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UNEDITED

**SENIOR STAFF MEETING
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I think the last time we met only as senior staff was in May and then I met with all of you I'm sure in December at the end of the Managers's Meeting and also I met with you obviously including the General Staff Meeting. What I thought I would do this time is review some aspects related to the general situation of the Organization and I noticed there is a lot of concern about the finances and financial situation but the financial situation is not the only thing that is important in PAHO. Therefore, I am going to deal with other general issues in addition to the financial situation in the Organization. I am going to begin and then I am going to leave a sufficient time open for any questions that you might have. I am going to comment also on the Cabinet retreat that we had a couple of weeks ago. You are going to get a summary of the major discussions in that meeting and the majors point that emerged from those discussions. But I am going to refer to some of them now in anticipation almost. Let me start with the global situation referring basically to the World Health Organization. And I am going to comment on our relationship also with the World Health Organization, the problems within WHO. One of the major things that is consuming WHO at the moment is a discussion about the reform in WHO many of the meetings of the Governing Bodies speak a lot about the process of reform in WHO. In the meeting of the Executive Board, which I am going to refer, that was discussed a lot. And there is a lot of disquiet in WHO about some of the managerial problems within the Organization. And some of the manifestation of the managerial difficulties in WHO is something that I regard with a lot of disfavor. The creation of small groups for example. There is a group of managers, of senior managers, etc. Various groups that are meeting because they think that they have something special to offer the Organization. Not because I am intrinsically against groups meeting but because it is a symptom of their inability to communicate their concerns. Then I have to be worried. And talking to some of them, these group of managers, I said that sure it's a good thing for people to meet together to discuss the work of the Organization but not when it is an indication of failure of communication within the system. I think that is a great pity.

One of the major problems with the reform in WHO, which is consuming WHO. The Secretariat is trying very hard to respond to all the things that were said when this

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Committee on Global Reform met. Unfortunately, in my view much of the emphasis is placed on the reform of managerial practices in the World Health Organization. And I believe that the basic problem does not lay so much with reform of the managerial practices within the Organization as reform within the country themselves. This may sound a bit theoretical but I believe that the arbitral??? is not reacting so much to global change as it should but WHO is reacting to what the rest of the countries feel that the Secretariat should do. I hope I made myself clear. And in fact the major problem is the countries do not have a clear perception of what the Secretariat should do. In other words most of the reform should be placed in the countries themselves and not only in the Secretariat. And my perception is that the great problem that we have in WHO is that the countries look from outside in at WHO as if it's a foreign organism. And if it is there or not the major stakeholders in the Organization. So many things that you had talked about as WHO should do refer to specific things that the Secretariat should do. And a major symptom of that in my view is that the Governing Bodies now find themselves discussing what are managerial issues within the Organization. How should the Director-General appoint staff or that kind of thing. Looking at managerial issues within the Organization rather than looking at how the Organization qua Organization? should address the major health problems. Looking at the U.N. Charter recently and commenting on a meeting recently that when the U.N. Charter speaks of "We the people" they really meant "We the countries" that were involved in trying to do something. That is I think lost in certainly WHO and a majority of the countries don't feel that they are the Organization. I think that is a major problem. I am going to come to that in terms of PAHO as well. It is an old joy to me to say that the morale is not as high as I've seen it before in WHO. Apart from the fact when you look at the technical staff they are excellent people in WHO. Excellent technical staff. No doubt about it. But the feeling that they are embattled, I hope you understand what I am saying. They are being threatened from outside as everyone is looking to see what they are doing and if they are not doing it well. And that is a great pity. At the Meeting of the Executive Board, and let me thank for the briefing material that you provided for me, I thought it was quiet good. Dr. Bennett will tell you it is not always that you find the opportunity to use the briefing material that you provided. It was always good to have it because sometimes it did come in handy.

