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Director, PAHO
25 May 1995

SENIOR STAFF MEETING
(Washington, D.C.)

DR. ALLEYNE:

As I told you when I met with you during my first week in office, I plan to meet with the senior staff, about three or four times a year, to talk about the Organization – how things are, what we are doing, where we are going – and to hear your perceptions about PAHO's current situation.

I am going to begin by talking about the modifications we have made in the structure and functions of the Organization since all of the units are now in place. We still have two acting program coordinators and we hope to arrive at a definitive solution soon. There has been a period of adjustment, both programmatically and physically and you have managed to adapt to those adjustments quite well.

It has been a great adjustment for me, since you are never quite sure of any job until you actually get there. For instance, I was shocked to learn about the amount of correspondence that comes to my office. In January there were some 500 pieces of correspondence, in February 800, in March 956. Fortunately, the numbers for May have gone down to around 750. I hope that trend continues, because it was getting to be a limit to my own capacity.

There was some concern about whether I would have the same staff in my office. I decided to keep the same staff because it is loyalty to the Organization that is important and not loyalty *ad personam*. I have been really pleased and gratified by the response that I got from the staff in my office and we have managed to come to a *modus operandi* that I believe leads to optimum effectiveness.

In terms of the other minor modifications underway, we decided to cut the number of the in-house committees. Dr. Brandling-Bennett has been looking at this issue and we are in the process of cutting, at least by one third, the number of our standing committees. There are far too many committees in the Organization, and only those that are active and have a definitive purpose need to continue functioning as committees.

Let me comment about other aspects of PAHO's current situation. At the political level things have gone quite well and I have always found tremendous and enthusiastic

* **Pan American Health Organization, Pan American Sanitary Bureau, Regional Office for the Americas of the World Health Organization.**

acceptance of the work of the Organization. Contrary to some of the rumors one hears, there are very few countries, large and small, that do not accept that there is a need for the technical cooperation of the Organization. For instance, Dr. Brandling-Bennett and I went to see Dr. Donna Shalala, the U.S. Secretary of Health and Human Services, and we made the point to her that the United States should be seen as a part of the Organization rather than *standing* outside. Dr. Shalala's response was that in fact this must happen, since the United States no longer wishes to see countries thinking of themselves as donors to the Organization rather than assuming responsibility for things that are happening in the Organization as a whole. She assured us that the United States sees itself as an intrinsic part of PAHO, as any other country of the Americas. It has been very gratifying for us to confirm that all the countries consider themselves as a part of the Organization, and to also see the United States trying to determine how the technical cooperation of the Organization could best be applied to their particular concerns. Politically, I think we are so far in very good shape, and all the countries that I visited, large and small, are convinced that what the Organization does can be useful to their particular programs. I am always pleased to learn how well the visiting PAHO staff has been received and to hear good things about their work in the particular country.

Unfortunately, at the financial level the situation is not as promising because some of our major contributors have not yet paid their 1995 contributions. Although we have assurances from most of these countries that they will pay, unless we receive the actual contributions we are going to be in serious difficulties. The difficulties have been compounded in the last 48 hours when I received information that, as a result of the CEPANZO settlement, the Organization is going to have to pay several million dollars to the pension fund for those persons that were "rified" originally. This is going to have a major impact on our own financial situation and all of us are going to have to undertake some financial stringency. Thus, I am not going to approve any new requests for over-the-ceiling funding. I will honor those commitments which I have already approved but I am not going to entertain any new ones. We are only going to accept what is absolutely necessary expenditure – and I cannot give you a recipe as to what is absolutely necessary. I am going to have to trust your good judgment to determine what activities must be carried out, because I do not wish to have to take even more draconian measures come September/October. We must be more prudent from now on. I am asking you to give me a list of all the vacant posts that you have and before the end of this week I will be determining which ones will or will not be filled. This determination will be made exercising fiscal prudence to avoid finding ourselves in a bad situation next September. If the major contributors pay soon, I will be able to revise the situation.

Many of you may have heard the news regarding the proposal for a new building. I am now asking Mr. Tracy to inform you formally about the results of our legal battle to acquire a new site for a new building.

