination could be provided to the Directing Council in September 2004.

254. The Executive Committee welcomed the two presentations, expressing its pleasure that once again the External Auditor had issued an unqualified audit opinion on PAHO's financial statements for the period. Noting that internal controls were critical to the soundness of a large organization, the Committee expressed concern that PAHO still did not have a fully functioning Internal Audit Unit and encouraged the Secretariat to strengthen that part of its work.

255. Reference was made to Document A57/19 of the most recent World Health Assembly, which provided a transparent presentation of the work of the internal auditor at WHO and noted that in 2003 that office had investigated a considerable volume of activity related to fraud and irregular practices. The document gave an outline of the cases of fraud, and in each case noted the status of the investigation and the results. The Committee called for a similar level of regular reporting to the PAHO Governing Bodies. It also sought confirmation that the work of the PAHO Internal Audit Unit was communicated to the External Auditor.

256. In relation to paragraph 67 of the External Auditor's report, which commented on changes that had been made in PAHO's structure to separate the finance and budget functions and give them different reporting lines, delegates expressed concern that the overlapping responsibilities under that arrangement might compromise the independence of advice in relation to the allocation of funds, inasmuch as the budget allocation process

was supervised by a beneficiary of the allocation. The Secretariat was asked to provide information on the safeguards in place to prevent such drawbacks.

257. Clarification was sought on the wide variation in the amount of resources PAHO provided to the various centers, from a low of around 14% to a high of about 77%. Delegates also sought clarification of why the allocation to “Governing Bodies and Coordination” was so large in comparison with programmatic items.

258. Ms. Frahler said that it was the Organization’s goal to achieve an unqualified audit opinion every biennium, and it had done so throughout PAHO’s 101 years of history. With regard to the question on the internal audit department, she said that candidates for the post were being interviewed, and it was hoped that a selection would be made in the coming few months. As for the safeguards relating to the relationship between the finance and budget functions and the question of where, exactly, the budget unit should be placed, she recalled that after many years of the budget and finance units having been within the same area, the previous year the Director had decided to move Budget to the programmatic area. However, while the Directing Council appropriated the funds, it was the Director who approved their allocation. Hence, whether the formal process and documentation were handled by Finance or by Budget was not particularly significant, since, ultimately, all allocation decisions were the responsibility of the Director.

259. Regarding the issue of fraud, she pointed out that the Explanatory Notes to the Financial Statement noted eight cases of fraud in the biennium, involving \$51,471. Of that amount, \$40,415 had been recovered prior to 31 December 2003. The remaining \$11,056 comprised \$1,482 pertaining to one case about to go before the court system in the country concerned, and \$9,574 which had been reported as losses to the Organization. PAHO always provided the External Auditor with a list of all cases of fraud or presumptive fraud. She stressed that the understaffing of the Internal Audit Unit during the biennium had in no way been propitious to fraud and she assured the Committee that the Secretariat investigated all possible cases of fraud as soon as it became aware of them. She gave details of the types of fraud or petty theft that had occurred in various country offices, and offered to provide further information to Members of the Executive Committee if that was desired. She confirmed that PAHO’s Internal Audit Unit did indeed provide its findings to the External Auditor.

260. The Director explained that it had been decided in the previous biennium, following the retirement of the senior auditor, not to maintain links between the PAHO and WHO internal audit functions, and consequently the vacant post had not been filled during 2002. The situation had been reviewed in 2003 and she had reversed the earlier decision. The selection process was currently under way, and it was hoped that the new senior auditor would be appointed during the summer.

261. With regard to the decision to separate Budget and Finance, PAHO was promoting the message that financial considerations should not drive programming. Rather, the amount to be allocated to each area of work should be decided on the basis of a clear definition of the Organization's priorities. That was why the budget unit had been placed under Program Management. Nevertheless, she felt that where the budget function was located within an organization's structure was not as important as the establishment of proper mechanisms to allow it to function with the necessary transparency and independence. Just as in the Pan American Centers and country offices, the Secretariat now had separate personnel for the areas of budget and finance, precisely in order to maintain the independence of those two functions. PAHO was confident that with the support of the External Auditor and its own Internal Audit Unit, the appropriate mechanisms could be established to ensure an adequate counterbalance between the appropriation of resources, which was a programmatic decision, on the one hand, and maintenance of all the necessary controls in the financial area, on the other.

262. The present structure would be tried at least for the biennium. If problems arose, they would be addressed. As Ms. Frahler had pointed out, the budgetary realignment had been pursued very carefully and prudently during 2003. That, together with the close oversight of expenditures, had made it possible both to fulfill the objectives of the Organization and to end the year without the predicted deficit. That result of the first year with the new organizational arrangement for the budget had been very encouraging.

263. In response to the question concerning the proportions of the funding allocated to the Centers, the Director explained that the total support to the Centers from the Organization's regular funds was about \$25 million per biennium. Of that, approximately two-thirds related to personnel costs and the remainder to operational costs. The actual amounts varied owing to differences in the legal and financial structure of each Center and the financial contributions of the host countries. The distribution between personnel and nonpersonnel costs had been changing over the years, which was inevitable since there were obligatory increases in personnel costs mandated by the United Nations. As the budget of the Organization had remained virtually constant, those increases had meant a corresponding decrease in the proportion dedicated to operating funds. The criteria for allocation of resources to the Centers would be one of the topics to be considered by the Working Group on Regional Budget Policy.

264. Speaking at the Director's request, Mr. Román Sotela (Chief, Budget Office, PAHO) explained that the proportion of resources apparently spent on the Governing Bodies had to do with the way the various items in a budget were grouped together in any given biennium. One appropriation category in the 2004-2005 budget was "Country Program Support," which contained all of the costs associated with running the country offices and providing support to national health development. In the 2002-2003 biennial budget, however, all of those costs had been grouped within the category "Governing

Bodies and External Relations,” making the allocation to that category appear disproportionately large.

265. Concerning the allegations of financial irregularities mentioned by the External Auditor, the Director said that she had sent a confidential letter to the members of the Executive Committee informing them of the anonymous accusations as soon as she had become aware of them. She hoped that the External Auditor’s investigation would be concluded quickly, and that the report would be ready in time for the Directing Council. In particular, she hoped that the Organization would not be distracted by the matter from carrying out its mission.

266. The Committee adopted Resolution CE134.R5 on this item.

PAHO Buildings and Facilities (Document CE134/19)

267. Mr. Edward Harkness (Manager, General Services and Operations Area) recalled that in June 2002 the Executive Committee had approved an expenditure of \$220,000 for repairs to the basement and subbasement levels of the PAHO Headquarters building. Before embarking on that major repair project, the General Services and Operations area had obtained a detailed study from a professional engineering firm regarding the structural integrity of those levels. The firm’s report had revealed that the damage, after 38 years of continuous use, was worse than expected, and the firm’s estimate for repairing those levels and bringing them into compliance with current building codes had been \$712,000. In addition to the \$220,000 already approved by the Executive Committee, PAHO had received \$97,000 from the 2004-2005 WHO Building Fund, but an additional \$395,000 was needed to cover the cost of the repairs. PAHO would seek that amount from the WHO infrastructure program. The Executive Committee was asked to authorize the Secretariat to proceed with the necessary repairs.

268. In the discussion that followed, the Committee asked how likely it was that WHO would cover the full amount needed for the repairs. Pointing out that the reported referred only to PAHO Headquarters, the Committee also sought information about maintenance and repairs to PAHO buildings elsewhere in the Region.

269. Mr. Harkness explained that WHO was endeavoring to assist with the maintenance of its regions’ buildings around the world. It had a ten-year program for carrying out all the renovations needed in all such buildings, although under that plan PAHO would not receive any funds from WHO until 2006-2007. Responding to the question about PAHO buildings elsewhere in the Region, he said that about half of them were provided by national ministries of health, about 20% of them were owned by PAHO, and the rest were leased. Most of the buildings were in good condition, and financial assistance with their maintenance was provided by the national governments concerned. In the case of PAHO

Headquarters, however, it was not only a large building, but it was located in the United States of America, where construction costs were extremely high.

270. The Director confirmed that the Organization did have a maintenance plan for each of its buildings. Depending on the situation, part of the costs of maintaining the buildings might be borne by the government of the host country. In order to achieve better management of the Organization's real estate assets, PAHO was working on a master plan that would address both maintenance needs and any necessary upgrades to the Organization's buildings.

271. The Executive Committee authorized the Organization to proceed with the repairs to the basement and subbasement levels of the Headquarters building (Decision CE134(D3)).

