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GENERAL STAFF MEETING
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First of all, let me thank you for coming. You will recall that when I met with you on the day I took up office, I said that I would be meeting with you periodically to inform you about how the Organization was functioning, what we could expect, what we had done, what we were doing and what we are going to do. I convened a Senior Staff Meeting after the World Health Assembly and at that time I explained to the Senior Staff some of the things that had taken place during the World Health Assembly. I have promised to have meetings with the staff at least twice a year and I will certainly meet with all of you during the second half of the year, perhaps after the Directing Council, to review some of the Council's decisions that may have importance for us in the coming year.

I will divide my talk into four parts: I wish to speak a bit about the reorganization of the Secretariat, including some managerial issues, comment on some programmatic issues, and then I will go into some detail about what happened at the meeting of the Executive Committee. I am then going to speak briefly about how I see the future.

If I might start first with the reorganization and some of the managerial issues, I think that the changes we introduced in the Secretariat have gone reasonably well; most people have adapted to the changes and have settled down. The five Divisions and the Special Program are functioning quite well, and I am pleased to note the efforts that have been made, to establish the Administrative Support Units which are slowly taking similar shape throughout the Divisions. There are still some things left to be done and some appointments to be made. For example, the Program Coordinator in the Information Systems Unit of the Division of Health Systems and Services Development. Notwithstanding the fact that there are still some things to be done, I think that by and large, the major changes in the restructure that I intended to put in place are already fully operational.

In terms of Senior Management in the Organization, I said to you on the first day that we would establish a Director's Cabinet and that has been done. I have also instituted a system to distribute the minutes of these meetings, and I hope that the Division Directors and the members of the Cabinet do share with you the decisions and the discussions that take place at the Cabinet. I have noted in my visits to the countries, that this practice has been particularly well received in the Field Offices. In every Representation I visited, they have commented very favorably on their getting the minutes of the Cabinet Meetings, which are sent out indiscriminately in English or in

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

Spanish, since all of us should be able to read and understand at least both languages. One of the things I have asked all persons in the Field, and I ask you all here as well, is that if when you hear about the Cabinet's decisions or read the minutes, there is something that you would wish to comment on, please do so because we would like to hear those comments. I continue to feel that we are making decisions in a very transparent manner. I do not ask that there always be agreement with the decisions made, but I do hope that there will always be understanding of the logic behind the decisions that are taken.

The other thing that I mentioned to you on the first day, was my interest in and my enthusiasm for having staff participate. I have been very pleased with the comments that I continue to receive about various aspects of the Organization's work. One of the first and most intense of these participatory activities took place when the various units met to discuss the Mission of the Organization. I have to confess that I was a little amazed at the numbers of persons who did not quite appreciate what the Constitutional purpose of the Organization was and did not quite understand the differences between the Secretariat and the rest of the Organization. In fact, few people had ever read the Sanitary Code, or even understood what the Sanitary Code was all about, and what the Organization was committed to do. Much of that has been corrected through that process. All the comments I have heard about the efforts made to describe a mission for the Secretariat have been positive, and not only about the output in terms of the mission statement, but the process itself. Very shortly you will be receiving, if you have not done so already, what is really a distillation of all the comments that were made vis-a-vis the Mission. What we did was to take the suggestions from all the units, try to find the common lines of thought about the Mission of the Organization and put them together. We had professional help to present this in as succinct a form as possible. You will be seeing shortly what, in fact, I take to be the results of your own handiwork.

I would now like to speak about some of the recent appointments that have been made. We have appointed Dr. Stephen Corber as Director of the Division of Disease Prevention and Control, and he will be assuming office some time soon, hopefully by the first of September. I wish to thank Dr. Gabriel Schmunis, who has been acting as the Division Director, for what he has done during that period and to thank Dr. Fernando Beltran for having taken over Dr. Schmunis' job during that period. I am really grateful to both of them for the work they have done.

In terms of Representations, we have a new Representative in Bolivia, -- Dr. Carlos Linger -- has been transferred from Nicaragua and we are in the process of nominating a Representative in Nicaragua.

