The first thing I would like to do is to welcome you here. This is the first opportunity I am having to address you all "en famille" as it were, and I will try to be as brief as possible, but there are several issues that I would like to present to you on this first day. Those of you who were here in September will remember I said after my election that we would restate our mission, redefine our product and reengineer those parts of the management of programs and resources that need it. I would like to share with you how we have begun and what we will do.

The first thing I did was to set up a calendar of activities and get a small team together to help me to work through some of the plans that I had and I would like here to thank those members of the team that helped me. One of the things that was very gratifying to me as a first experience was that over a period of four months we dealt with many sensitive issues and we could maintain confidentiality about them. It confirmed my faith that we can work together as ladies and gentlemen and observe certain basic rules of decency in our work. It was a tremendous experience and I feel very gratified by it, because those persons that worked with me are no different from all of you. I consulted also a large number of persons and invited an even larger number to give me their advice and to help me with ideas. I would like to thank those of you who did so. I have not always followed the ideas or the advice that you gave me, because this is impossible. But it is out of the differences that arise between the various ideas that you can sometimes find the way forward. I really was impressed by the response, and one of the most impressive aspects was the desire of every one I asked, or those who volunteered, to participate. In almost every instance it was a desire driven by selflessness, as most of the things that people suggested had nothing to do with their personal situation but were related to how they saw the Organization functioning. In almost every instance it was the good of PAHO that came first.

In order to have some framework for what we are going to do, we have to understand where we are, and I will share with you, very briefly, my perceptions of some of the major currents that will shape our work in the next few years. Believe me that this is not mere rhetoric; these are things that I have thought about very seriously and I have selected six of what I would call mega-trends that are going to shape our work for the next couple of years.

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*Pan American Health Organization, Pan American Sanitary Bureau, Regional Office for the Americas of the World Health Organization*
The first thing that will shape our work is the economic landscape. After the boom of the 60's and 70's that left many people marginalized and the depression of the 80's, I am impressed that in spite of the recent hiccups in some of our major countries -- there is now optimism on two fronts. There is now optimism that there will be economic growth in all countries of Latin America and the Caribbean. And the second thing is that the countries are discovering that they are all linked together and the stability of the world's financial system depends on its interdependence. The interdependence of the major systems is becoming even more evident. The second mega trend is that attention must be paid to social values and the so called social sectors with particular attention to the need to reduce the inequity that exists. As I said at the time of my election, in things that matter there are really no "others". This concept is creeping into our common conscience.

The third is the growth of interest in the liberal democracy or the concept of what constitutes a liberal democracy, market orientation and the idea that there should be a renewal of the State. We have seen major countries opting to support other countries because they are committed to liberal democracy and market oriented reform.

The fourth is the trend towards regionalism in the Americas. For whatever reason you like -- political, pragmatic or commercial -- there is a definite trend towards regionalism in the Americas.

The fifth is the anxiety sometimes approaching panic about the environment and the capacity of the planet's ecology to support its increasing population. The last and perhaps the one often not so obvious to us in this field, is the appeal of health to numerous players. For many agencies and groups it is becoming attractive to work in the health field. I know that many of us are concerned about the leadership of those who constitutionally have the responsibility in the health field -- we will discuss that at another time -- and there is a growing acceptance that there should be an economic focus to activities in the health field. I have absolutely no doubt of our capacity to work and achieve our objectives in the environment that I have mentioned.

And how will we proceed to do what I have promised? How will we possibly restate the mission of the Organization? I asked several persons about the mission of the Secretariat and they assumed that everyone knew what our mission was, but really no one that I asked could state that mission with any precision. Most persons referred in general terms to the Constitution and what our general purpose was but there was no coincidence of perception of how we should be about our business. I believe, or rather I know for a fact that the mission of no organization can spring from the head of a single individual. There has to be a participatory process. And therefore the first task I have for you is to participate in re-defining the mission of our Secretariat. For this purpose we have prepared a basic package of materials and I am going to invite you to read them tomorrow, and on Friday to begin in groups the process of defining the mission of our Secretariat. Our colleagues in the field will receive their material and they will be asked to send their contribution in two weeks. It will be DAP's responsibility to collect your contributions and craft a first draft of the mission of
our Organization and I would hope that in a couple of months we will have a clear statement of what drives us -- what is our purpose, why we do what we do, why we feel proud of being a part of this Organization? That can only come from the collective wisdom of all of us in the Organization, and therefore I do wish you to put some thought and effort into defining what our mission should be.