I am going to refer to a couple of debates that went on in the Executive Board because you will all get some record of the Executive Board and you will all get the resolutions and the decision to all the members of the Cabinet. There was intense debate on the rule of the country offices in WHO. And intense debate on the Constitution of WHO. The debate about the role of the Offices was unfortunate because in my view that should have never gone to the Executive Committee at all. That is essentially a managerial issue. The fact that it was debated is a symptom of what I was saying before of many things going to the Governing Bodies that have no business going to the Governing Bodies. What is the role of the PWR? How the PWR should be appointed? What is their term of references? What are their qualifications? Things that are completely outside the competence of the Executive Board to discuss. But that generated a lot of discussion.

The debate on the Constitution also generated a lot of discussion because the Australians introduced a motion that WHO start to review its Constitution. Many persons believe that this was a bit premature, and the first thing would be to look and see what were the difficulties? Were the difficulties imposed by the present Constitution? Was the present Constitution not functioning appropriately? Eventually, it was agreed that a group of the Executive Board would be looking at what in fact should be the mission of the Organization. Has changed over the 50 years? And if it has changed should there be a change in the Constitution to accommodate the change in mission of the Organization? That in a sense was put on hold for a discussion about whether the mission of the Organization was appropriate at this time and therefore the Constitution should be changed.

There was a lot of debate about the need for WHO to adjust to the current financial climate and the need for WHO to look again at what its priority programs were. Again, my view that a lot of discussion was based on an inappropriate appreciation of what WHO can do, what WHO cannot do. There are some Members, for example, the Executive Board who would say that we should make a program so that we can spend 10 million dollars more on malaria, in Africa for example, with the idea that spending 10 million dollars of WHO monies really would solve the problem in Africa. It is a complete misconception of what actually WHO can or cannot do. And for me that kind of debate was very sad. Some people are saying let us look at what the priorities should be. You wouldn't believe when I say that one member of the Executive Board managed to get school health included as one of the priorities. Not that I am against school health but at the level of a global organization to find getting an issue like that incorporated in the list of priorities only goes to show that the Governing Bodies are not clear on what the Organization should do and what it cannot do. I proposed in the GPC that someone at the beginning of the meeting should give the Executive Board, not a lecture, but say what the Board, in fact, is supposed and what it is not supposed to do. This didn't go quiet well because they felt it is not a good idea to say to the Board what it is supposed to do. I happen not to agree with that.

There was a lot of discussion about where is the means of reducing costs. I must tell you that one of the members of the Board was probably more forthcoming than others and said what he in fact was thinking of was that instead of tinkering around with removing a program here and there, there should be more major changes. For example what was the point of having so many regional offices? Why not merge some of the regional offices? Why in fact do SEARO and WPRO exist? Why not merge the two of them? Why not eliminate one or two regional offices? So that thinking is taking place among certain members of the Board. I am not going into individual items. I just mentioned those two as an indication of the kind of debate that took place. In fact many of my colleagues pointed out that there was very little discussion in the Board, actually, with substantive issues affecting the health of the world's people, which I think really was very quiet sad.

The other issue in WHO that I want to refer to is the GPC. That also is the major decision body in the Organization and created after the discussion on health reform. And that meeting was really quiet interesting. I am going to circulate the minutes to the members