We have a new Chief of Finance, Mr. Mark Matthews, whom I hope most of you have met, and I wish to thank John Hunter when he acted in that position. I went to visit that Department before Mr. Matthews took over and I really was pleased with what they have done, and pleased also at the spirit that was displayed. We are in the process of naming a new Chief of Public Information, and I would like to thank also Daniel Epstein for carrying the ball since Richard Leclair left.

I mentioned at my first meeting with you what we are doing for Staff Development. I am pleased that Dr. Jose Roberto Ferreira and his colleagues have put together an excellent

development seminar, which will take place in the last two weeks of August. We would like to see managers from the Field Offices and from Headquarters get together for two weeks of intensive discussion about some areas that will affect the Organization, and some of the directions that it will take to meet the challenges before us, and to strengthen the resolve of the countries to proceed along the road of Health for All.

I mentioned to you that we would be trying to involve the Representatives more in the affairs of the Organization. We invited the Representative from Honduras to participate in the World Health Assembly and that was an excellent experience for him. We invited the Representative from Argentina to come to the meeting of the Executive Committee and we will invite two other Representatives to come to the meeting of the Directing Council in September. I think this is important, because if the Representatives do not understand how the Governing Bodies function, how are they going to be able to advise the Ministers to the dynamic of the meeting, etc. This has been very well received by the Representatives.

I said to you in February that I would be putting in place a new performance evaluation scheme. A small committee has been established, with participation from Headquarters and from the Representations, to look at how we might revamp our present evaluation. I had to meet with the group, and some of the things that I discussed might seem to be heretical, but I would like to see a performance evaluation scheme that is more objective. I have also asked the Committee to look at how we might introduce into the percentage evaluation, not only the evaluation by the supervisor of the supervised, but the evaluation of the supervisor by the supervised. Most modern management practices accept that evaluation should be in both directions since the supervisor also needs to have some feedback about his or her own practice. I wish to see an objective system involving evaluation both up and down.

With respect to programmatic issues, I have been meeting with the Programs and Divisions to discuss some of their activities. I will continue to try to meet with the Programs and the Divisions on a regular basis, to discuss what is happening, what are their activities, and some of the excellent documents that have been produced by them and I have read and commented on. In all my discussions with the Programs, Divisions and at the Country level, I have been insisting on the importance of the Strategic and Programmatic Orientations. And, as I said to you in the first day, I do not wish to see these strategic and programmatic orientations left on the shelves; they have to be the guidelines for our work. I do not wish to see only the ceremonial tip of the hat to these orientations, they have to be the guide for our work. We are all embarked on this venture to make these orientations effective, particularly at the country level. We are in the process of developing indicators for use in the countries on the extent to which the countries themselves have committed their resources to these various areas. That has proceeded slowly because it is not the common practice for all Member Governments to evaluate what they do, after attending the Directing Council or the Sanitary Conference.

Let us now look at something that in a sense started at the last World Health Assembly. There is a feeling that the world, as a whole, has lost a little enthusiasm for the basic principles of Health for All and that we should renew the enthusiasm at the country level for the basic principles that underlie Health for All. As a starting point, we have the monitoring and evaluation carried out in this region of what has happened in terms of Health for All. I would recommend that those of you

who have not read the document prepared about the last monitoring evaluation should do so. It is the kind of work that I would like to see as a standard in the Organization. If you look at what are some of the deficiencies at the country level in the pursuit of Health for All, you will see clearly what are some of the things that we have to do at the Secretariat to stimulate more interest. We have embarked, under the direction of DAP, in the process of determining to make this region to renew the call of Health for All. There are some programmatic as well as conceptual issues involved in getting our countries to be enthusiastic again about Health for All, and how to put in place the necessary programs. We believe that if these strategic and programmatic orientations do fall into place and become really the guidelines of what is done in our countries, and at the regional and Secretariat levels, we will move more rapidly towards making our goal of Health for All a reality.