Personnel Matters

Statement by the Representative of the PASB Staff Association (Document CE134/20)

272. Mrs. Olga Carolina Bascones (President, PASB Staff Association) summarized the content of Document CE134/20, which presented the matters that the Staff Association wished to bring to the attention of the Executive Committee at its 134th Session. She was pleased to report that the Organization now had a policy for prevention and resolution of harassment in the workplace. The Staff Association had been advocating the adoption of a harassment policy for six years and was happy to see it come to fruition. Progress had also been made towards establishing a code of conduct for PAHO staff. In that connection, one of the topics scheduled for discussion at the next meeting of the Global Staff/Management Council was a proposal by the staff associations from all WHO regions for the establishment of a joint disciplinary board, similar to those already in place in several other agencies of the United Nations system. The Staff Association would appreciate Member States' support for that initiative.

273. For at least 10 years, Staff Association representatives had been raising the issue of career development in their statements to the Executive Committee. The Staff Association felt strongly that a competency-based system of career development should be put in place with a view to ensuring that staff in all categories—including not only general services and professional staff, but also management—possessed the skills and abilities needed to perform their jobs effectively. Such a system should also enable staff to rise within the Organization as they acquired new competencies, experience, and education. In particular, general services staff should be given greater opportunity for promotion to professional posts. Many general services staff possessed years of experience, were extremely knowledgeable about the Organization and its work, and met the educational requirements for professional posts, yet it was extremely difficult for them to move to the professional level.

274. The Staff Association also wished to draw the Committee's attention to several contractual matters, notably contracts and conditions of employment for national professionals. The Association had previously voiced its concerns regarding that contractual modality and it reiterated those concerns now. National professionals were not entitled to the same social security benefits as regular staff recruited under the international civil service system. While they were aware of and agreed to those terms when they signed their contracts, the fact remained that they served the Organization with the same level of commitment, loyalty, and dedication as any other PAHO staff member. The Staff Association believed that an in-depth review of the pros and cons of that system of contracting should be undertaken, bearing in mind the value of national professionals to the Organization and the importance of not losing their expertise and experience. Other contractual issues included the practice of hiring retired staff on short-term contracts, which the Staff Association felt was not in the best interests of the Organization, and the eligibility of PAHO staff who were transferred to WHO to retain their right to service appointments. Other matters of concern to the Staff Association included hiring procedures for positions with managerial responsibility and staff safety and security, especially for locally recruited staff in the country offices. Details on those issues and the Staff Association's views on them could be found in the document.

275. Finally, the Staff Association could not fail to take notice of several items discussed by the Executive Committee during the week. Regarding the report of the External Auditor and the investigation that he had been asked to conduct, the Staff Association wished to express its support for the Administration and for the work of the External Auditor, but it hoped that the inquiry could be accomplished with minimum distraction to staff, which might negatively affect the work of the Organization and the esprit de corps and teamwork among staff. The Staff Association also hoped that delegates would encourage officials in their respective countries to meet their responsibilities for support of the Organization, so that staff, regardless of type of contract, rank, nationality, or gender, would be able to contribute to the fullest extent possible to the fulfillment of the Organization's mission. At the same time, the staff renewed their commitment to continue striving to provide the highest level of service for Member States.

276. The Executive Committee thanked the Staff Association for its report and expressed its appreciation to all staff of the Organization for the professionalism and competence with which they approached their work. It was pointed out that staff competencies was one of the subjects being looked at by the Working Group on PAHO in the 21st Century; another human resources issue that required attention was the distribution of staff between Headquarters and the country offices and regional centers. It was pointed out that, with the Organization's increased country focus, more posts might be decentralized from Headquarters to the countries, and Mrs. Bascones was asked how the Staff Association viewed that prospect.

277. Delegates requested that, for future sessions, the Staff Association's written statement be made available at least three weeks in advance in order to give delegations sufficient time to review it and respond to the issues raised therein. It was also requested that the Secretariat provide, in addition to the statistics on PAHO staff contained in Document CE134/INF/2, a breakdown of professional staff and short-term-consultants by country and nationality.

278. Mrs. Bascones said that the Staff Association viewed decentralization as positive, particularly as it might provide an impetus for a competency-based career development system as the Organization sought to equip staff with the specific competencies needed to meet the technical cooperation needs of countries. All professional staff knew that, as a condition of their contracts, they were subject to transfer to any duty station in the Region, and they were all willing to go wherever their services were required. The role of the Staff Association was to ensure that the staff rules and regulations were followed and that the rights of staff were protected when such transfers occurred and to seek to extend to all staff the protections provided under the United Nations system.

279. Concerning distribution of staff, that information was available in the PAHO personnel database. In addition, a working group on human capital formed the previous year had undertaken a survey that had looked at where staff were located, what functions they were performing, and trends over the previous 25 years, both in terms of staff location and type of contract. Several trends had been observed. It had been found, for example, that there were basically two types of service: administrative support for the delivery of technical cooperation and actual delivery of technical cooperation. The bulk of staff in both the professional and general services categories were engaged in technical cooperation support functions. Fewer were involved in providing technical cooperation services per se in countries. That study had been the first step in identifying the core human resource competencies needed to enable the Organization to deliver technical cooperation as effectively as possible.

280. The Director confirmed that statistics on staff distribution were readily available from the personnel database and said that the Secretariat would be happy to provide them. As Mrs. Bascones had said, additional information on trends in staff distribution was also available from the study carried out by the human capital working group, in which the Staff Association had played an active role. The Secretariat would be pleased to provide that information, as well. Additional information on the activities of the working group was also available via the Internet.

281. She was pleased to report that the previous year had been marked by ongoing dialogue and cooperation between staff and management. The joint staff/management committee was meeting regularly to discuss personnel issues, and she and the Chief of Personnel also met several times a year with Staff Association officers to review progress

under their joint plan of action and address any personnel problems that might have arisen. In addition, the past year had been very rich in terms of formal participation by the Staff Association in all the mechanisms created in connection with the process of organizational change currently under way.

General Information Matters

Resolutions and Other Actions of the Fifty-seventh World Health Assembly of Interest to the PAHO Executive Committee (Document CE134/21)

282. Dr. Philippe Lamy (Area Manager, Governance, Policy and Partnerships, PAHO) summarized the resolutions and other actions of the Fifty-seventh World Health Assembly that were considered to be of particular interest to the PAHO Executive Committee. The Fifty-seventh World Health Assembly had taken place in Geneva, Switzerland, from 17 to 22 May 2004. Delegations from 184 Member States had participated, including 33 countries of the Americas. Two delegates from the Region had served as officers during the Assembly: Mrs. A. David-Antoine, Minister of Health and the Environment of Grenada, had been elected Vice-President of the Assembly, while Dr. D. Slater, from Saint Vincent and the Grenadines, had been appointed Vice-Chairman of Committee A. In addition, Dr. C. Modeste-Curwen, Minister of Works, Communication and Transport of Grenada, had been one of the Executive Board representatives to the Assembly, and former President of the United States Jimmy Carter had been one of the invited speakers.

283. The agenda of the Assembly had comprised 33 items, encompassing a large variety of policy, managerial, and institutional matters. The Assembly had approved 19 resolutions, of which 13 were of special relevance either for Member States of the Region or for the PAHO Secretariat. Nine of them had dealt with health policy matters and the remaining four with resources, management, and institutional matters. Those 13 resolutions were listed in Tables A and B, respectively, of Document CE134/21. For the first time, the document also contained references to earlier PAHO resolutions adopted on the same topics. The intention was to link the regional agenda more closely to the global one and to show how the resolutions adopted at the global level related to work under way or already completed in the Region.

284. As part of that new approach, he drew attention to several resolutions of particular importance, such as the one referring to road safety and health, which had also been the topic of World Health Day 2004. PAHO, together with many other organizations, had shown leadership in planning and executing relevant activities, both at Headquarters and around the Region. World Health Day had made it possible to increase the visibility of the work of the Organization and to raise awareness of road safety as an important aspect of public health.

285. With regard to the resolution on family health, he recalled that the International Day of Families, 15 May, had been taken very seriously in the Region. Furthermore, on the basis of Resolution CD44.R12, PAHO had reorganized its own structure in order to be able to give greater attention to family and community health and thus contribute as effectively as possible to the work needed to achieve the Millennium Development Goals, many of which related directly to family health.

286. Turning to the resolution on reproductive health strategy, he noted that Member States had supported the regional strategy for monitoring the reduction of maternal morbidity and mortality put forward at the Pan American Sanitary Conference of 2002. Eleven countries had been selected as priorities for technical cooperation in that area and a number of successes could already be seen. For example, Bolivia had succeeded in reducing its rate of maternal mortality by 41% between 1993 and the period 1999-2002. A document on monitoring the reduction of maternal morbidity and mortality had also been submitted to the 132nd Session of the Executive Committee, and PAHO was now coordinating the work of an interagency group on reduction of maternal mortality.