of the Cabinet. I am not going to go into all of the debate that took place. But there are two points that I want to bring out. One related to the financial situation of WHO as a whole, which was the subject for a lot of discussion. It was pointed out that in 1992/1993 WHO found itself borrowing in order to pay its way some 50/60 million dollars. From 1994/1995 WHO was likely to have to be borrowing on the order of \$150 million. WHO doesn't have the capacity to go to a bank to borrow money. What they have been doing is borrowing from internal sources, entitlement funds, working capital funds, AS funds. Borrowing internally in order to really meet the payroll. When you consider a budget of \$800 million and to have to borrow a \$150 million, you know you are already in bad shape. And much of that has been because of the nonpayment by many of the Member States of their quota contribution. Interestingly, Dr. Nakajima in a discussion on the situation, discussion on another part of the Global Policy council, how WHO should reduce costs, we were discussing that there should be a small group that should look at whether you should move one part of the Organization to parts of the Organization around move by association around. Because there is the view that it may be cheaper to do some things one area or another. The Chief of Administration pointed out, let's us be clear, the only one place which you can move the administrative sections is PAHO, Washington. That is the only place that you can with any logic move significant administrative sections of WHO. Why? Because you have no problems with currency exchange, you have a stable inflation rate and you have adequate communications. If you move, for example, purchases or printing, somewhere else you run the risk that in a couple of years time that currency changes in respect to the dollar then you have to go back to the Governing Bodies and plea for extra money because of exchange rate control difficulties. And the Governing Bodies are not going to accept that. So it is a bit of a myth to think that you are going to be able to move significant parts of the Administration out of Geneva. This was the point of view of one of the ADGs. However, Dr. Nakajima, pointed out that the discussion about moving parts of the Organization around should take account of discussions he has been having with various members of the Board because they point out that if you are going to make significant shifts in the Organization you have to, in a sense, go back to what one member of the Executive Board talked about. Why not disband EURO altogether? Why not WHO take care of all the activities that EURO carries out? Why not merge two Regional Offices? Why not merge AMRO and WHO? Why not eliminate PAHO? If you really going to talk about reducing costs, these are the things that you have to talk about, not just moving an office here and moving an office there. In the GPC, also there was a lot of discussion on the new U.N. Program on AIDS. I am not going to go into that except that our posture is that we are going to collaborate fully with the program on AIDS and we are going to maintain our direct contacts with UNAIDS. Going back to the issue of the budget, one of the things that the Director-General pointed out is that if in fact the budget is cut by 35%, as it is likely to be, there is going to be very serious discussion as whether WHO can maintain seven locations (the Headquarters and six Regional Offices).

I don't want to go into the details about this but I just mention it. There was a lot of debate about the use of AS funds and I mention it because this is something that you should be aware of. We use the AS funds to fund a lot of activities in PAHO but all of you

appreciate that AS funds are used in 1996/1997 are the AS funds that we have earned in 1994/1995. The 13%, for example, we have a project with the Italians and they pay 13% and that money comes from Geneva and Geneva takes 13% of the 13% actually and retains it and passes us 87% of the 13% on the grants that go through Geneva. The AS funds are essentially funds that come through Geneva from agencies that are supporting organizations. But the funding goes through Geneva. Are we content with this money we have earned and we should be able to program it. There was a lot of discussion, a very acrimonious discussion, I must tell you, because having earned and budgeted for a certain amount these funds, Geneva now comes and says now we are in problem with the program on AIDS. So that the AS funds that we earned from having executed GPA funding in 1994/1995 represent X for example and WHO was proposing to withhold 45% of what we consider our money because there was a problem of their functioning as a Secretariat for AIDS. I considered it was immoral to take away our money and eventually the Director-General said the principle should stand that the AS fund should be untouchable, in other words, the AS funds earned by the Regions should go to those Regions and should not be touched. But this was a special case. Eventually, we came to not an agreement but this was what the final position was that instead of ceding to Geneva 50% of the GPA/AS funds that we had earned we would cede to them only 40% of the AS funds that we earned. This may seem like a small point to you but it is not. The point that I am making is that we have to be very careful about how we program AS funds in the future because more and more calls is going to be made on those small amounts of AS funds in the future.

Now, there is a lot of debate on the Fellowship Program because as you may or may not know, most of our activities in the Fellowship Unit here is servicing fellows that come from other parts of the world. We have to an agreement whereby we are going to have other Regions help us with the cost of servicing these fellowships. I am not going to say that we are charging them because we don't charge anybody but we are facilitating the placing of their fellows and there will be a small fee attached to it.

There was a lot of discussion about evaluation in WHO and eventually it was agreed that WHO would move towards having the unit PPE establish certain guidelines for evaluation in the Organization.