In programmatic terms, I intend to continue to stress the importance of these orientations at the country level. When I meet with Presidents and Prime Ministers, I try to persuade them that all of us need to take a different view of why and how health is important. When I have met with the Presidents in Central or South America, or with Prime Ministers in the Caribbean, I have suggested to them that as a group, as a country, as a cabinet, they pay more attention to the importance of health. Health is seen too often as the sole responsibility of the Ministries of Health and the country as a whole does not internalize the importance of health as a national resource or as a national concept. I must confess, I have been pleased at how this has been accepted in most of the countries. Most Heads of State have accepted that their Cabinet might take a different approach to and a different view of health.

Speaking also of programs, I have been having discussions at country level, about the roles of the country and regional programs and we have circulated a short paper on this. While we continue to believe that the countries have to be the important focus of activity, we cannot lose sight of the fact that this Organization was created to help the countries to work together, to do together the things that they could not do as well alone. That is one of the basic principles in which this Organization was founded and one that we will continue to stress.

Let me now pass to the third aspect of my talk today: the Executive Committee. I think the Executive Committee went well and, at the review we had after the Executive Committee, I expressed to the Members of the Cabinet -- and I hope they transmitted that to you -- how proud I was of the work of the staff for that meeting. All of the delegations commented very positively on the preparations for the Executive Committee. The documents that we prepared and the presentations made were clear, concise, and to the point. They made quite obvious what kind of decisions we were asking from the Executive Committee. I believe that the Governing Bodies should have before them information to allow them to make decisions, and we must try to point out what decisions are important for the Organization as a whole. However, we have to work harder in terms of getting more participation at the country level, and this is why we intend to involve the Representatives more in the process. We will advise the Representatives, well in advance, of the kind of issues that will be discussed at the Directing Council, and have them brief the Ministers better

I would like to mention some of the major points of discussion at the Executive Committee. Perhaps the one that evoked most discussion was the Program and Budget. I would like to spend

some time on that because it has major implications for us. First, I was very happy with the document that we presented, which did get some favorable comments from the delegates. We presented a document that explained what the Secretariat wished to do, and what were the expected results from those actions. I have to say that I was a little disappointed, because what I consider to be a very logical approach, was not fully understood by all the delegations, some of whom gave more attention to the numbers in the budget than to the program. This is the first time that the Executive Committee did not present a draft budget for the Directing Council.

I would like to explain to you what were the reasons for this, and then go into some detail on what our budget situation is at this moment. As all of you know, approximately one third of our regular budget comes from WHO/Geneva, and two-thirds from the quota contributions of our Member States. In September of last year, when we presented our budget for the Region of the Americas, that was included in the global budget, we presented a budget that represented a nine per cent increase over the 1994-1995 figure, because we thought that was a fair reflection, not of the true level of inflation that is going to take place in this Region in 1996-1997, but a compromise in a sense. We took into account the financial situation of our Member States. The budget proposal represented a figure of approximately seven million dollars more than the 1994-1995 budget.

Our budget increase of nine per cent was incorporated into the global budget, an increase that WHO presented to the WHA for the 1996-1997 budget was in the order of 11.5 per cent. This was rejected by the Member States. In the WHA it was accepted that the total global budget would increase by no more than 2.5 per cent for the biennium. Keep in mind that we presented an increase of nine per cent and the WHA agreed that the global budget would increase by no more than 2.5 per cent.

The Regional Director had to discuss at the Global Policy Council (GPC), given the situation, what would be the allocations to the regions from the global budget. There were two problems that had to be faced. One problem was, what is the actual level of inflation that should be taken into account? The second problem was, considering the changes in currency exchange that take place in those two places, what allocations should be made to HQ/Geneva, and to the European Regions? The budget at the WHA is fixed in dollars, but the local expenses in Geneva and in Europe are in different currencies, and the dollar has changed negatively in respect to those two currencies. The bottom line was that we could not get in this region even the 2.5 per cent that was accepted globally because part of that 2.5 per cent had to be applied to satisfy the currency differentials in Geneva and Europe.