287. The resolution approving the global strategy on diet, physical activity, and health had required long working sessions and the establishment of a special group during the Assembly to seek consensus among the countries. The Region of the Americas had played a prominent role in developing the strategy eventually adopted, which had been discussed extensively at a 2003 regional consultation held in Costa Rica. That gathering had recognized the critical importance of the topic and the contribution it could make to tackling noncommunicable diseases, which were an increasing concern in all countries.

288. Referring to the resolution on human organ and tissue transplantation, he explained that PAHO was currently organizing a network of experts on transplants with the objective of providing assistance to Member States. The Secretariat had also taken part in meetings on this topic in the Netherlands and Spain, which had made it possible to identify experts in various countries of the Region.

289. The resolution on international migration of health personnel had also required long working sessions to reach consensus. The topic was of particular concern to the Region, and PAHO was working on two relevant initiatives. One was an integrated study of the global nursing workforce, intended to produce a policy document delineating the extent and main dynamics of the problem of medical personnel shortages and identifying regional and intracountry variations. The PAHO Human Resources Development Unit would be responsible for producing the regional document on the Americas. The second initiative was a program on management of health workforce migration. The Human Resources Development Unit, working through the Office of Caribbean Program Coordination, was currently developing a program of migration management focusing primarily on migration of nurses. The program formed part of a human resources

development project being undertaken with assistance from Health Canada, which also involved a survey of the nursing workforce and an enhancement of nurses' ongoing training.

290. Dr. Lamy reported that during the Assembly there had been a special meeting on the five priority countries of the Americas, giving the latter an opportunity to share their concerns and priorities with other participants. The Working Group on PAHO in the 21st Century had also met. Additionally, round tables had been held on HIV/AIDS, covering best practices and ways to deal with the problems facing countries, policies and strategies for success, and the role of the health and other sectors in improving prevention and treatment. There had also been a working session with the Carter Center on the subject of onchocerciasis.

291. The Executive Committee welcomed the report on the Fifty-seventh World Health Assembly. It was pointed out that the celebration of World Health Day in April had been a very powerful event, one which had meant that by the time of the World Health Assembly in May there had been considerable momentum leading to a truly substantive resolution on road safety and health. Referring to the topic of family health, the Delegate of the United States noted that her delegation had pushed hard for that resolution at the January 2004 session of the Executive Board, and that PAHO had subsequently produced a very good brochure on the topic. She commended that publication to other participants.

292. The Committee noted that in the lengthy discussions on the global strategy on diet, physical activity, and health, the Region, particularly Brazil, the Dominican Republic, and others, had shown great leadership in reaching consensus on a very complex strategy which would be implementable at the country level. The topic of human organ tissue was another area where the Region had shown leadership, and the Executive Committee expressed its appreciation to Spain for moving the matter forward, both at the Executive Board and at the Assembly.

293. The Committee expressed strong interest in the practical approaches being taken to tackling the issues of health personnel migration, as well as satisfaction that PAHO was already pursuing studies and analyses on the subject. Migration of health personnel, particularly of nurses and particularly from the Caribbean, was a major concern in the Region. The Delegate of Barbados noted that attempts were under way in his subregion to improve nurses' working conditions in order to persuade them not to emigrate. Throughout the Caribbean, efforts were being made to increase the number of nurses being trained. Barbados, for example, had decided to triple the number for the coming three years. Collaboration would be necessary, however, between the training countries and the developed countries to which the nurses tended to migrate, and there would also be a need to increase the number of persons involved in training and to arrange for exchanges of training faculty.

294. Responding to the comments on the important role which the Organization had taken in the preparation of certain resolutions, Dr. Lamy noted that GRUA (Group America) and GRULAC (Latin American and Caribbean Group) provided important spaces where the countries of the Region could meet in order to review the progress being made towards the various resolutions. The PAHO Secretariat had met with the two groups, and intended to continue striving to improve the process of providing input and information to facilitate the work of the delegates to the WHA.

295. The Director noted that Document CE134/21 represented the first attempt to introduce a more formal process of informing Member States about the implications of those WHA resolutions which had a particular impact on the work of the Organization and the countries of the Region. The intention was to make the delegates aware of what the Region had done in the past to prepare for a given topic and of what it was doing about it now. In addition, the Secretariat would be systematically informing Member States about subregional ministerial meetings and other subregional processes, in order to respond to the call from the Pan American Sanitary Conference in 2002 and the Directing Council in 2003 for greater continuity and alignment of the topics of concern to the Region with work under way at the global level. To that end, the Secretariat had been cultivating a closer relationship with GRUA and GRULAC, which were composed of the countries' missions to the various international organizations headquartered in Geneva, including WHO. After discovering that information in the past had not always flowed properly and not always reached the right point, the Secretariat was now consistently and regularly sending all pertinent information on health topics to the leaderships of those groups.

296. In addition, the PAHO Secretariat delegation to the Assembly had been larger than in the past, and it had worked very intensively to provide support to the delegations of Member States from the Region. It had provided coverage not only of the plenary, the committees, and the working groups and specialized sessions, but also of meetings with other organizations based in Geneva, such as UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria. Additionally, the Secretariat delegation had covered the meeting of members of the Commonwealth, held on the Sunday before the Assembly started.

297. Between the end of the Assembly and the beginning of the Executive Board meeting, she had been invited to speak at the opening of the General Session of the World Organization for Animal Health (OIE), at its headquarters in Paris. An agreement had been signed three years previously between PAHO and the OIE, which had resulted in highly integrated work between the two organizations in the area of veterinary health. It was similar in nature to the agreements that PAHO had signed with the Inter-American Institute for Cooperation on Agriculture, with the Food and Agriculture Organization of the United Nations, and with the World Food Program. A joint agenda had been defined with those four bodies on animal health, food safety and food security, and rural

development, as had been suggested by the Inter-American Meeting, at the Ministerial Level, on Health and Agriculture (RIMSA). RIMSA took place every two years, and she was pleased to announce that the Secretary of Health of Mexico had just agreed to host the meeting in 2005.

298. The Director closed by recalling that in Geneva she had encountered Mr. Edward Aiston, former Director-General of the International Affairs Directorate of Health Canada, who had been very active within both PAHO and WHO. He had told her that the 2004 Assembly would be his last, and she expressed PAHO's wishes for his enjoyable retirement.

299. The Committee took note of the report on the Fifty-seventh World Health Assembly.

Other Matters

300. Pursuant to a request from the Subcommittee on Planning and Programming, the Director provided updates and distributed written reports on the situation of three regional centers: the Pan American Institute for Food Protection and Zoonoses (INPPAZ), the Pan American Foot-and-Mouth Disease Center (PANAFTOSA), and the Caribbean Epidemiology Center (CAREC). Concerning INPPAZ, she said that, at a meeting on 16 March 2004, the Ministry of Health and the Ministry of Agriculture of Argentina had each agreed to pay half the sum of \$250,000 needed to keep the Institute open until 31 December 2004, with the understanding that if payment were not received, PAHO would be obliged to take action to close the Institute. Since then, the Ministry of Health had made a payment of \$125,000, but no payment had been received from the Ministry of Agriculture. The Secretariat would be meeting again in a few weeks with the Argentine authorities to review the situation. In addition, the Secretariat would meet with officials from the Inter-American Institute for Cooperation on Agriculture (IICA) and the United States Department of Agriculture (USDA) to discuss the possible implications for INPPAZ of a proposal put forward by USDA for the strengthening of food safety activities in the Region. In light of those two circumstances, she had decided to postpone any legal action and keep the Institute open until the end of the year.

301. With regard to PANAFTOSA, as she had reported to the Subcommittee on Planning and Programming, significant arrears in Brazil's contributions to the Center had accumulated in the past few years. PAHO officials had met in October 2003 with the Brazilian authorities to discuss the situation and negotiate a payment plan, under which the arrears due for 2002 and 2003 would be paid in three equal amounts during 2005, 2006, and 2007, and, as from 2004, the annual contribution would be paid in 12 monthly

installments. She was pleased to report that the Government of Brazil was in full compliance with the agreement.

302. As for CAREC, in February 2004 she had learned that the Secretary General of the Caribbean Community (CARICOM) intended to start discussions with the governments of the Caribbean on the establishment of a new relationship between CAREC and PAHO, with the possibility of autonomy for the Center. In April 2004, the Council of CAREC had met to review the multilateral agreement between PAHO and the Center, which was subject to renewal every five years and was due to expire in December 2005. The Council had appointed a Subcommittee to advise on possible reforms to CAREC. Subsequently, at a meeting of the CARICOM Council for Human and Social Development, the ministers of health of the region had decided that it would be premature to make any change in the status of CAREC until after completion of a study commissioned by CARICOM of five regional health institutions, including two Pan American centers: CAREC and the Caribbean Food and Nutrition Center (CFNI). A Canadian firm, Universalia, was conducting the study, the results of which were expected to be available in September 2004.