We agree that we would help them given the experience we have in that. Now, I think that is enough on WHO. Let me come to PAHO now. Let me begin by making reference to the () we had Friday week before last. Most of you received a paper that I circulated. I know there is some disquiet about the limited number of persons involved in the retreat. But this was done deliberately in order to keep it small, in order to be able to have useful debate I thought about some of the major points that I raised. Most of you have seen the paper. I am not going to comment on it in detail. I received some comments from some persons, programs, in groups or individually. They are varied in quality, I must say, as has to expected. A couple of thing that concerns me about the responses. I am happy when people take the time to comment on something like this. But, some of the comments showed almost a complete blind spot as it were over the several things that have happened

over the last couple of years. There are still comments about the need for not repeating data, etc., complete ignorance of all that it is doing to trying to establish basic sets of coordinator. When these kind of things happen it concerns me because this is something that is well know, well talked about when you have comments of that nature. There is this old need to comment about the administration and the technical areas and things like that. I welcome all the comments made although they are varied in quality and in our discussion many of these comments are brought to the table. The major question I posed at the retreat was: Can PAHO position itself to discharge its basic functions and purpose optimally and insure that we in the Secretariat live the mission that we have developed? Has PAHO been responsive to its constituents and been efficient and transparent conducting its public business? I would refer to some important parts and refer also to things to be done as a result of our discussions. In the introduction I made I referred to two basic issues which were not discussed in detail. I decided not to spend time discussing them. The two basic issues that I saw as being very important for PAHO in future years. One is the aspect of our own governance. I talked about countries not being a part of WHO. It is something that we have to guard against in PAHO and look for ways to avoid that happening. But more importantly, when the whole U.N. system was created it was created in a sense that nations as nations would participate in the governance of international organizations. In fact, the whole concept of what constitutes governance in nations is changing. It is going to imply that the whole governance of international organization is going to change.

The other point I made in the introduction was the issue of connectiveness, the whole issue of information sharing, how that is going to change a lot of things that we do. I am going to come back to that in a minute.

We looked at 1995 and looked at whether what I have pointed out is my major desideratum due process. Did it really work? It was clear from much of our discussion that the application was related more to the field versus headquarters. We saw that there is need for this concept to be equally applicable in headquarters as well and not only from the field to headquarters. If in fact all persons are going to bite into what are the major strategies, there has to be understanding of what is meant by this concept of due process transparency, communication, etc. It is clear that there has a better intra-unit communication. Several comments I received in writing refer to the fact that many persons did not have the opportunity to make their input into the discussions about important things in the Organization. I reject the notion that as any group of young staff members with any particular interest or commitment, I said that every organization I know has gone through a face where the young turks think that they have all the answers until they become old turks and then they know that they don't have all the answers. That is a suppose a healthy process. I don't think that any group of young turks has any, I never had and I was that age. They have this special knowledge or special fire to change and to produce change in the Organization. I would wish to see that all staff have the opportunity to comment and participate in the Organization. I do believe in terms of the main points that came out of the discussion that the issue of due process is being applied that there will be better infra-unit communication. Whether it is a fact or whether the perception is in a sense really irrelevant,

the fact that the perception persists means a responsibility on all parts as senior managers to do everything possible that there will be less room for that perception. It is never going to be possible to have everyone involved in every decision taken. No system works in which everyone goes to the market place and raises his or her hand to give an opinion to everything. Doesn't work. But there has to be some systems by which there are more of our staff involved. One of the suggestions made is that I should have this as a wider meeting, a general staff meeting so that I could involve everyone but I thought about it and I thought no. I think in a sense there should be a privilege place for senior managers. I think that there is a special responsibility for senior staff. I think the responsibility charge I have to lay on senior managers is to ensure that everyone, all of the persons with whom you have responsibility do have the opportunity to express themselves and to comment and to give their ideas. We decided that since it is very difficult to guard the information that comes to various people and the potential difficulty in drowning us all in information and to avoid writing so many memos. There was a suggestion made to create an internal electronic network in the Web. We are going to be able to do that so that in fact when someone says I don't know these things it is because they don't want to know. There is still a large number of people who will say I don't know. Don't let us be naive enough. There still going to be people who take pride in not knowing and complain that they don't know. But at least you will give the opportunity to have access to information about various events. Certain things like the minutes of my Cabinet meetings, that is the kind of things that will put on in the internal bulletin.