MR. TRACY:

As you may know, we have been in Federal Court as of September of last year and there were three grounds before the Court. Two dealing with federal law and one with state law. On the state law issue, the Federal Court asked the Court of Special Appeals, which is the Maryland Supreme Court, to render a decision on whether Montgomery County had the authority to decide on the zoning issue as it did. We have lost that case a couple of weeks ago. Now, the case remains under the jurisdiction of the Federal Court in Richmond, Virginia, and they will decide on the Federal issues. My own interpretation of this is not very optimistic – quite frankly our chances are perhaps one in four or one in five that we will prevail at this point. If we do find another site which the Governing Bodies may find acceptable, we will have to revisit the entire issue at that time, particularly in light of the fiscal stringencies that Dr. Alleyne has mentioned and which I foresee carrying into 1996 or perhaps even beyond this biennium.

DR. ALLEYNE:

Mr. Tracy has prepared a paper on the various options that we need to entertain, because when the final decision comes we have to know what to do. The options will be to remain where we are or to go through the process of trying to select a new site and starting from scratch. I will let you know well in advance which of these options we elect. My initial reaction is that we are not going to go through the hassle of trying to look for another site to erect a new building. We may just have to do with what we have and enter negotiations with some other buildings around here to find more definitive solutions for some of our space problems. I think that the paper Mr. Tracy prepared shows quite clearly that the situation is radically different from the one we had five years ago, when we began this adventure. We have to rethink the whole matter almost from the beginning.

There are some managerial issues that I would like to address as regards the restructuring of our activities. You will recall that I said we would establish the Director's Cabinet and that the occasional papers and the minutes from its meetings would be distributed, and this has been done. I hope you are getting them because one of the things I wish to demonstrate is that the decisions taken in the Cabinet are transparent and can be shared with the senior management of the Organization. I hope you are also getting the minutes of the Program Committee which is chaired by the Assistant Director. We have also made modifications in the selection process, in the sense that the selections that take place at the country level must always involve the PWR. Our technology allows conference calls, and the PWRs must participate in the actual process of selection and not just write a note. I have been informed by Personnel that this is taking place without any difficulties at all.

One small point that I wish to make is that you must pay special attention to your travel commitments, in terms of what I just said about fiscal stringency and not only in terms of good managerial practice. As senior managers, you must insist that nobody travels to any country, for any reason, without informing the PWR. And in cases of personal travel we should at least inform the PWR that we are visiting. I happened to be in Jamaica for a personal matter on Friday and Saturday and I made it my duty to contact the PWR, as soon as I got there, to let him know where I was and where I could be reached. I will not sign any Travel Authorization that does not indicate there is agreement from the PWR. I have also said that I will not sign any Travel Claim that does not include a copy of the trip report. The trip report is an indication of

the technical cooperation of the Organization and as such should be available to your colleagues. I expect a trip report to be shared and made available to your colleagues.

I must also ask you to be a little more careful about such things as leave records maintenance, including sick leave. It has come to my knowledge that from time to time some of us are going off to see a physician and not recording it as sick leave. As senior managers we must set the example and be fairly punctilious about how to maintain leave records, both annual and sick leave.

In terms of the regional programs, let us go back to the issue of the Cabinet. We circulated a paper to you that was discussed in the Cabinet about the role of the PWR and the role of the regional programs. I hope that it was distributed and shared with your colleagues. This occasional paper was circulated because it is useful for you to know our perceptions about what is the relative role of the regional program and of the PWRs, and how they should be complementary. If you have not received it I will ask Dr. Sotelo to make sure that it is sent to you.

I have met with the Staff Association several times because it is part of my duty and also my conviction that the staff and myself should have the optimum work relationship. During our meetings I have pointed out to them, quite clearly and quite openly, that I do not seek an adversarial position. I am not going to run from a fight and I am not going to be weak in terms of what is in the best interest of the Organization. I emphasized to them that the practice which goes back to the old days of demonizing each other to make a point has no real relevance in modern day negotiations, and that I do not wish to see that happen ever again. There are some issues that they have discussed with me, some of which I have been able to agree to and some others I have not. Although I respect their position in terms of the rights and responsibilities of the Staff Association, I also asked that they respect my position in terms of my perception of what is right for the Organization.