303. At the same time, the Secretariat had undertaken an analysis of the legal framework of CAREC, in particular the multilateral agreement that had to be renewed every five years. All the other Pan American centers had permanent agreements, which provided a more stable framework for the relationship among the Organization, the center, the host country, and the countries that were beneficiaries of the center's activities. PAHO's Legal Counsel was working on a proposal for CAREC that would provide greater administrative and legal stability.

304. Financially, CAREC was in very good shape at present, following a successful campaign to increase the collection of quota contributions and mobilize extrabudgetary funds. Administratively, the Center had experienced some instability in recent years, but the creation of an international (PAHO-funded) administrator post and the appointment of an experienced PAHO manager to that post was expected to greatly improve the Center's financial and administrative management. She would, of course, keep the Governing Bodies apprised of any proposed changes in the Center's legal status and its relationship to PAHO. In the meantime, the Organization would continue to fulfill its fiduciary and supervisory responsibilities vis-à-vis CAREC in order to ensure solid project management and services worthy of the trust of both CAREC member countries and the countries that provided technical and financial support for the Center's activities.

305. The Director also distributed a document outlining the Secretariat's progress thus far in implementing the Managerial Strategy presented to the Committee the previous year (see Document CE132/FR). She noted that the document, which showed the strategic objectives and the status of various activities being undertaken to achieve them, was a first

step towards the plan of action with expected outcomes and indicators which Member States had asked the Secretariat to develop. The Secretariat would continue to update the Governing Bodies on a regular basis regarding implementation of the Strategy and the process of organizational change under way.

306. She pointed out that some of the activities and indicators related to matters which were being examined by the Working Group on PAHO in the 21st Century and which had also been discussed by the Executive Committee during the week. Concerning decentralization and distribution of human resources, for example, she reported that, since the previous year, a total of 14 posts had been eliminated and 17 staff members had been transferred to posts outside Headquarters. With respect to staff rotation, she was pleased to report that for non-Headquarters staff, with very few exceptions, PAHO was adhering to the United Nations recommendation that no staff member remain at any duty station for longer than five years.

307. The Delegate of Argentina thanked the Director for her willingness to extend the deadline for receipt of the agreed \$250,000 payment for INPPAZ. He wished to assure the Director and the Members of the Executive Committee that the Government of Argentina had every intention of honoring its commitment. The Ministry of Health was currently in the process of assembling the funds needed to complete payment of the full amount. In addition, by November, the Government expected to submit not only a plan of action for the Institute, to be drawn up jointly by the Organization and the two ministries, but also a payment plan for settling the remainder of its debt to INPPAZ and for making regular quota payments in the future. The Delegate also assured the Committee that, should his government determine that it was not going to be able to fulfill its obligations, it would be the first to inform the Director that she should take steps either to transfer the Institute or to close it.

308. With regard to human resources issues, the Delegate of the United States asked the Director to explain what criteria were used to determine whether a post should be located at Headquarters or elsewhere in the Region. She also asked the Director to elaborate on her comments concerning staff rotation, in particular the apparent exemption of Headquarters staff from the five-year rule.

309. The Delegate of Canada noted that during the 38th Session of the Subcommittee on Planning and Programming the Secretariat had indicated that it would prepare a report on technical cooperation among countries (TCC) for presentation to the Executive Committee. His delegation felt that the topic was an important one and hoped that the report would be forthcoming in the near future.

310. The Director said that the main factors that entered into decision-making about where to locate posts were the nature of the work involved and the focus of the action for

the post in question. In the case of a program that addressed a health problem that was concentrated in a particular geographic area, it made more sense to locate the post in that area. Doing so reduced transaction costs and made it easier for the countries concerned to take full advantage of the Organization's technical cooperation. The post for the regional advisor on dengue, for example, had recently been decentralized and relocated to Panama for that reason. With regard to staff rotation, she explained that all United Nations staff were subject to the guidelines established by the International Civil Service Commission, which provided that the maximum length of assignment to any duty station should be five years, unless there were circumstances that warranted an extension. In practice, however, the rule had been applied less rigorously to staff at the headquarters of international organizations. That had been the case at PAHO, but the rotation principle was being followed in all field locations, and it was gradually being introduced at Headquarters as well.

311. Concerning the report on TCC, she said that it had been her understanding that it would be presented to the Committee the following year. The Organization maintained a database of information on TCC funds and projects, and she would be pleased to make that information available to Members immediately upon request. However, preparing a more in-depth report would take time, and she therefore proposed that it be presented to the Committee in June 2005.

312. The Committee agreed to consider the subject of TCC at its 136th Session in June 2005.

Closure of the Session

313. The President, noting that the Dominican Republic, Honduras, and Peru had reached the end of their terms on the Executive Committee, thanked the representatives of those countries for their service. He wished to pay special tribute to the representative of the Dominican Republic, Dr. José Rodríguez Soldevila, who had completed his second term, having served on the Executive Committee from 1978 to 1982 and then again from 2000 to the present. He praised Dr. Rodríguez Soldevila's lifelong commitment to primary health care, describing him as a pillar of strength for PAHO and the Executive Committee.

314. The Director also praised Dr. Rodríguez Soldevila's commitment to primary health care, noting that he had taken up his ministerial responsibilities immediately after the Alma-Ata conference. He was unique among currently serving ministers of health in the Region in being able to look back to that historic starting point. On behalf of the Executive Committee, she presented Dr. Rodríguez Soldevila with a commemorative gift.

315. Dr. Rodríguez Soldevila said that when, in June 1982, in a similar scene at the Executive Committee, he had said farewell to the Organization, he had thought that he

was severing his contact with it, other than the ties of affection between himself and the PAHO staff with whom he had worked. As no one could predict the future, he had had no idea that years later he would take up the same portfolio and return once again to PAHO. The two periods had each brought a deepening of his affection for the Organization and a deepening of his knowledge of and dedication to public health. Although he would no longer be Minister of Health of his country and would no longer be a delegate to the Governing Bodies, he stood ready to provide any help and support that the Organization might ask of him.

316. After the customary exchange of courtesies, the President declared the 134th Session closed.

Resolutions and Decisions

317. The following are the resolutions adopted and decisions taken by the Executive Committee at its 134th Session:

Resolutions

CE134.R1 Strategy for Increasing the Rate of Collection of Quota Assessments

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the strategy for increasing the rate of collection of quota assessments (Document CE134/17);

Noting that while quota collections for the 2002-2003 biennium exceeded amounts collected in each of the last three biennia, the Director is committed to improving the collection rate of quota arrearages; and

Noting the proposed strategy to improve the collection rate would require a revision to the Organization's Financial Regulations and Rules,

RESOLVES:

1. To take note of the report of the Director on the Strategy for Increasing the Rate of Collection of Quota Assessments (Document CE134/17).
2. To thank the Member States that have already made payments for 2004 and to urge the other Member States to pay all their outstanding contributions as soon as possible.

3. To recommend to the 45th Directing Council the approval of a revision to the Organization's Financial Regulations, permitting payment of quota assessments in local currency, as follows:

Financial Regulation VI

6.6 Contributions shall be assessed in U.S. dollars ~~and paid in U.S. dollars,~~ **and shall be paid in either U.S. dollars or such other currencies as the Director shall determine.**

6.7 Payments in currencies other than U.S. dollars shall be credited to Members' accounts at the United Nations rate of exchange in effect on the date of receipt by the Pan American Health Organization or at the market rate of exchange should conversion of excess currency be deemed prudent.

(Former Financial Regulations 6.7 through 6.9 shall be renumbered 6.8 through 6.10).

4. To thank the Director for her initiatives and request that she continue to inform the Member States of any balances due and to report to the 45th Directing Council on the status of the collection of quota contributions.