One of the points made in some of the written statements to me commented on the issue of due process was related to the information of the Organization. I am going to refer to it in respect to the technical discussions in March. The idea of the mission is something we did and it is now finished and how do we make it operational. That for me was quiet a revelation, that perception, because my perception always is that mission is something we create and therefore we agree to live by it. It is what should guide our work. It is not something that someone else did and put out there that has no relevance on our work. I'm ready to discuss the technical discussion next week in which the technical discussions will discuss technical cooperation. That is central to the Secretariat. I am going to discuss this whole issue of information again. It remains a problem how do we have all of our staff internalize the mission of the Organization. Understand that we have committed to work in this particular way. That is a responsibility, again, of senior staff to see that this does happen.

We talked about the senior management and there were no major comments about the inefficiency of the current structure. We agreed that we will coordinate better the activities between the Cabinet and the agendas of the Cabinet and the Program Committee to avoid overlap. That has the responsibility of ensuring minimal overlap between the Cabinet and Program Committee. That the Cabinet deals with major policy issues of the Organization.

We discussed the ever green problem of interprogram coordination. This a very current theme. I pointed out to many of you more than once, I have long passed the stage of getting hang up about interprogrammatically coordination, trying to force it. As I have said to you before, it has the common interest of the parties in coordinating. I have said that when we come to look for the assigning of the limited extrabudgetary funding, over the ceiling funding that will have available, we are going to give preference to those things that are genuinely interprogrammatically.

There was discussion about whether the time spent in programming and evaluation was appropriate. I reflected a lot on that. Perhaps, I know that all of you at the end of the year, spent a lot of time on programming and evaluation. Perhaps, it is not clear when we do this that the decisions that we take about funding about programming derive from the evaluation exercise. This year I have to make it clearer that some of the decisions that we will take, in fact will stem from the evaluation exercises, and not be seen to be completely apart from the evaluation exercises. The evaluation exercise is important to your programs as a whole, but I also think that it is important that you see that there are decisions taken on the basis of what you present and produce. We asked the question as whether we use the programming instruments appropriately. It is still true that there are still some programs that treat the preparation of the APB and the PTC as a ritual. XXXXX can we put this into the particular format instead of thinking it as in fact the instruments that should guide the way that we work. After a lot of discussion we came to some agreements and one of them, as I have said before, is to be sure that we integrate better the agendas of the Program Committee and the Cabinet. DAP to have that responsibility. I am going to look again at the periodicity of our work plans. I am going to set up a small group to look and see whether we should maintain it at four months or as some have suggested maintain it at six months. I am not going to suggest that we go back to three months. I am not going to go into the pros and cons; I am going to leave that to the group I set up to look into this. When we looked at 1995, we attempted to look at the financial situation of 1995 and it became clear that you could not look at the financial situation of 1995 without looking at the financial situation of 1996/1997. I sent to you and some of you got it this morning a paper which says so some of the aspects of this budgeted situation. We closed the year 1995, for the first time in history with a deficit of \$12 million. So we had a cash deficit of over \$12 million. This was due to two major things. One, the CEPANZO settlement which we had to absorb and two, the fact that for the first time the United States failed to pay its quota, its last quota quarter. Had we known that earlier on, we would have taken various measures to reduce the impact of that non-quota payment. We only knew at the end of the fourth quarter that they weren't going to pay their contribution. We could not take the step necessary. Now, you know that our budget comes from two sources, WHO and our quota contributions. The budget that comes from WHO is of the order of \$80 million. The DG had said in his memo to us that he is going to reduce that by 10%. That is a current figure. Our believe is that he is going to reduce more than 10%. It is going to be of the order of 15%. We can look to have 12 million dollars less in the WHO portion of our budget. The best estimates that we have are that the United States is not going to pay even of the assessed quota contributions for 1996-1997, they are not going to pay 100%. We estimate that they are going to pay no more than

70-75% of their quota contributions. We are estimating a shortfall from the U.S. contribution alone of some 27 million dollars.