After much discussion, it was accepted that our budget from Geneva for this Region would be exactly what it was in 1994-1995, which represents seven million dollars less than we had proposed in September. So, when we went to the Executive Committee, we already knew that our budget for 1996-1997 would be seven million dollars less. The budget we presented to the Executive Committee asked for an increase of 5.9 per cent over 1994-1995, and the countries at the Executive Committee did not accept that increase. One country said it would not accept any increase over the 1994-1995 budget, another said that it was looking for a cut below the 1994-1995 budget. Therefore, it was left to the Director to present a new budget in September, taking into account the reluctance of the Member Governments to accept any increase at all, and the possibility that one Member Government, the United States, was proposing a decrease in the

budget. If as a result of my negotiations, we have a budget that remains at the 1994-1995 level, which some people say will be an optimistic view, that will imply a budget, for 1996-1997 that is 17 million dollars less than the budget presented to the Executive Committee.

As I pointed it out to the Executive Committee, if the budget is cut, our program will have to be cut, because I believe that we presented to the Executive Committee a budget that was reasonable for the proposed program. I could not accept the thesis that we will have the same program with a reduced budget. My acceptance would mean that the budget I presented for the program was inflated and, obviously, I cannot accept that posture. If our budget is reduced, I will have to look at how our program is going to be reduced. Now, there are three stages to this, which I want to bring to your attention.

The first stage is going to have to be after my negotiations with various Member Governments: the preparation of a new budget. I will have to decide what figure is likely to be acceptable in September and prepare a new budget proposal for presentation to the Directing Council. That new budget proposal will of necessity, have program reductions. There will be three principles that are going to guide my decisions in terms of program reductions.

The first principle is that I am not going to apply an even across-the-board cut. That is bad management. Cuts are going to have to be selective because I have to establish what are priority areas for the Organization in the context of the strategic and programmatic orientations. The second principle is that I am going to try to preserve the country programs as much as possible.

The third principle I am going to follow is that these cuts should affect present staff as little as possible. I will try, as far as humanly possible, to retain the present staff. My colleagues in Geneva, and in the other Regional Offices are ready to speak of staff reductions because of the reduction in budget. Geneva is speaking of over 200 posts to be eliminated. I am concerned about this, and its impact on the Region of the Americas, and what I am proposing to my colleagues in Geneva is that in a sense they leave us alone, and that we will try to manage the reductions that need to be made, within our own budget. I can only hold to this up to a certain level, because if there is insistence, by the rest of the world -- Geneva and the other Regional Offices -- RIF processes do take place, WHO posts in PAHO, may have to be subject to a RIF. Even if that takes place, I will attempt to protect our staff as much as possible.

The second stage will be after September, and depending on the results, we can either go forward with the approved budget or I will have to make additional adjustments to the program, depending on the results of the Directing Council.

The third stage will have to be after September, translating that budget into the amount that will be available to the various units for their 1996 APBs. This is difficult and will call for really intensive work on the part of the staff. We will only know after September what is the actual budget figure for 1996. We must come to firm conclusions about the programs for 1996 at the end of this year as I wish to start 1996 with the APBs already approved, both at the regional and at the country levels. This is going to be incredibly difficult, but I have every confidence that it is not impossible and that we will have the budget allocation figures, after the Directing Council, to be able to meet the deadline of starting 1996 with a budget figure already allocated.

Now, there are some things that I will have to ask of you. The first is that I do not wish to have any panic in PAHO. And at this moment I do not wish anyone to be commenting about the possibility of any post, or any program being changed, because any ideas that I have had about this I have shared with no one. Again, I do not wish any speculation as to what program will go or will not go, will change or not change, because no one has that information. During the course of this month we will be sitting down to discuss exactly what those changes will be. The second thing is that I am going to try to involve, as much as possible, the Staff Association, in the discussions that have to take place with regard to any changes in the staff. I will make sure that all of these decisions that do affect the programs and staff are made in as transparent a manner as possible.