(Third meeting, 22 June 2004)

CE134.R2 Collection of Quota Contributions

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the collection of quota contributions (Document CE134/18 and Add. I), and the report provided on Member States in arrears in the payment of their quota contributions to the extent that they can be subject to the application of Article 6.B of the Constitution of the Pan American Health Organization;

Noting the provisions of Article 6.B of the PAHO Constitution relating to the suspension of voting privileges of Member States that fail to meet their financial obligations and the potential application of these provisions to those Member States that are not in compliance with their approved deferred payment plan; and

Noting with concern that there are 24 Member States that have not made any payments towards their 2004 quota assessments and that the amount collected for 2004 assessments represents only 23% of total current year assessments,

RESOLVES:

1. To take note of the report of the Director on the collection of quota contributions (Document CE134/18 and Add. I).
2. To thank the Member States that have already made payments for 2004 and to urge the other Member States to pay all their outstanding contributions as soon as possible.
3. To recommend to the 45th Directing Council that the voting restrictions contained in Article 6.B of the PAHO Constitution be strictly applied to those Member States that by the opening of that session have not made substantial payments toward their quota commitments and to those Member States that have failed to make the scheduled payments in accordance with their deferred payment plans.
4. To request the Director to continue to inform the Member States of any balances due and to report to the 45th Directing Council on the status of the collection of quota contributions.

(Sixth meeting, 24 June 2004)

***CE134.R3 Provisional Agenda of the 45th Directing Council of PAHO,
56th Session of the Regional Committee of WHO for the Americas***

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having examined the provisional agenda (Document CD45/1) prepared by the Director for the 45th Directing Council of PAHO, 56th Session of the Regional Committee of WHO for the Americas, presented as the Annex to Document CE134/4, Rev. 1; and

Bearing in mind the provisions of Article 12.C of the Constitution of the Pan American Health Organization and Rule 7 of the Rules of Procedure of the Council,

RESOLVES:

To approve the provisional agenda (Document CD45/1) prepared by the Director for the 45th Directing Council of PAHO, 56th Session of the Regional Committee of WHO for the Americas.

CE134.R4 Scaling-Up of Treatment Within a Comprehensive Response to HIV/AIDS

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the report, “Scaling-up of Treatment within a Comprehensive Response to HIV/AIDS” (Document CE134/13),

RESOLVES:

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

THE 45TH DIRECTING COUNCIL,

Having considered the report, “Scaling-up of Treatment within a Comprehensive Response to HIV/AIDS” (Document CE134/13);

Recognizing the escalating epidemic of HIV/AIDS in Latin America and the Caribbean with more than 2 million people living with HIV/AIDS in the region and having lost 200,000 lives to AIDS in 2003;

Acknowledging that the Caribbean has the second highest prevalence rates of HIV/AIDS in the world after sub-Saharan Africa and that the prevalence rates are rapidly growing in Central America;

Cognizant that the HIV/AIDS epidemic is challenging health systems in all countries of the Americas;

Considering that attention to treatment of people living with HIV/AIDS in the Americas has not kept pace with prevention efforts, due until recently to the high costs of medication and considerable stigma and discrimination resulting in the limited use of counseling and testing services;

Taking into account the technological developments, successful interventions, and closer partnerships among stakeholders, as well as increased financial opportunities for scaling-up access to treatment for people living with HIV/AIDS; and

Considering the launching of the “3 by 5” Initiative by the Director-General of the World Health Organization,

RESOLVES:

1. To urge Member States to:
 - (a) scale up efforts to treat HIV/AIDS/STI within the context of a comprehensive response to the epidemic;
 - (b) strengthen health systems for the effective response to the challenges of HIV/AIDS/STI, and to expand links with related services, including those of tuberculosis and maternal-and-child health;
 - (c) ensure the effective, reliable supply of medicines, diagnostics, and other commodities necessary for scaling-up of treatment;
 - (d) ensure an enabling environment, including political commitment and leadership, partnerships, and community mobilization;
 - (e) sustain and reinforce prevention activities and the reduction of stigma within the health services, especially those to prevent mother-to-child transmission, voluntary counseling and testing, control of STI and the elimination of congenital syphilis, and services for vulnerable groups, including youth, men who have sex with men, migrants, sex workers, and intravenous drug users;
 - (f) strengthen the surveillance capacity of technical programs to monitor the trends in the epidemic and the impact of interventions, adjusting national responses and strategies accordingly;
 - (g) track the flow of internal and external resources in support to the comprehensive response to HIV/AIDS and to identify the necessary resources for scaling-up treatment.
2. To request the Director to:
 - (a) continue to develop mechanisms to scale up treatment within a comprehensive response to HIV/AIDS in the Americas, including the expansion of the Regional Revolving Fund for Strategic Health Supplies, the application of tools and guidelines, human resource development and training, and other appropriate measures in support of health systems and services strengthening;
 - (b) articulate and consolidate PAHO efforts for scaling-up treatment with the global “3 by 5” Initiative promoted by World Health Organization so Member States benefit from the synergies of these endeavors;

- (c) continue to foster partnerships with the cosponsoring agencies of the Joint United Nations Program on AIDS (UNAIDS), as well as with other institutions and agencies in the fight against HIV/AIDS in the Americas;
- (d) continue to promote the sharing of regional and extra regional experiences and capacity development in HIV/AIDS/STI prevention and control.

(Seventh meeting, 24 June 2004)

***CE134.R5 Financial Report of the Director and Report of the External Auditor
2002-2003***

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having examined the *Financial Report of the Director and Report of the External Auditor, 1 January 2002 - 31 December 2003* (Official Document 315),

RESOLVES:

1. To transmit the *Financial Report of the Director and Report of the External Auditor, 1 January 2002 - 31 December 2003* (Official Document 315) to the 45th Directing Council.
2. To note that the financial statements for the 2002-2003 biennium are presented in accordance with the United Nations System Accounting Standards, with resulting improvement in the disclosure and clarity of the statements.
3. To commend the Organization on its efforts to monitor and strengthen the financial positions of the Caribbean Epidemiology Center, the Caribbean Food and Nutrition Institute, and the Institute of Nutrition of Central America and Panama, including additional sources of support, and encouraging further joint efforts to develop and implement strategies for improving their financial positions.
4. To request that PAHO report regularly to the Executive Committee on the work of the PAHO Office of Internal Audit and Oversight.
5. To congratulate the Director on her successful efforts to maintain a sound financial position for the Organization.

(Seventh meeting, 24 June 2004)

CE134.R6 Access to Medicines

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on Access to Medicines (Document CE134/12),

RESOLVES:

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

THE 45th DIRECTING COUNCIL,

Having considered the report of the Director on Access to Medicines (Document CD45/___);

Bearing in mind that access to medicines and other critical public health supplies is a global priority, mandated through the United Nations Millennium Declaration;

Taking into account the insufficient and inequitable access to essential medicines and other public health supplies that exist in countries of the Americas, not only for products required in the treatment of HIV/AIDS, TB, and malaria, but also products used in the prevention and treatment of noncommunicable diseases, such as diabetes, hypertension, cancer, renal insufficiency, and other diseases of public health significance;

Considering the challenges that Member States face in addressing the problem, in particular, in the selection of quality products, financing, procurement, cost containment, intellectual property regulation, and supply management; and

Acknowledging the achievements of countries in the Americas in developing medicines policy based on principles of safety, quality, and efficacy, and in collaborating to develop regulatory capacity in the Region through fora, such as the Pan American Network for Drug Regulatory Harmonization,

RESOLVES:

1. To urge Member States to:
 - (a) assign priority to the issue of access to medicines and essential public health supplies, addressing the determinants of access at the national level with special focus on poor and marginalized populations;

- (b) develop generic drug policies as a means to increase the availability and affordability of essential medicines, ensuring product quality and safety through effective regulation and promoting rational use through incentives aimed at both providers and users;
 - (c) continue to implement a broad range of cost containment strategies for essential public health supplies to maximize efficiency and resource utilization, and to monitor and evaluate the impact of such strategies on price and access;
 - (d) implement in the Region of the Americas Resolution WHA57.14 of the Fifty-seventh World Health Assembly, specifically to adapt national legislation in order to maximize the flexibilities contained in the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and to encourage that bilateral trade agreements take into account the Doha Ministerial Declaration on the TRIPS Agreement and Public Health;
 - (e) acknowledge the importance of supply management in ensuring continuity in access to medicines and essential public health supplies, and to strengthen accordingly pharmaceutical supply management systems.
2. To urge the Director to:
- (a) support the development of networks and partnerships with the active participation of key stakeholders to implement a program of work promoting the development of generic drug policies in the Region, the development and monitoring of cost containment strategies in accordance with applicable international laws and agreements and the strengthening of supply management capacity;
 - (b) continue to strengthen the Regional Revolving Fund for Strategic Public Health Supplies as a procurement mechanism in support of the technical program of work in promoting access to medicines in the Region.