There are some items that we have to accommodate like staff increases and salaries, etc. There are some essential repairs that we have to make that have to be included. I am predicting for 1996-1997 a shortfall much more than when I spoke to you early last year. I am predicting a shortfall of some \$43 to \$45 million in our budget for 1996-1997. You know that we have already cut our budget because I only approved of 40% programming of the 1996-1997. Even taking account of the cut in the programming of the budget, if you add up what our shortfall is going to be of \$27 million from the United States, \$12 million from Geneva, some unbudgeted expenses, another \$4 or \$5 million, I said that we are looking at a shortfall of \$42 to \$45 million. I have already cut our budget by some \$20 million because of only allowing a 40% non-post funding for this year. So for the biennium, we are going to have to find another \$23 to \$25 million more to cut from our budget. We are going to have to spend \$25 million less. We are going to have to make these adjustments now. Earlier this morning, you got a paper that I prepared asking you basically four questions. The questions are recommendations for cost reductions in your unit. It is easy to make recommendations for cost reductions in other person's units that is fine but I am not so interested in that. I am interested in what you think can be done in your particular unit. I am going to ask those programs that in your view may be abandoned at this time or if not abandoned how can we provide technical cooperation in another way. I am going to ask you to give your priority those areas and staff that are critical for maintenance of your particular program. I am going to have you justify on programmatic grounds all the professional staff members because a budget reduction of that order of \$20-\$23 million cannot be accommodated only by freezing posts. It is going to have to involve program reductions and program reduction employs staff reductions. I have said to the staff that I would do everything possible not to have reductions in staff but it has become clear that if we have major program reductions is going to include the staff. What I am going to do is after I get your responses, which I must have by 5 March, and this is going to apply to all of our centers, the representation offices as well as the Pan American Centers. I have prepared a more comprehensive paper which I am going to present to the SPP in which I am going to discuss with the general staff meeting I'll have during our week of no travel in March. I am consulting with the senior managers because I need your input into this. One of the things that I am not going to do is to take a blanket cut across the board of 10% across every program. That I will not do. There are some things which are going to assume more importance than others. I am not going to be pressured into hasty decisions about moves that will significantly alter how we function. It has taken years for the Organization to arrive at the position where it is now and I am not going to decide overnight as to which program is going to go, etc. It is going to be a result of serious reflection and hopefully serious contribution from your part. One thing that is important I want to appreciate, this is not a black mark against PAHO. It is not a sign of doom for the Organization. It is not an indication that we are about to die or anything like that. As a famous author said that the indications of my demise were grossly exaggerated, something of that nature. It is nothing like that. Also one of the appointments that was made in the retreat very strongly by

everybody, this must not be seen as the USA against PAHO. It is not that at all. It is a manifestation of the current climate as regard international organizations. It is something that all our Member States are having to do. If we believe that the Organization has a role to play, we have to find methods by which we have to discharge its core functions at less cost basically. I know that there will be some who will be raising their hands and the masochists among us will be happy in a sense that this is happening and will indulge in a lot of autoflagellation about terrible things. That is absolutely stupid. This is no time for gloom and doom. It is not that at all. We all have to put our heads together to find how the Organization has to continue even while they may have to change its formal work. There is nothing more nothing less than that. It is no manifestation that countries are not satisfied at what we are doing. It is just the reality of the current climate. One of the things that I put in this paper whether our technical cooperation was well understood and we didn't discuss that a lot, very briefly. It is even more critical now to examine our technical cooperation. This is one of the reasons why I want a 100% participation in the technical discussions. So I am asking don't ask for exceptions to the no travel period. There are going to be very few and when people say to me that they ask an exceptions because the activities can't be carried out within the program. That is not the point. The point is that I need the intellectual input of all the staff at these kind of discussions. I am going to refer to technical discussions in relation to technical cooperation. Because again going back to WHO, I think another major problem in the Secretariat in WHO is not a comprehension of what the technical cooperation really means. What really means to be a technical cooperation agency. And if you don't know your product you can't sell it to anyone. I do believe that. And if you don't know it, the countries are not going to know it either. I need your brains in the technical discussions for us to have some better ideas of what does constitute this product of ours. In the discussions we are going to touch on the issue of the differences between the regional programs and the country programs. We circulated a Cabinet paper on that which many people still contend that they have not seen, incredible though it may be. This sets out what we consider fundamental differences between the responsibilities of the regional programs and the country programs. In the retreat we discussed the issue of advocacy as being important for the Organization and there is a lot that we have done in this area. We were clear that when we talked on advocating and been aggressive in promoting what the Organization does, we must not look at this as an either or situation. We focus only on the outcome issues, for example, that there is less earned efficiency or that there is no dental care has been reduced, these are important outcome issues. An Organization as a specialized agency in health, as Dr. Paganini keeps reminding us, this is our business. We have to show that we have the knowledge and capability to produce these outcomes. But at the same time, we have the responsibility as I believe to advocate for the more global issues, why is health, in fact, important for our countries as a whole. They are not antithetical. Both kind of things are important, that we do focus on our countries have achieved in terms of these outcome issues. At the same time you always have to advocate aggressively, I think, for what the countries as a whole do and think about health.