I have said before that our major product is our technical cooperation which must be addressed towards the major orientations and priorities set by our Governing Bodies. I have also said that structure should follow function. But before going through the exercise of trying to define what should be the structure of the Secretariat to fulfill the functions that our Governing Bodies have assigned, I thought about what would be the rationale and the basic concepts for the introduction of any structural modification.

The first is that the Secretariat is the organ that organizes the human, financial and organizational resources in order to deliver the technical cooperation, or rather in order to cooperate with the countries. I prefer that expression because the term delivery gives the connotation of what I have called the postman syndrome and our cooperation with the countries should never be in that mode. There are a series of functions that have to be carried out to cooperate effectively with our countries and although we separate them sometimes artificially into the technical and administrative, I think there must be some overlap. But whatever we do in terms of structural modification its raison d'être has to be to improve the managerial efficiency at all levels of PAHO. This managerial efficiency has to be expressed in terms of better and more informed decisions. There has to be better communication between PAHO and other bodies and also among our functional units in order to achieve better product delivery. The thesis behind the modifications is that in addition to improving managerial efficiency we should observe the strategic and programmatic orientations and attempt to make them the real basis of our work. We can no longer have the ceremonial "lifting of the hat" to the strategic and programmatic orientations. We also have to follow the Ninth General Program of Work because we are a part of the World Health Organization.

There is another principle which I have used, what I call the principle of functional propinquity: things that are functionally similar should come together.

The strategic and programmatic orientations say what the countries and the Secretariat will do. These are five in number and logic demands that we maintain five Technical Divisions and make modifications within the context of those Divisions.

There will be the Division of Health and Human Development and I have asked Dr. Jose R. Teruel to continue to be Director of that Division which will have four programs. These are: Public Policy and Health, coordinated by Dr. Cesar Vieira; Health Situation Analysis, to which Dr. Carlos Castillo has just recently been appointed as Coordinator; Research Coordination where Dr. Alberto Pellegrini will continue to be Coordinator, and Women Health and Development coordinated by Dr. Pamela Hartigan. The location of the Program of Women, Health and Development in this Division is a manifestation of the
progress that has been made and its maturity to the extent that it produces like any other program the kind of technical cooperation of which we can be proud. I will strengthen it as far as I can and I am confident that it will take its place with the other programs of that Division and be able to coordinate even better with the other units in the house. This location will in no way slow down or diminish the excellent activities that have been put in place in this particular program.

I have asked Dr. Jose Maria Paganini to continue to be the Director of the Division of Health Systems and Services Development. The first program in this area will be designated Organization and Management of Health Systems Based on Primary Health Care that will imply the collapsing of two programs that currently exist and we will be discussing who will be the Program Coordinator. The Program of Human Resources Development will be incorporated into the Division of Health Systems and Services Development. The Program of Essential Drugs and Technology will continue under Dr. Fefer. I will establish a new program in this Division that deals with Information Systems and I will return to this in a minute when I try to explain to you some of my concepts of the importance of information and the importance of having systems for information in PAHO. I have located a program there because some of the key issues in many of our countries relate to the collection, analysis and utilization of information and I am concerned about the numerous products that are springing up all over the place that cannot be maintained and in the long run are not doing our countries good in terms of their health systems.

I have asked Dr. Helena Restrepo to continue to be the Director of the Division of Health Promotion and Protection which will have three programs. Dr. Joao Yunes will be Coordinator of the Program of Family Health and Population. I am creating a program with the name that appears in the Ninth General Program of Work of Healthy Lifestyles and Mental Health, and a Coordinator will have to be named. Dr. Wilma Freire will continue to be Coordinator of the Program of Food and Nutrition.

I have asked Engineer Horst Otterstetter to continue to be the Director of the Division of Health and Environment that will have two major programs on basic sanitation and environmental quality and the two Coordinators will remain, Engineer Francisco Zepeda and Engineer Carlos Cuneo.