(Seventh meeting, 24 June 2004)

CE134.R7 Nongovernmental Organizations in Official Relations with PAHO

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having studied the report of the Standing Committee on Nongovernmental Organizations (Document CE134/8); and

Mindful of the provisions contained in the document *Principles Governing Relations between the Pan American Health Organization and Nongovernmental Organizations* (1995, revised 2000),

RESOLVES:

1. To admit the Latin American and Caribbean Women's Health Network (RSMLAC) into official relations with PAHO.
2. To continue official relations between PAHO and the Inter-American College of Radiology (ICR), the Latin American Association of Pharmaceutical Industries (ALIFAR), the Latin American Federation of Hospitals (FLH), the Pan American Federation of Associations of Medical Schools (FEPAFEM), the Pan American Federation of Nursing Professionals (FEPPEN), and the International Organization of Consumers Unions (CI-ROLAC) for a period of four years.
3. To discontinue official relations between PAHO and the Pan American Union for the Control of Sexually Transmitted Diseases (UPACITS, formerly ULACETS).
4. To request the Director to:
 - (a) advise the respective NGOs of the decisions taken by the Executive Committee;
 - (b) continue developing dynamic working relations with inter-American NGOs of interest to the Organization in areas which fall within the program priorities that the Governing Bodies have adopted for PAHO;
 - (c) continue fostering relationships between Member States and NGOs working in the field of health.

(Eighth meeting, 25 June 2004)

CE134.R8 PAHO's Contribution to the Achievement of the Development Goals of the United Nations Millennium Declaration

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having seen the report, "Millennium Development Goals and Health Targets" (Document CE134/10);

Recognizing the importance of the goals of the United Nations (UN) Millennium Declaration as a focused strategy to improve the health of the peoples of the Americas and reduce the existing inequalities within and between countries;

Acknowledging the central place of the goals of the UN Millennium Declaration in PAHO strategic priorities, and

Recognizing the PAHO strategy to reach the Millennium Development Goals,

RESOLVES:

To recommend that the Directing Council adopt a resolution along the following lines:

THE 45th DIRECTING COUNCIL,

Having seen the report, “Millennium Development Goals and Health Targets” (Document CD45/___);

Acknowledging the goals of the UN Millennium Declaration and the strong commitment of the governments of the Region to their attainment;

Recognizing the close link between the goals of the UN Millennium Declaration and PAHO/WHO’s vision of health for all; and

Understanding the importance of the achievement of the goals of the UN Millennium Declaration for the reduction of health inequalities in the Region of the Americas,

RESOLVES:

1. To request the Members States to:
 - (a) strengthen the political commitment to the goals of the UN Millennium Declaration at all levels of governance and consider the achievement of the goals a priority in regional, subregional, national, and local economic and social development plans;
 - (b) increase awareness and ownership of the health priorities set by the goals of the UN Millennium Declaration at the country level through a wide range of policy dialogues, partnerships, and intersectoral action;

- (c) foster partnerships on the attainment of the development goals of the UN Millennium Declaration in subregional political and economic fora in order to strengthen Member States' commitment to health and social development with shared responsibility;
- (d) intensify action on national health development and social protection in health, particularly at national and subnational levels to support progress on the goals of the UN Millennium Declaration;
- (e) better integrate national efforts to attain the goals of the UN Millennium Declaration with initiatives on health goals and targets and outcome-oriented health policies in the Americas;
- (f) engage and increase cooperation with other partners to advance the agenda of the goals of the UN Millennium Declaration at regional, subregional, and country levels;
- (g) support a strong civil society involvement at all levels to attain the goals of the UN Millennium Declaration, with a view to especially include women, ethnic and racial groups, and indigenous populations;
- (h) improve measurement and routine monitoring of progress of the attainment of the goals of the UN Millennium Declaration through high-quality, disaggregated health data;
- (i) initiate, facilitate, and support research to strengthen the evidence base for the attainment of the goals of the UN Millennium Declaration and generate new knowledge, in particular relating to synergies for health.

2. To request the Director to:

- (a) renew efforts to support countries in the development and implementation of national plans of action for the attainment of the goals of the UN Millennium Declaration and in the effective programming of development assistance resources;
- (b) continue to utilize the goals of the UN Millennium Declaration as a critical element of PAHO's cooperation in all relevant technical areas, particularly for those countries and population groups with the greatest need to attain the development goals of the UN Millennium Declaration;
- (c) continue to integrate and mainstream the goals of the UN Millennium Declaration in the PAHO program of work and in the results-based management;

- (d) intensify efforts for mobilizing human and financial resources and partnerships to support the countries in the Americas in implementing their national strategies as applied to the goals of the UN Millennium Declaration that focus on health;
- (e) integrate PAHO's work on the goals of the UN Millennium Declaration with other strategic efforts in health development in the Region of the Americas, including the efforts by subregional and regional bodies, the poverty reduction strategies of the UN and development banks, and investment in health systems strengthening;
- (f) provide technical support to the regional meeting of ministers of health that will take place in Argentina, in June 2005, to assess progress on the health-related goals of the UN Millennium Declaration;
- (g) continuously monitor the national and regional advancement towards the health-related goals, evaluate experiences, and share best practices among countries.

(Eighth meeting, 25 June 2004)

CE134.R9 Observatory of Human Resources in Health

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having seen Document SPP38/5 on the Observatory of Human Resources in Health;

Having considered Resolution CE128.R3 on the Development and Strengthening of Human Resources Management in the Health Sector (2001); and

Having acknowledged the central role of human resources in the development of equitable health systems and policies, and recognized the importance of evidence-based, participatory mechanisms for the formulation of effective and sustainable human resources plans and policies,

RESOLVES:

To recommend that the Directing Council adopt a resolution along the following lines:

THE 45TH DIRECTING COUNCIL,

Having considered Document CD45/___ on the Observatory of Human Resources in Health, as well as Resolution CE128.R3 on the Development and Strengthening of Human Resources Management in the Health Sector (2001); and

Recognizing the importance of the development of effective human resources policies and plans to achieve universal access to quality health services and meet priority health needs of our populations,

RESOLVES:

1. To request the Member States to:
 - (a) address persistent and emerging issues related to the availability, composition, distribution, and performance of human resources in health, which constitute major obstacles to the goal of universal access to quality health services and equity in health;
 - (b) exert effective leadership in establishing a national agenda for human resources development and promote the active involvement of relevant stakeholders in all phases of the policy-making process;
 - (c) invest in the development of human resources to support the strategy of primary health care and the delivery of essential public health functions, as a critical contribution to the attainment of the goals of the United Nations Millennium Declaration;
 - (d) intensify their involvement in the Observatory of Human Resources in Health, as an appropriate strategy to define priorities and formulate sustainable policies.
2. To request the Director to:
 - (a) intensify technical cooperation with the countries in developing and implementing effective human resources policies and plans;
 - (b) expand the scope of the Initiative of the Observatory of Human Resources to address new challenges to the development of human resources;
 - (c) contribute to the creation of a regional strategy to address priority problems derived from the flow of human resources among countries;

- (d) evaluate the Initiative during the 2006-2007 biennium to define future developments in PAHO's technical cooperation in this field.

(Eighth meeting, 25 June 2004)

CE134.R10 Regional Program Budget Policy

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Considering Document CE134/9 and its Addendum, which provides a report of the process used to review the current Regional Program Budget Policy and presents a new proposal for this policy;

Bearing in mind Resolution CD44.R10 of the 44th Directing Council, which noted the need to update the regional program budget policy to define criteria for a more equitable budgetary allocation among countries; and

Taking into account the decision of the Fifty-seventh World Health Assembly with respect to the need to define criteria for regional allocations of the World Health Organization and a framework for guiding the formulation of the program budgets of WHO,

RESOLVES:

1. To request the Director to solicit written comments and disseminate them to the Member States.
2. To transmit the Regional Program Budget Policy contained in the Addendum of Document CE134/9 to the 45th Directing Council, incorporating the comments of the Executive Committee and other Member States.
3. To recommend to the 45th Directing Council that it fully discuss the applicability of the model and adopt the following resolution:

THE 45th DIRECTING COUNCIL,

Having considered Document CD45/___ and its Addendum, which presents a new Regional Program Budget Policy that defines a new way of allocating resources within the Organization;

Recalling the Managerial Strategy for the Work of the Pan American Sanitary Bureau in the Period 2003-2007, which states that the program budget would need to be strategic and flexible to support the implementation of the 11th General Program of Work of WHO and the Strategic Plan 2003-2007 for the Pan American Sanitary Bureau;

Further recalling Resolution CD44.R10 of the 44th Directing Council, which noted the need to update the regional program budget policy to define criteria for a more equitable budgetary allocation among countries;

Aware that the Fifty-seventh World Health Assembly has terminated Resolution WHA51.31 and has called for a new method for allocation of resources across the Regions of WHO, and a framework for guiding the formulation of the program budgets of WHO;

Noting the increased focus on countries, in particular the Key Countries identified in the Strategic Plan 2003-2007 for the Pan American Sanitary Bureau, as well as the Director-General's proposal for shifting resources to the Regions and countries;