We spent some time discussing about the private sector and it is clear from our discussions that we really don't know a lot about how to deal with the private sector. We are

going to have to find better methods of addressing more systematically the private sector. We mentioned very briefly about the multilateral funding institutions and all of us are aware that it is not easy to deal with the multilateral institutions, specially the Banks. They are not homogenous institutions. It is never easy to find out what one part of these institutions is doing versus what the other one is doing. I have said to the Cabinet, I think I have said to you before, in our approach to these multilateral institutions, one of the things that has to be clear to everyone is our channels of communication. I have nothing with spontaneous contacts, but when we have to deal formally with institutions, when we deal with the lending operations that is going to be DSI's responsibility. When we deal with programs that represent these institutions, that is going to be DEC's responsibility, to make the formal presentation to the institutions, what are our Organization's priorities, etc. We discussed the issue of resource mobilization. I pointed out that we, as a group, are not doing enough. Our managers are doing enough to mobilize resources for the Organization. There are some markable exceptions of persons who are aggressive in mobilizing resources for the Organization. I am impressed, sometimes it is taken negatively, but I don't take it negatively, when you speak to some of the program managers in Geneva, who said, well I've raised \$5 million for this program, I wonder why our senior managers are not aware of some of these possibilities that there are for resource mobilization. It is not the responsibility of DEC uniquely for resource mobilization. There has to be some central place for knowing what does take place. I stated fairly clearly that the overall institutional priorities but I expect the senior managers to be aggressively seeking funding opportunities.

We discussed the ideas of products for profit and I am more and more attracted to that in PAHO. We are going to have to seek which of our products can be made profitable. One issue mentioned was the area of publications. We brought up the issue as to whether there are services that the Organization produces that can be sold, whether we could market our capacity in project execution. I am a little ambivalent about this, but if I ask Horst Otterstetter to set together a little group to look at and advise me as to whether it is feasible a option to pursue that we can actually become vendor of services. My little doubt is whether we are not going to have Member States saying we pay our quotas and now you are turning and selling our services. There may be other potential markets for these which I haven't even thought about.

Now there are some other managerial issues as I pointed out. We agreed that the Chief of Administration would have, at least twice a year, formal briefings for the technical staff on some of the major managerial problems that we have to come to major solutions. This is going to be separate and distinct from the Program Committee. These are some of the major issues that we discussed in the Cabinet retreat and some of the major results of our discussion. You are going to get a copy of the minutes and a copy of the notes that set out some of these things that I have mentioned.

I am going to mention just two other things. I said I would not speak more than an our and I have only five minutes more. My visit to Haiti. This was a momentous occasion. The first time in 200 years that there has been a peaceful transition from one democratic elected President to another. (no se puede escuchar nada en el tape) Our representative

there is very astute in these matters, we were having breakfast, and she said if I were you I would go to the bathroom now before you left because it is going to be a long time before you have the opportunity to get there again. Of course she was right. But I am going to cite one event that impacted on me in Haiti. Our representative is quite something, she managed for us to have an interview with the President the day before he was sworn in. He was so busy but still he found time to spend one hour with us and talked about what he wanted to see happening in Haiti. The inauguration of a small maternity hospital which was the last act which President Aristide did before he left. When I was there in March we went to the maternity hospital. I have never seen conditions like that in my life. There were women lying on the floor. There were women naked lying on the couch without screens giving birth right there with everybody walking around. There were swabs and blood on the floor. There was no running water. There was not a wash basin in the place. I have never seen anything like that in my life. I said to the press why do you allow this? It struck me that many of these conditions grow up over time. If you become accustomed to them you don't see them as being unusual. One thing that was absolutely fantastic is that with support from other agencies they actually reconstructed a new maternity hospital, within about eight months it was done. That is a tribute to the capacity of the Haitian people to get these things done. It was incredible. A new facility, two new operating theaters, new beds new birthing room, everything. In the inauguration they show you what it was before and what it was after. I took off my hat to the Haitian workman. I said to the President if one can do something like this is a manifestation of what other things can be done. I came away really very uplifted as it were with that as an example. It was quite an occasion. The outgoing President Aristide, he has a charisma that I have seen in very few people. Really an amazing person.