I have asked Dr. Gabriel Schmunis to act as Director of the Division of Disease Prevention and Control, since Dr. David Brandling-Bennett is now Deputy Director. This Division will contain four programs. There will be a Program of Non-Communicable Diseases for which we will have to select a Program Coordinator. There will be a Program of Communicable Diseases which, since Dr. Schmunis is now Acting Division Director, will have an Acting Program Coordinator. This Division will also have the Program of Veterinary Public Health under Dr. Primo Arambulo and the Program of AIDS/STD under Dr. Fernando Zacarias.
I will create one Special Program that deals with vaccines and immunization and Dr. Ciro de Quadros will be its Director. That will be the only Special Program in PAHO.

The staff offices will not undergo much in the way of change. We will still have the Office of Analysis and Strategic Planning headed by Dr. Juan Manuel Sotelo; External Relations, headed by Dr. Irene Klinger; the Office of Legal Affairs, headed by Dr. Heidi Jimenez; the Office of the Executive Secretariat of the Regional Plan for Investment in the Environment and Health, headed by Dr. Daniel Lopez Acuña, and Public Information. But there will be another office in that area, Publications and Editorial Services which will be headed by Dr. Judith Navarro. I have moved this Program here for a very important reason which I will share with you. Committed as I am to the importance of information in the Organization, it is a matter of concern to me that our Organization's information -- what we show to our public -- should be of the highest quality. Therefore I wish to have this Program in the Office of the Director and its focus will be guaranteeing the best quality publications that this Organization can produce and we will discuss, not only the information presented through the printed page, but also other formats for making information available to the general public. I have been concerned for some time that any office and any person can put two cover pages together, with a logo and send it out as a PAHO publication. We cannot have that. It diminishes the value of the many high quality publications that we produce. We have to have some order as far as what we produce and what we call our own. Anyone can put two pages together as a Newsletter irrespective of the quality of the content. We can no longer have that. We have to have some order, we have to have some minimal quality in the face that we show to our various publics, and for that reason I have located that program in the Office of the Director along with the other staff offices.

The old division between line and staff responsibility that was so clear in the Prussian army is disappearing and there are some programs that will have both line and staff functions. I expect the Divisions to have primarily line functions in the old characterization -- I expect the staff offices to have primarily staff functions, but that does not mean that there will not be some line technical cooperation functions that may be performed as needed by the staff offices, but it will be much less than I expect from the line offices.

There are some additional modifications to which I would like to refer. I have decided that Health of the Workers will go back to its original location in the Division of Health and Environment. I have decided that following the principle of functional propinquity that I mentioned, community participation will be located in the Division of Health Promotion and Protection. The Programs of Acute Respiratory Infections and Diarrheal Diseases will pass to the Program of Communicable Diseases which is where I think they belong, and the Special Program on Vaccines and Immunization will be comprised of what is the current EPI Program and those persons who formerly worked in the area of research that dealt primarily with the Regional Vaccine System (SIREVA).

There are still one or two minor changes or adjustments that we will have to make. For example, we will have to write a functional description for the Program of Information
Systems in the Division of Health Systems and Services Development, and we will advertise the post of Program Coordinator. I wish to have a person that shares our vision and ideas of what information means for the health services.

During the course of this month the Division Directors will be preparing the functional statements for the Divisions and Programs so that this new structure can be operational by the 1st of March and Mr. Thomas Tracy will be putting in place an exercise to look at the logistical and support consequences of these changes. We will try to look for functional as well as physical propinquity to enhance the possibility of the Division Directors and the Heads of Units running their programs more efficiently. This will also be an excellent opportunity to establish some common standards for staff support in the various units. I would not wish you to go away with the idea that movement of a professional immediately implies a secretarial shift.

The organization of the Direction will be modified and I would like to share those modifications with you. The Office of the Director and Deputy Director will remain unchanged. The Office of the Assistant Director will contain the same staff, the four Country Program Analysts and the Administrator, and that office will be responsible as before for supervision of the Offices of the Representatives, but will now be also responsible for the coordination of all the subregional initiatives. I will take steps to strengthen that office to perform those functions and it will retain responsibilities for supervision of the Program of Emergency Preparedness and Disaster Relief.

I mentioned why the program of Publications moves to become a Staff Office but I failed to say that the Library will remain under Dr. Navarro's supervision because I believe that the Library is crucial as the documentation center for the Headquarters.