The other item that evoked much discussion at the Executive Committee was the AIDS Program, and this was for two reasons. First, there was concern with the program itself, and the administrative arrangements being made for the new UNAIDS Program. I do not know how many of you are aware of the evolution of the discussions about the UNAIDS Program. Suffice it to say that at this stage, the world is committed to having a UNAIDS Program, that is a program on AIDS managed under the aegis of the U.N. as a whole, with six cosponsoring agencies within the international system. WHO is one of the cosponsoring agencies.

At the start of the process there was considerable discussion as to whether this was the appropriate way to manage a health issue. I have to tell you my personal view is that AIDS is predominantly a health issue and the fact that it has intersectoral implications is, in a sense, irrelevant. It is a problem of health, and the leadership should be within the health sector. Be that as it may, we already have this program, and I have said that organizationally we will do everything possible to support the UNAIDS Program; and we will do nothing that goes against the proper functioning of the UNAIDS Program. Dr. Piot is the Executive Director of the UNAIDS Program, a very straightforward, upright person, and very competent professional. We have had many fruitful discussions with him. However, I have pointed out to Dr. Piot, and he has agreed that we cannot have, and do not have the luxury -- I am using a double negative deliberately -- of not having a regional program that deals with AIDS and STDs. So, I have made a decision that we will maintain a regional program in AIDS and STDs. Second, we have come to an agreement that intercountry posts such as have previously been supported by the Global Program on AIDS may be supported by this Global UNAIDS Program. None of us knows how many of these intercountry posts will be available in the Region of the Americas, because the actual budget of the UNAIDS program has not been defined. What we have agreed with Dr. Piot, however, is that as soon as the budget is defined, we will be in close consultation so that we can make some suggestions as to how he might fill these intercountry posts, and we do not lose the expertise that we have accumulated over the years in this particular area. As I pointed out to Dr. Piot and to several of the countries, my concern that the countries do not suffer in this period of transition, between passing from a Global Program of AIDS to a UN Program of AIDS. The decision to have a UN Program on AIDS, has meant a reconfiguration of our own regional program, and we have tried as far as possible to relocate those persons affected by this change. If there are others that have not been appropriately relocated, we will try to see that this gets done. There are some professional staff that by necessity will have to be considered for other positions and we are making every effort to see that these movements are dealt with as openly as possible.

The third item of the agenda of the Executive Committee is a follow up to the Miami Summit. When the Presidents met in Miami last September, they spoke of many things; trade, commerce, etc. But they did deal with some issues related to health and there are at least three areas that fall within our competence. One, they asked PAHO to initiate a process for monitoring what was happening at the regional level in the area of health sector reform. We have begun to do this, and there will be a Special Meeting of the Directing Council in September to address this very issue. They also charged us to pursue activities in the area of the environment, and in the first days of October there will also be a regional meeting on Health and Environment in Sustainable Human Development, as one of the follow-up activities of the Summit in Miami.

The third issue relates to the meeting that the First Ladies had when they were in Miami, in which they agreed they would focus on two or three specific areas: immunizations -- specifically measles elimination -- reduction of maternal mortality, and education for girls. And we are helping the First Lady of Paraguay to organize the forthcoming Summit meeting of First Ladies. Dr. Fiusa phoned me this morning to tell me of the excellent participation of Dr. Yunes and Mr. Torres in a recent meeting, that helped to structure the agenda for the meeting of First Ladies that takes place later this year.

Parenthetically, at the meeting in Miami, the Presidents also asked us to maintain a regional program presence in AIDS. I forgot to mention this when I spoke of AIDS. As a result of this mandate of the Presidents, our decision to maintain a Regional Program on AIDS is in a sense related to the Presidential decision. We are going to try to invite the other inter-American and other regional agencies to a meeting in August to try to decide what might be a regional approach to AIDS; a regional approach that is not in conflict to the UNAIDS Program.