In the upcoming events I want to mention the SPP which is going to take place shortly and I am embarrassed that the documents are still very late. They should be in the hands of the members 30 days before the meeting. Those of you who are late, you know who you are. The documents have to be here at the latest by the end of this week. They have to be reviewed and they have to be sent to the Governing Bodies. The only document which is going to be late to the SPP is the document that I am preparing about the financial situation of the Organization and what measures we are going to take. I am not going to distribute that well in advance because we also have to present in the SPP the WHO portion of our budget 1998-1999. I am going to link the presentation I am going to make to that. We cannot have people come into meetings and not have the documents.

The last point I am going to make during the last two minutes on this is an issue I did not discuss at the Cabinet but I had it on the agenda, interpersonal/interprogrammatic relations. I have heard several comments on the last month about low morale, etc. I mentioned to you before the comments by several staff members about not being able to participate, etc. That has concerned me. I have wondered about it whether my initial affirmation that one wanted to see a more opened Organization with better communications was in fact an incorrect one. The Organization was, in fact, run better in an authoritarian manner. I came to the conclusion that is not true. It is counter to my own way of thinking.

I think that it is possible to have an Organization that is opened and in which people communicate. In order for that to happen there has to be a little more responsibility in terms of that communication. We establish a suggestion box for people to put suggestions in. The majority of the suggestions were almost rude, insulting or A or B or making flipping comments about serious issues. Very few were actually suggestions that indicate that people had thought about what they wish to see happening in the Organization. I reflected that malaise in an Organization is more common at the central level because I don't get that feeling when I go to the countries. It is more common at the central level because of a large concentration of highly intelligent people and many of whom are not ceased of what the Organization is about. They attempt to look internally at small issues rather than big issues. I don't think that is really so. I am searching for a good answer or whether I am seeking an answer to a problem that doesn't exist or whether I am seeking an answer to the wrong question. You will never have an Organization in which there is general satisfaction. I don't worry too much about criticism about programs and XXXXX. What I do worry about is when the criticisms become, and the only expression is picayune, when the criticisms become petty about something A has done or B has not done. We can do without that in PAHO. I said in our Cabinet meeting that senior managers, they have the responsibility, in a sense, to set the tone for the whole Organization. It that doesn't come from one person. The senior managers have the responsibility to set the tone for openness, dialogue, communication, readiness to listen, readiness to accept other points of view. Those are the kind of things that have to come from senior management. I think that we have a little way to go in that direction. It is always easy to make comments about things that are not affecting you personally. Many of the comments I received about the paper was comments not relating to something that A or B could do something about. There are many comments related to things like "se debe hacer esto, se debe pensar en esto, se debe considerar esto" instead of saying this is a problem I think there is a possible solution or this is something that I think we can do something about. Putting the Organization outside of us, I am happy to say this is not the norm but it happens with enough frequency for me to bring it up in a senior staff meeting, like this. It is partly your responsibility, if at all possible, to try to find the solution to this kind of behavior. When it does come up try to focus the questioning on the specific on what in fact can be done rather than what someone else thought the Organization can do. When I used to work for the university I used to say that there are three institutions which you could always blame: you could always blame the Church you could always blame the Government, and you could always blame the University because none of them could answer back. The Church is not going to respond to you. The Government is always there for you to kick and the University is not going to get involved in that kind of discussion. I thought that in PAHO we would not have that " it is the Organization that does this rather than saying it is we." For this not to happen it is part of our responsibility to see that the climate exists that it really doesn't happen. Questions now.