I said to you at my election that I would look at how we should re-engineer some of our management practices. I gave this a lot of thought and decided against going out and getting some famous guru on re-engineering to examine what we were doing. I decided that many of our practices could stand close examination and did not need to be varied or altered substantially and I did not think that it was useful at this time to enter into the kind of exercise that would turn the Organization on its head and take two or three years before we got back to any appropriate method of functioning. We have had examples of sister agencies that have gone through this painful process.

I felt, however, that we should have a careful look at the structure of our management and our administration in PAHO and I have asked Mr. Tracy to continue to be Chief of Administration. This Office will have in it a Department of Personnel, under Dr. Diana Serrano LaVertu, a Department of Budget under Mr. James Milam, a Department of Finance -- we hope to complete the process of selecting a new Chief of Finance in the very near future -- a Department of Procurement under Mr. Anthony Asrilen, a Department of Conference and General Services under Mr. Cesar Portocarrero. I will establish in the Office of Administration, an office that will be responsible for administrative support with a Special
Assistant that will have the responsibility of improving our general managerial practices in the whole of the Organization, both at Headquarters and in the Field.

In terms of our management style and practices, it is no novelty we have a Central Office and Country Offices and wherever you have this division between center and periphery there are always tensions -- I have worked in institutions like this before and there are always tensions. We must have some mechanisms for ensuring that we allow for this diversity and still maintain some congruence and uniformity in what we do. So I am committed to putting in place some mechanisms to ensure that all the parts of our Organization work together. I am committed to putting in place the kind of due processes that will allow everyone to follow the overall strategies. The principle elements of those processes are the following:

1. A more concentrated attempt to ensure that those who work in the Central Office are more familiar with the local conditions. Too infrequently are we unfamiliar with the local conditions.
2. To ensure a more effective two-way communication.
3. Involving our Representatives more in decisions and exposing them to where the policies have been established. For example, I will have selected Representatives attend the Meetings of our Governing Bodies. No Representative can advise a Minister of Health about something about which he or she knows nothing.

I will make every effort to have consistent decision making in the Organization's Units. There is nothing worse for an organization than to have inconsistency of decision making across its Units.

And lastly, and which is probably the most difficult, I must have an effective means of program coordination. There has to be coordination at the point of delivery of the technical cooperation and there has to be coordination also at the senior levels in the Organization. I will try to do this through at least two mechanisms. One, I have renamed the Advisory Committee of the Director "The Director's Cabinet" and that has a certain significance for me. In the system in which I grew up, the Cabinet represented the locus where decisions were taken collegially, where there was input from various members of that Cabinet but once a decision was taken, it became the decision of the group. The other important feature is that there should be some way of ensuring that decisions that are made in Cabinet get diffused through the Organization. My Cabinet will be composed of myself, the Deputy Director, the Assistant Director, the Chief of Administration, the Division Directors and the head of DAP and the head of DEC. I will in due course circulate the functional description of what the Cabinet will do, but perhaps its most important function is to analyze the policies and strategies of the Organization and their implications, and advise me on the implementation of these policies and strategies through the programs of the administrative and technical units to ensure coherence, coordination and effectiveness in the Organization's operations. It will be the responsibility of the Members of the Cabinet to share with you what have been the major
decisions and I will have no difficulty in having the minutes of those meetings being circulated in the house so that you know what decisions have been taken. There will be instances where things will be discussed that will not be common property. That is normal in any Cabinet.

Again in the system in which I grew up, confidentiality in the Cabinet was a very basic principle. But I am cheered by my experience with working with a transition group in the past four months that showed one can have confidentiality. I have absolutely no doubt that with the persons that form the Cabinet we will be able to maintain the same kind of confidentiality. One reason for ensuring that the important decisions that impact on the technical and administrative aspects of our work get diffused is an attempt to short circuit some of the rumours that grow up in any organization that can be damaging because there is no knowledge of the facts.

Also, I have said that at the level of the Cabinet there should be, there must be and there will be the possibility of interchange and dialogue about the Organization's programs. I would expect in our discussions, especially next week when we come to the evaluation meetings, that the Director of the Division of Health and Environment be able to comment about the Division on Health Promotion and Protection to the extent that both can contribute to the Organization's strategic and programmatic orientations. I would expect the Director of the Division of Disease Prevention and Control to be able to comment on the Division of Health and the Environment or of Health and Human Development, because they can see that what these divisions are doing is in some way connected with what is happening in their part of the Organization.