I would like to mention one or two issues that we have discussed with the Staff Association. One involves having space for the Staff Association in this building. This is of course a very difficult issue but Mr. Tracy and I are going to try to find some alternative solution. Another issue which I agreed to raise with the senior staff refers to the use of administrative leave for those senior members of the Association that need to be absent from work to carry out their responsibilities; for instance the President or Secretary of the Association. According to them, in other Organizations those persons are given the year of their term in office off. to do the Association's work full time. These are Staff Associations in Organizations much larger than ours, but that would effectively mean creating a new post or two for this year, which I could not do. I said I would point out to the supervisors of Staff Association officers that the work of the President and the Secretary, for example, is legitimate work of the Organization. I would wish you to come to some *modus operandi* which accepts the need to get the Organization's work done while at the same time respecting the right of the staff to dedicate time to the work of the Association. In discussions with Dr. LaVertu we felt it is better to have the supervisor and the appropriate staff member come to an understanding rather than my trying to issue a directive. In other words, I am asking you, as supervisors, to discuss this matter with the appropriate staff representatives.

I had mentioned in my first week in office the issue of staff development, stating that we would be giving a lot more attention to training of senior managers. I have asked Dr. Ferreira to take over the responsibility for devising a training program to enhance the performance of our senior managers. My initial reaction was to direct the training to the PWRs, but Dr. Ferreira and his colleagues have persuaded me that it is better to have a program to train senior managers as a whole and not just the PWVRs. I am now convinced that the interaction between the Country Representatives and the senior managers from Headquarters would in fact be beneficial. Dr. Ferreira is putting together a program in coordination with a new unit in the Inter-American Development Bank and other specialists in the particular areas that we have selected. We hope that each seminar of our training program will have a two-week duration and that all our senior managers will participate in it.

The senior managers training program will have to deal with some of the critical issues that are important for senior managers in an Organization such as ours. We will, of course, take into consideration that our senior managers have responsibilities and orientations that are different from those that apply to companies or institutions with a different purpose. This exercise is going quite well and very soon I will be able to tell you when the first of these training seminars will take place. The formulation and content of the seminars have been thoroughly discussed, particularly at the level of the Country Representatives. We have benefitted from the input of the PWR when the project is nearer its maturity we will also bring it to Cabinet, to decide when we should apply it and the kind of persons that should participate. We will have at least one of these seminars this year, perhaps two.

I have indicated that we need to change our performance evaluation system, including the form of the evaluation. I do not mean only the format in its formal sense but the form of our personal evaluation as well. I am pleased with the advances that we have made so far in terms of a programming system and I would hope that the performance evaluation can move as rapidly. Dr. LaVertu has assured me that the process is well advanced, and that the Staff Association is participating in it. Hopefully, we will have some kind of draft to be able to discuss the matter with you, the senior managers, in the not too distant future. Our idea is to have a new format for performance evaluation before the end of the year and have the senior managers and the supervisors who are responsible for this evaluation, well seized of their roles in the whole evaluation process.

Let me turn now to some external issues. First of all, I would like to deal with the issue of our relations with the World Health Organization. It is no secret that WHO, specifically the Director-General, has been the subject of negative press comments all over the world, not only in Europe, but also in North America and South America. Much of this negative press has served to damage the image of the Organization. I have been very clear with my colleagues, the Regional Directors, and said that Director-Generals as well as Regional Directors will come and go; our job is to see that the Organization does continue, and I have committed ourselves to doing everything possible to maintain and enhance the reputation of the Organization regardless of who the Director-General might be. We must not waste a lot of time and energy worrying about what the press says about a current Director-General; that is beyond our area of managerial responsibilities.

As you know, I participated in my first World Health Assembly and in the Executive Board, and was very pleased to have Dr. Brandling-Bennett and Dr. Roses participating as well. For the first time we had a Country Representative, Dr. Cesar Hermida, the PWR from Honduras, joining us for the second week of the Assembly. It was a very good experience for Dr. Hermida and a learning experience for me. I must confess that it was not so much the World Health Assembly but rather a world health market: and it was a revelation to me to see the huckstering that went on outside the conference room.