Concerned that countries of the Americas should intensify efforts to attain the targets for the goals of the United Nations Millennium Declaration and other regional goals by 2015; and

Considering the comments made by the Executive Committee and other Member States,

RESOLVES:

1. To thank the Consultative Group on the PAHO Regional Program Budget Policy and the Secretariat for its efforts to develop criteria for the allocation of regular and extrabudgetary funds by functional level, areas of work, and among countries.
2. To take note of the proposed model for allocation of resources among countries.
3. To approve the new PAHO Regional Program Budget Policy as contained in Document CD45/_,
4. To ensure that the country allocations in future PAHO program budgets approved by the Council should, for the most part, be guided by a model that:
 - (a) ensures a minimal level of cooperation with all countries;
 - (b) distributes allocations among countries based on appropriate needs-based criteria;

- (c) is sufficiently flexible to accommodate evolving needs and special circumstances;
 - (d) is transparent, simple, and consistent;
 - (e) can be phased in over two, or at the most three biennia, and in such a way that the shift in allocations protects key priorities in country programs.
5. To promote a prioritization in the allocation among areas of work that is consistent with the attainment of the health-related goals of the United Nations Millennium Declaration.
6. To enforce the criteria of no less than 40% of the program budget allocations made to the country level and no less than 5% to the subregional level.
7. To request the Director to:
- (a) apply the new Regional Program Budget Policy in the formulation of future programs budgets, as decided by the Directing Council;
 - (b) present to the Directing Council or Pan American Sanitary Conference a thorough evaluation of the Regional Program Budget Policy after three biennia of implementation to ensure that it continues to respond to the changing health needs and equitable allocation of resources.

(Ninth meeting, 25 June 2004)

CE134.R11 PAHO Award for Administration, 2004

THE 134th SESSION OF THE EXECUTIVE COMMITTEE,

Having examined the report of the Award Committee of the PAHO Award for Administration, 2004 (Document CE134/7, Add. I); and

Bearing in mind the provisions of the procedures and guidelines for conferring the PAHO Award for Administration, as approved by the 18th Pan American Sanitary Conference (1970) and amended by the 24th Pan American Sanitary Conference (1994) and the 124th Session of the Executive Committee (1999),

RESOLVES:

1. To note the decision of the Award Committee to confer the PAHO Award for Administration, 2004, on Dr. Gastão de Souza Campos for his outstanding contribution to the transformation of the health care model through the development of a management method that increased the democratization of the services by strengthening the links between services and the users of the Unified Health System (SUS) in Brazil.
2. To request the Executive Committee to review the requirements, conditions and procedures for the Award, considering the need to adapt to new and more diverse regional demands, including an active promotion at country level to identify candidates suitable to such challenges. This would require an active participation of ministries of health, research and academic institutions, as well a PAHO/WHO Country Representation.
3. To acknowledge the contributions of all the candidates, especially Dr. Ida Berenice Molina, from Honduras, and Dr. Edna Araceli López A., from Guatemala, for their outstanding work in improving the health conditions in their countries.
4. To transmit the report of the Award Committee of the PAHO Award for Administration, 2004 (Document CE134/7, Add. I), to the 45th Directing Council.

(Ninth meeting, 25 June 2004)

Decisions

CE134(D1) Adoption of the Agenda

Pursuant to Rule 9 of the Rules of Procedure of the Executive Committee, the Committee adopted, without modification, the agenda submitted by the Director (Document CE134/1, Rev. 1).

(First meeting, 21 June 2004)

CE134(D2) Representation of the Executive Committee at the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas

Pursuant to Rule 54 of its Rules of Procedure, the Executive Committee decided to designate its President (Dominica) and Vice President (Honduras) to represent the

Committee at the 45th Directing Council, 56th Session of the Regional Committee of WHO for the Americas. As alternates to those representatives, the Committee designated the delegates of Costa Rica and Paraguay, respectively.

(First meeting, 21 June 2004)

CE134(D3) PAHO Buildings and Facilities

The Executive Committee authorized the Secretariat to proceed with the repairs to the basement and subbasement of the PAHO Headquarters building outlined in Document CE134/19.

(Fifth meeting, 23 June 2004)

IN WITNESS WHEREOF, the President of the Executive Committee and the Secretary ex officio, Director of the Pan American Sanitary Bureau, sign the present Final Report in the English and Spanish languages, both texts being equally authentic.

DONE in Washington, D.C., United States of America, on this twenty-fifth day of June in the year two thousand four. The Secretary shall deposit the original texts in the archives of the Pan American Sanitary Bureau and shall send copies thereof to the Member States of the Organization.

Herbert Sabaroche
Delegate of Dominica
President of the 134th Session
of the Executive Committee

Mirta Roses Periago
Secretary ex officio of the 134th Session
of the Executive Committee
Director of the Pan American Sanitary Bureau

AGENDA

1. OPENING OF THE SESSION

2. PROCEDURAL MATTERS

- 2.1 Adoption of the Agenda and Program of Meetings
- 2.2 Representation of the Executive Committee at the 45th Directing Council of PAHO, 56th Session of the Regional Committee of WHO for the Americas
- 2.3 Provisional Agenda of the 45th Directing Council of PAHO, 56th Session of the Regional Committee of WHO for the Americas

3. COMMITTEE MATTERS

- 3.1 Report on the 38th Session of the Subcommittee on Planning and Programming
- 3.2 Progress Report of the Working Group on PAHO in the 21st Century
- 3.3 PAHO Award for Administration, 2004
- 3.4 Nongovernmental Organizations in Official Relations with PAHO
 - Periodic Review of Nongovernmental Organizations in Official Relations with PAHO
 - Consideration of Applications

4. PROGRAM POLICY MATTERS

- 4.1 Progress Report of the Working Group on Regional Budget Policy
- 4.2 Millennium Development Goals and Health Targets

4. PROGRAM POLICY MATTERS (*cont.*)

- 4.3 Observatory of Human Resources in Health
- 4.4 Access to Medicines
- 4.5 Scaling-Up of Treatment within a Comprehensive Response to HIV/AIDS
- 4.6 International Health Regulations: Perspectives from the Region of the Americas
- 4.7 WHO's 11th General Program of Work
- 4.8 Ten-year Evaluation of the Regional Core Data in Health Initiative

5. ADMINISTRATIVE AND FINANCIAL MATTERS

- 5.1 Strategy for Increasing the Rate of Collection of Quota Assessments
- 5.2 Report on the Collection of Quota Contributions
- 5.3 Financial Report of the Director and Report of the External Auditor 2002-2003
- 5.4 PAHO Building and Facilities

6. PERSONNEL MATTERS

- 6.1 Statement by the Representative of the PASB Staff Association

7. GENERAL INFORMATION MATTERS

- 7.1 Resolutions and Other Actions of the Fifty-seventh World Health Assembly of Interest to the PAHO Executive Committee

8. OTHER MATTERS

9. CLOSURE OF THE SESSION

LIST OF DOCUMENTS

Official Documents

Off. Doc. 315 Financial Report of the Director and Report of the External Auditor,
1 January 2002 - 31 December 2003

Working Documents

- CE134/1, Rev. 1 Adoption of the Agenda and Program of Meetings
and CE134/WP/1
- CE134/3 Representation of the Executive Committee at the 45th Directing
Council of PAHO, 56th Session of the Regional Committee of
WHO for the Americas
- CE134/4 Provisional Agenda of the 45th Directing Council of PAHO,
56th Session of the Regional Committee of WHO for the Americas
- CE134/5 Report on the 38th Session of the Subcommittee on Planning and
Programming
- CE134/6 and Progress Report of the Working Group on PAHO in the
CE134/6 Add. I 21st Century
- CE134/7 PAHO Award for Administration, 2004
- CE34/7 Add. I Report of the Award Committee of the PAHO Award for
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- CE134/8 Nongovernmental Organizations in Official Relations with PAHO
- CE134/8, Add. I Report of the Standing Committee
- CE134/9 Progress Report of the Working Group on Regional Budget Policy
- CE134/9 Add. I PAHO Regional Program Budget Policy
- CE134/10 Millennium Development Goals and Health Targets
- CE134/11 Observatory of Human Resources in Health

Working Documents (cont.)