The second thing we have decided to do is to establish a Program Committee to be chaired by Dr. Roses as a mechanism for the coordination between the Technical Units and the Representations. It will have as its Members the Division Directors and the Heads of DAP and DSI. One of the reasons for this Program Committee is to ensure also some commonality of approach in our programming. I have to say that there is still no consistency of approach to our programming in the Organization as a whole and it is an important function of this Committee to try to ensure that we have one program in the Pan American Health Organization and not individual programs here and there.

But for these various mechanisms to function, there has to be a very good and effective programming system and a proper flow of information. Now let me go back to this issue of information. I have reflected and consulted on how information must be handled in PAHO and I have developed a basic concept paper that will be discussed with the Cabinet next time we meet and circulated thereafter.

But my concept, and I have shared this with some of you, is that PAHO needs information and the systems that provide it for two basic purposes. It needs information for its internal and for its external purposes. Let me just try to describe what I mean by that. For our internal functions, we need information to fulfill what I describe as the corporate needs
that every Organization of this size has. We have to find how to satisfy those corporate needs. We need information to execute our technical cooperation and we also need information for what I call social intelligence. Every organization needs to have intelligence on what goes on around it.

I have described our corporate needs as basically four: (1) in the area of financing and budget; (2) procurement; (3) personnel and (4) planning, programming and evaluation. There will be one single locus for the technical information support to satisfy these needs. Therefore, I will disestablish both DMI and ASD and constitute that single locus which will be under the supervision of the Chief of Administration. Let me stress, this locus, this unit cannot, I repeat, cannot be responsible for the development, implementation or maintenance of the highly individualized systems that various units wish to set up. The new Unit can advise upon them, can assist in terms of pointing in the right direction, but there is no way that we can guarantee to support every person who has a PC and wishes to develop his or her special program. It cannot be done. No organization can do it. I will not burden this Unit with responding to every request from every group to maintain its private system.

For the execution of our technical cooperation, we need as I said, information about our countries. We need to determine our scientific, technical information needs and we need information on the program of technical cooperation. I will be discussing further with you how we are going to do this. As I said yesterday, we need information about our countries and the unit with a major responsibility for that system will be the Program of Health Situation Analysis of the Division of Health and Human Development. This Program will establish those core data that we need to have and I believe that the proper locus for maintaining those core data is at the country level. This is not to diminish the responsibility of the technical units to have information in their own technical area but I believe that, given our system of communication, there is no need for us to maintain here a monster of information about all of our countries together when in fact the place where it is used and where it must be collected is at the country level. I will insist that this program has responsibility of advising us what are these basic core data and assisting in their maintenance at the level of the countries. I have spoken about information and said that "I know nothing about the information technology", but what I do know about is the systems that we wish to see set up: it is the job of those who know about the technology to advise me what is needed to put the systems in place.

In terms of the external needs for information, one of the most important areas is that related to information for managing the health services, and the Division of Health Systems and Services Development must be responsible for the technical cooperation and information systems as applied to the services. That is the reason why I have established a separate program in that Division.

I have spoken a lot about aspects of managing our programs and our technical cooperation and I want to speak a bit now about managing our own human resources. I have said over and over again that our own human resources form our wealth and I believe that
there are some special programs and groups of staff that need urgent attention. This is for me one of the highest priorities. I was very pleased at the Meeting of the Executive Board in Geneva when someone said that PAHO is well advanced in terms of its staff development. Obviously I was very proud. But I have gone through our staff roster in great detail and discovered that there are people who have been in one position in one country for over ten years, doing the same thing. We have to ask whether this is really right. Therefore I have asked Dr. Jose Roberto Ferreira to leave the Program of Human Resources which he has directed for 20 years and be my special assistant working very closely with Dr. Diana LaVertu and the Staff Development Unit to give some priority attention to development of our own human resources. I will give priority attention to the PWRs and I expect him to help us develop a process that six people have actually started -- Dr. Mirta Roses, Dr. Juan Manuel Sotelo, Dr. Jose Antonio Casas, Dr. Rodrigo Barahona, Mr. Paul Ellis and Mrs. Roxana Martin -- developing some program for the continuing development of our Representatives. I will also ask him to look at re-training or re-cycling those members of our staff that have been in the same places for a long period of time.