The fourth issue that came up at the Executive Committee relates to the PAHO Building. All of you will know by now that the judgement went against us as far as the site in Chevy Chase is concerned. That case is now closed and I have had to examine our options. I have decided that for various financial and other considerations, we are not going to pursue the issue of constructing a new building at this time. I have asked Mr. Tracy to carry out a very intensive study as to what modifications will be necessary in our current building, what are the other options available to us in the building across the street, and when and how we might put all of these together and look at possible funding, because I am not going to pursue any longer the idea of constructing a new Headquarters for the Pan American Health Organization.

The Executive Committee also heard a presentation of the AMPES, I was glad it got some favorable comments, and we are going to do it again at the Directing Council. I want our countries to understand how we do our programming, and I was taken with the fact that a couple of the countries are utilizing the approach used in our planning system for their own programming. I think this is a positive step, and the more we inform our countries how we program and execute activities, the better for us. The more transparent we are the more likely we are to impact on their own approaches to planning and programming.

The final item from the Executive Committee that I want to bring to your attention relates to CEPANZO. You all are well aware of the ILO's Tribunal decision and the reintegration of the staff members from CEPANZO. Part of that judgement related to the benefits that should accrue

to those members. There has been debate as to whether the benefits include their pension rights, or their reintegration into the pension scheme. The information we have acquired from the actuaries indicate that the cost of reintegrating those persons to the pension scheme would be 4.7 million dollars. I am not confident that when the Tribunal made its decision it wished to indicate that the Organization should do this. I have taken the view that it would be grossly irresponsible on my part to proceed to spend 4.7 million dollars, without being absolutely certain that this was the intention of the Tribunal. I have made this clear to the Staff Association; it is not that I question the integrity of the judgment or that I am in any way against the members of CEPANZO who were let go. It is not that at all. I am thinking of the Pan American Health Organization, as it is at this moment. Any manager who entertains a doubt about a decision of a Tribunal, and then proceeds to dispense of 4.7 million dollars of the people's money is grossly irresponsible. Therefore, I decided to go back to the Tribunal to have absolute clarification as to its intentions when it handed down this judgement and whether it intended this judgement to include the reintegration in the pension fund, which will have an implication for us of 4.7 million dollars.

The Executive Committee agreed with the decision I have taken. There is a risk that the Tribunal may come back and say "yes that is what we intended and you will have to find the 4.7 million dollars."

Those are the major items from the Executive Committee and now I will brief you about what is going to happen from hence onwards. I have said half in jest that I would not have wished to have these problems at the start of my administration, I have the problem of the building, the problem of CEPANZO, the problem of the budget. These are things that I could well do without. But, "C'est la guerre" as they say. These are things that we have to deal with. But I prefer to think of it as a challenge for us all and I have no doubt that we will adjust our programs appropriately. We will be equally or more efficient in the execution of our programs and I have no doubt that you will come through this, as you have come through other trials in the past. But it can only be done if we accept that this is not a problem of the Director, because this is a problem of the Organization. I tried to point out to the Member States that this is not a problem of the Secretariat alone as any reduction in programs of the Secretariat affects our capacity to cooperate with them. One cannot think solely of the Secretariat; these kinds of changes affect the Organization as a whole.

I am going to have to depend a lot on the cooperation and collaboration of all of the staff here and at other locations in the Americas. When I travel to the countries, I am reassured, at all levels, of the prestige of the Pan American Health Organization, and there is no doubt as to how our Member States seek and desire our technical cooperation. In the five months I have been here, on very few occasions have had requests for minor things from the governments. They have always been concerned about how the programs might function better. I am also impressed to see at the ministerial level, that more and more there is appreciation of what is meant by our technical cooperation, and less and less of the approach for punctual requests. I have no doubt that for the foreseeable future, the proposals we make for our program and budget will represent the important direction for the Organization, I have no doubt of it at all. But for proposals to be carried out, we will need the collaboration and cooperation of everyone. And I also have no doubt that you will respond positively. Thank you very much, I will speak again to you after September, when I am sure there will be many other matters about which I should inform you.

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