One of the things that I have learned from the World Health Assembly is that we have to do things a little differently. I am going to involve the Country Representatives from our Region much more intimately in the preparations for the Assembly and during the Assembly itself. We are going to modify the briefing documents that you present to me because I found that many of them were not optimally useful. Perhaps I failed to indicate to you the kind of information that is most useful. From now on I plan to let you know much more clearly what are the kinds of information we need for these meetings.

I could not help but notice the intense lobbying by WHO staff with the Member Governments that goes on during the Assembly, and I have to admit that I found that a bit distasteful. I am very pleased that this does not occur in PAHO because not only is it distasteful but I believe it is not in the best interests of the Organization. I was proud to be able to say that these kinds of things do not happen in PAHO.

We must help our own staff to be better prepared to deal with matters concerning our Governing Bodies and we are going to embark on a scheme of involving our PWRs more in preparing our Member Government to participate in these meetings. When I look at the documents that have to be analyzed and the size of the delegations, it is obvious that many lack the capacity to analyze all the documents. It is a fact that the delegations from larger countries that come to Geneva with several people are able to make the greatest impact in the Assembly. I think that some of our countries could use our help in both the Assembly and the Executive Board. Although the delegations from the Americas performed marvelously, we could have assisted them more and we are going to find ways of doing this.

I should mention two more issues that were addressed by WHO's Governing Bodies regarding amendments to the staff rules. The first one refers to the amendment which authorizes us to hire spouses of staff members according to certain conditions. The second one refers to the Executive Board giving the green light to the employment of national professionals, in different categories, as an accepted practice in the Organization. Calling gain upon the experience of other agencies, this is a recognition that it was going to be very difficult to deliver our technical cooperation if we restricted our professional expertise to the international level.

In terms of other agencies and institutions, during the last four months I had the opportunity to interact with several of them, most recently with the Ministry of Health and the Agency for International Development of Spain. One of the conclusions that has come out very clearly from these interactions is that we need to maintain a single official channel of communication. I have no difficulty with various exploratory actions but I am going to insist that these actions be carbon copied to the Office of External Relations (DEC) and that the formal transmission of documentation to external agencies be made through DEC. The exceptions are going to have to be institutions like the Banks which operationally do not have everything channeled through one agency. I want to emphasize that operationally speaking, it is going to be much more practical

to have other departments interact with colleagues in the Banks. But when we interact with international technical cooperation agencies I am going to insist that there should be only one channel of communication.

Regarding the upcoming Executive Committee, there is one issue about which I wish to appraise you. Although I anticipate that the technical issues will go very well, there is one serious matter of concern -our budget. Let me go back to when the WHO portion of our budget was presented in Geneva some time ago. At that time, we projected a cost increase of nine per cent. When Geneva put together its budget presentation to the Executive Board, an overall increase of 11.5 per cent was indicated. It was pointed out in January that the countries would not accept this. Eventually, during the meeting of the Assembly and after much negotiation, Geneva presented a budget that had a cost increase of 7.5 per cent, which is already much lower than the 9 per cent which we presented in our portion of the budget. This was not accepted and up until the last moment there was a strong feeling that there would be no nominal growth in Geneva. In other words, a zero per cent increase. This means that the Organization would have to absorb internally any cost inflation that would occur during the next biennium. Eventually, after much negotiation, it was agreed to accept a 2.5 per cent cost increase for the budget which is vastly different from the level of 11.5 per cent originally projected. It was also agreed that Geneva could apply \$20 million of casual income to the budget which represents approximately an additional 2.5 per cent over the next biennium. That funding is to be applied to priority country programs. The term *priority country programs* stems from a bad use of the English language. In English we have always been taught that we should never use nouns as adjectives and the expression priority country programs does not say whether they are priority countries or priority programs in countries. But that is open to interpretation and as of now I do not know what portion of the budget that comes from WHO will reach the Region of the Americas. The questions before us are: Is PAHO going to get 9.7 per cent of the total WHO budget? If it be prorated, will PAHO get 9.7% of the 2.5%? Will other calculations come into place? I find myself, a month before the Executive Committee, not being able to present a definitive budget because we do not know for sure what is the extent of WHO's contribution to our budget. I have to return to Geneva on 20 and 21 June to participate in a meeting of the Global Policy Council (GPC) that will discuss what will be the regional allocations both of the 2.5% and of the \$20 million, over the two years. Only then will we know what will be the WHO portion of our budget.