Another issue that has always been of some concern to me is the usefulness, not of the persons, but the figures of intercountry staff. I have been concerned for sometime whether we use intercountry staff efficiently. I expect Dr. Jose Roberto Ferreira to give yeoman service in this new area.

Let me deal with some other aspects of our Administration and my first comments are related to our Department of Finance. Having participated in the interviews of several of the people who have applied for the position of Chief of Finance, and having read many of the reports about the systems that are in place, such as the FAMIS system, I want to say publicly "thank you" to the people in the Department of Finance. I think that they have not got the credit that they deserve for the efforts they have put into their work. I am not telling you that we do not have problems in that area. I am not telling you that we have not had problems with the system that we have tried to put in place, but when I reviewed what they have done, what they have managed to do, I have been impressed and I really would like to thank them. We are in the process of appointing a Chief, and I hope that some of the bugs we have in the system will soon be put right and we will be able to produce all the reports and information that we need.

I have said that we will be appointing a person, in the Office of the Chief of Administration whose responsibility among other things will be coordinating the administrative practices in our offices and providing some specific training for our new Representatives and Center Directors. I have been impressed that we appoint people as Representatives and assume that they are au fait with all of our practices and I have discovered that, good people as they are, technically very sound, committed to the Organization, they are being asked to supervise practices with which they are not familiar and which they have never used. We are going to have a more systematic approach to advising, training, if you like, our new Representatives in some of our basic administrative
practices: this is but only one aspect of the development of the Representatives upon which we are going to embark.

In the area of Personnel, we have started already and are going to continue on the definition of the staff structure in each Organizational Unit. I am not going to accept the automatic rehiring in any position. Every position that becomes vacant, will have to be justified. We are going to have a new performance evaluation system, that I promise you. It is going to be more objective. It is going to be a system to improve performance, it will be not punitive and will take into account what the person does in the program to which he or she has been assigned and the responsibilities for which he or she has primary care. We will have a policy on sexual harassment circulated shortly. We will improve the general selection process and as I said to some of our PWRs already, there will be no field selection without participation of the PWR. We have the technology available to do it. Conference calls are common. There is no reason why selection processes should not take place with a conference call so that the PWR can make his or her input directly into the selection process.

I do not anticipate any changes in the systems of Budget, General Services and Procurement at this time and it is my intention to carry out the above changes in the administrative area without increasing the number of staff.

I want to dwell for a moment on staff relations. The time and place in which I grew up made me believe in unions and I believe in the right of association. I urge all of you to be active in our Staff Association because it is one mechanism for carrying out some collective thinking about the Organization as a whole. My stance is, was, and will continue to be one of openness. I do not like adversarial positions. I will not run from a fight but I would prefer not to have adversarial positions. On some matters I will have to stand firm and will have no difficulty in doing so. But I would prefer not to seek solutions through adversarial posturing. We will have differences, but once there is the respect for the perceptions of what is good for PAHO and once there are clear guidelines and rules as to what must happen, I think we will have little need for positions between the staff and myself that are diametrically opposite. I would hope that this would occur never or if ever, very, very, very, very infrequently. I obviously have a responsibility to direct the Secretariat but no Director can direct a Secretariat without support and the support that I ask from you is not only to me. I wish to have support from you to one another. I was speaking in another place recently and I quoted Machiavelli, that organizations like countries do not usually fall because of enemies from without, they fall because of problems from within. I would hope that we can have the kind of culture within the Organization in which, as my mother used to say, "if you have nothing good to say, say nothing". Backbiting and negative comments about character should not form part of our normal work. The basic things in which we are involved are really too noble for us to descend to the pettiness of backbiting and character defamation. If you have nothing good to say, say nothing at all.

I have talked for a long time -- more than I usually do and what I have said will probably imply for many of you, and hopefully for all of you, lots of hard work. But it is not
going to be only work and I have made one pledge already which I intend to keep -- that we will have a Christmas Party this year and there are at least three ladies already with whom I have promised to dance.

Thank you all very much indeed.