CE134/12	Access to Medicines
CE134/13	Scaling-Up of Treatment within a Comprehensive Response to HIV/AIDS
CE134/14	International Health Regulations: Perspectives from the Region of the Americas
CE134/15	WHO's 11th General Program of Work, 2006-2015
CE134/16	Ten-year Evaluation of the Regional Core Data in Health Initiative
CE134/17	Strategy for Increasing the Rate of Collection of Quota Assessments
CE134/18 and CE134/18 Add. I	Report on the Collection of Quota Contributions
CE134/19	PAHO Building and Facilities
CE134/20	Statement by the Representative of the PASB Staff Association
CE134/21 and CE134/21 Add. I	Resolutions and Other Actions of the Fifty-seventh World Health Assembly of Interest to the PAHO Executive Committee

Information Documents

CE134/INF/1	Progress Report of the Working Group on PAHO in the 21st Century
CE134/INF/2	Statistics on PASB/WHO Staff

**LIST OF PARTICIPANTS
LISTA DE PARTICIPANTES**

**Members of the Committee
Miembros del Comité**

Argentina

Dr. Carlos Vizzotti
Subsecretario de Regulaciones Sanitarias
e Investigación en Salud
Ministerio de Salud
Buenos Aires

Lic. Sebastián Tobar
Director
Coordinación de Relaciones Sanitarias
Internacionales
Ministerio de Salud
Buenos Aires

Barbados

Hon. Jerome X. Walcott
Minister of Health
Ministry of Health
St. Michael

Mr. Lionel Weekes
Permanent Secretary
Ministry of Health
St. Michael

Costa Rica

Dra. María del Rocío Sáenz Madrigal
Ministra de Salud
Ministerio de Salud
San José

Members of the Committee (cont.)
Miembros del Comité (cont.)

Costa Rica (cont.)

Sra. Roxana Terán de De La Cruz
Consejera de la Ministra
Misión Permanente de Costa Rica
ante la Organización de los Estados Americanos
Washington, DC

Dominica

Hon. Herbert Sabaroche
Minister of Health and Social Security
Ministry of Health and Social Security
Roseau

Dominican Republic
República Dominicana

Dr. José Rodríguez Soldevila
Secretario de Estado de Salud Pública y Asistencia Social
Secretaría de Salud Pública y Asistencia Social
Santo Domingo

Dra. Carmen Almonte
Coordinadora interinstitucional - Elaboración del
Plan Nacional de Salud
Secretaría de Salud Pública y Asistencia Social
Santo Domingo

Srta. Daverba M. Ortiz
Primera Secretaria de la Misión Permanente de la República Dominicana
ante la Organización de los Estados Americanos
Washington, DC

Members of the Committee (cont.)
Miembros del Comité (cont.)

Honduras

Dr. Manuel Antonio Sandoval Lupiac
Subsecretario de Salud
Secretaría de Estado en el Despacho de Salud
Tegucigalpa, DC

Paraguay

Dr. Julio César Velázquez
Ministro de Salud Pública y Bienestar Social
Ministerio de Salud Pública y Bienestar Social
Asunción

Dr. Luis Osvaldo Ligier Rios
Director General Unidad Técnica
de Relaciones Internacionales
Ministerio de Salud Pública y Bienestar Social
Asunción

Peru

Perú

Dra. Pilar Mazzetti Soler
Ministra de Salud
Ministerio de Salud
Lima

United States of America
Estados Unidos de América

Dr. William Steiger
Director, Office of Global Health Affairs
Department of Health and Human Services
Rockville, MD

Members of the Committee (cont.)
Miembros del Comité (cont.)

United States of America (cont.)
Estados Unidos de América (cont.)

Ms. Ann S. Blackwood
Director for Health Programs
Office of Technical and Specialized Agencies
Bureau of International Organization Affairs
Department of State
Washington, DC

Ms. Ruth Frischer
Population, Health, and Nutrition Team Leader
Office of Regional Sustainable Development
Bureau for Latin America and the Caribbean
Agency for International Development
Washington, DC

Ms. Ginny Gidi
International Health Officer for the Americas
Office of Global Health Affairs
Department of Health and Human Services
Rockville, MD

Ms. Lisa Jacobson
Program Analyst
Office of United Nations System Administration
Bureau of International Organization Affairs
Department of State
Washington, DC

Dr. Stuart Nightingale
Senior Medical Advisor to the Director
Office of Global Health Affairs
Department of Health and Human Services
Rockville, MD

Members of the Committee (cont.)
Miembros del Comité (cont.)

United States of America (cont.)
Estados Unidos de América (cont.)

Ms. Kelly Saldana
Health Sector Reform Advisor
Bureau for Latin America and the Caribbean
Agency for International Development
Washington, DC

Ms. Mary Lou Valdez
Deputy Director for Policy
Office of Global Health Affairs
Department of Health and Human Services
Rockville, MD

Other Member States
Otros Estados Miembros

Canada
Canadá

Mr. Nick Previsich
Acting Director
International Affairs Directorate
Health Canada
Ottawa

Ms. Melissa Follen
Senior Policy Advisor
International Affairs Directorate
Health Canada
Ottawa

Mr. Basia Manitus
Alternate Representative
Permanent Mission of Canada to the
Organization of American States
Washington, D.C.

Other Member States (cont.)
Otros Estados Miembros (cont.)

Chile

Mr. Patricio Powell
Primer Secretario de la Misión Permanente de Chile
ante la Organización de los Estados Americanos
Washington, DC

France
Francia

Mme Sylvie Alvarez
Ambassadrice, Observatrice permanente de la France
près l'Organisation des États Américains
Washington, DC

Prof. Jacques Drucker
Conseiller pour les Affaires sociales et la Santé
près de l'Ambassade de France aux États-Unis
Washington, DC

Mlle Olivia de Maleville
Attachée à la Mission permanente d'Observation de la France
près l'Organisation des États Américains
Washington, DC

Mexico
México

Lic. Mauricio Bailón González
Director General de Relaciones Internacionales
Secretaría de Salud
México, D.F.

Dr. Eduardo Pesqueira Villegas
Director de Asuntos Bilaterales y Regionales
Dirección General de Relaciones Internacionales
Secretaría de Salud
México, D.F.

Other Member States (cont.)
Otros Estados Miembros (cont.)

Mexico (cont.)

México (cont.)

Lic. Mireya Marroquín Bitar
Jefa del Departamento de Gestión Bilateral
Dirección General de Relaciones Internacionales
Secretaría de Salud
México, D.F.

Lic. Manuel Herrera-Rábago
Representante Alterno de México ante la
Organización de los Estados Americanos
Washington, D. C.

Nicaragua

Lic. Julieta Blandón Miranda
Primera Secretaria de la Misión Permanente de Nicaragua
ante la Organización de los Estados Americanos
Washington, DC

Observer States
Estados Observadores

Spain

España

Sr. Eduardo Gutiérrez Sáenz de Buruaga
Embajador, Observador Permanente de España
ante la Organización de los Estados Americanos
Washington, DC

Sr. Enrique Asorey
Observador Permanente Adjunto de España
ante la Organización de los Estados Americanos
Washington, DC

**Representatives of Intergovernmental Organizations
Representantes de Organizaciones Intergubernamentales**

**Economic Commission for Latin America and the Caribbean
Comisión Económica para América Latina y el Caribe**

Sr. Fernando Flores

**Inter-American Development Bank
Banco Interamericano de Desarrollo**

Sr. Alfredo Solari
Sr. André Medici

**Inter-American Institute for Cooperation on Agriculture
Instituto Interamericano de Cooperación para la Agricultura**

Sr. Guillermo Grajales

**Organization of American States
Organización de los Estados Americanos**

Sr. Stephen O. Bender
Srta. Hannah Sarah Faich

**Representatives of Nongovernmental Organizations
Representantes de Organizaciones No Gubernamentales**

**American Society for Microbiology
Sociedad Estadounidense de Microbiología**

Dr. Lily E. Schuermann

**Inter-American Association of Sanitary and Environmental Engineering
Asociación Interamericana de Ingeniería Sanitaria y Ambiental**

Mr. Horst Otterstetter

**Latin American Confederation of Clinical Biochemistry
Confederación Latinoamericana de Bioquímica Clínica**

Dr. Norberto V. Cabutti

**World Association for Sexology
Asociación Mundial de Sexología**

Dr. Esther Corona

**World Health Organization
Organización Mundial de la Salud**

Mrs. Pascale Brudon
Task Manager
General Program of Work
Planning, Resource Coordination, and
Performance Monitoring
Geneva

**Pan American Health Organization
Organización Panamericana de la Salud**

**Director and Secretary ex officio of the Committee
Directora y Secretaria ex officio del Comité**

Dr. Mirta Roses Periago
Director/Directora

**Advisers to the Director
Asesores de la Directora**

Dr. Joxel García
Deputy Director/Director Adjunto

Dr. Carissa Etienne
Assistant Director/Subdirectora

Ms. Dianne Arnold
Director of Administration, a.i.
Directora de Administración, a.i.

Dr. Daniel López Acuña
Director of Program Management
Director de Gestión de Programas