When the Subcommittee on Planning and Programming (SPP) met in April, it concluded that our projection – 6.9 per cent increase – was too high and those of you, who were there remember that I said that the 6.9 per cent was the lowest increase of the last 25 years. At that time I also made the analogy that it was a cold shower to have the Subcommittee applaud our efforts to present such a low increase and then say that it could not accept it. The budget that we are going to present to the Executive Committee calls for a 5.9 per cent increase.

Since you read the newspapers, you are all aware that the current climate here in Washington for international organizations as a whole is not good. We do not know whether the United States, that provides the majority of our budget, is going to adopt the position they had in Geneva of zero growth, whether it is going to accept a 2.5 per cent increase or whether it is going to take the optimum position of accepting the 5.9 per cent increase. Whatever happens, we should expect a significant reduction in funding available for 1996–1997. In the best case scenario, this will mean that our budget will be reduced by the difference in the WHO portion of the budget between the 5.9 per cent increase that we presented earlier on and the 2.5 per cent

increase accepted now. This will be the minimum budget reduction we have to face. As a result, we are going to have to revisit seriously all the programs we presented in our Biennial Program Budgets (BPPBs). In the worst case scenario, our major contributor –the United States– will only accept a 2.5 per cent increase instead of the anticipated 5.9 per cent. This would mean a reduction of several millions of dollars from the budget we presented to the SPP or the budget we propose to present to the Executive Committee. I want you to be aware of this because the outlook is not the rosiest. I said in the Department of State that I wished this would have been postponed for many years since I did not wish to face these kinds of problems in my first year in office. But as they say, you do not pick your problems and you only have to meet them as they come.

Someone asked me recently: What are the things that have disappointed you the most in the last four months? My answer was that only two things have really disappointed me and one of them has disappointed me greatly. We have encountered two cases of major fraud in the Organization. When that happens and you find more than one person involved and the kind of supervision that allows this fraud to go on, it really hurts me to the core. I do not expect perfection, but when you see deliberate fraud happening in the Organization, it is the worse thing for me to swallow. It is not only the magnitude of the fraud that upsets me but rather the misuse of our resources. The misuse of the Organization's resources, the misuse of time, the misuse of travel, the misuse of copies, the misuse of communications, are in a moral sense almost as bad as the mega fraud. I am consoled though by the fact that it is only one or two bad apples that create this kind of turmoil. You try to select the best people and to see that all goes well but when it does happen you must root it out. I have received a lot of ideas from people about how to stop these things from happening and I am very grateful for these ideas.

Fortunately, I have found many more positives. I continue to be pleased with the quality of the staff, as well as with the spirit of positivism and of adaptation of the staff. Although it may be invidious to give examples, I must cite two or three. I invited three of our programs to come together and put a common face to our concerns about sector reform. This has gone very well. It has been gratifying to see people put aside their individual territorial responsibilities and come together to present a common picture of what we should do and how we should relate to other agencies.

I may appear even more invidious when I mention the document "Monitoring and Evaluation of the Primary Health Care Strategies of Health for All by the Year 2000" which was presented to the Pan American Sanitary Conference. I believe Dr. Americo Miglionico was one of the major authors of this document. I would encourage you to read it if you have not done so because it is an excellent document, and I am sure that all of us can do work of this quality. I also read the comments that Dr. Miglionico wrote for me in regard to the EB meeting. I should not be singling out any particular document but this one is fresh in my mind because having started on this renewal of the call of Health for All, I went back and read the document again and I became even more impressed with the quality of the analysis made.

We have accepted a major challenge from WHO to have our countries renew the call and the spirit of Health for All. We have put together a process –some of you have

participated in it– to try to determine what have been the problems so far. We are trying to help our countries renew the enthusiasm of Health for All, to see if the strategies that were identified continue to be valid, and to encourage the countries to seriously apply the strategy of primary health care, as was agreed in 1978. DAP is coordinating this process which is well underway and I am very pleased with the results achieved so far.

I have given you just a couple of examples but in general I am very pleased with the positive balance of the first four months of my administration and much of this is due to all of you. So I thank you all very much. If you have any questions or need some clarifications I would be more than happy to provide answers or clarifications.

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