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Featured Q&A *With Our Board of Advisors*

Q The World Health Organization should focus more on emerging global diseases and show more accountability, according to Mexico's health minister, Julio Frenk, who is seen as a front-runner in the November race for leading the health body. What role will the next WHO head play in the future of international health policy? What's been wrong with the system to date, and how can it be improved?

A Guest Comment: Miguel Angel Gonzalez Block: "WHO was established over half a century ago when infectious diseases were rampant and when most countries had a feeble health infrastructure. Technical expertise and political coordination were centralized to fund and oversee vast global projects, such as smallpox eradication and malaria control. Today, WHO faces a far more complex array of global and country threats, and can count on a much more developed and sophisticated public, private, and NGO country health infrastructure. International financial support is being provided by, among others, The Global Fund to Fight AIDS, Tuberculosis and Malaria, and The Bill and Melinda Gates Foundation. High quality technical support is being offered by a panoply of academic global health programs and coalitions as well as by agile consulting firms. Furthermore, internationally recognized national health services, such as Health Canada, are transferring their health services technology beyond their borders. WHO is still a model UN agency, with its annual gathering of ministers of health at the World Health Assembly, a network of country and regional offices with high technical expertise, and its centralized capacity to sound early warnings, to set standards, and to validate solutions. To remain a global leader, WHO needs to listen beyond national governments, reaching to state and provincial health authorities, civil society organizations, and private providers. WHO should rely much more on academic and national expertise—particularly from middle-income countries—to develop the intelligence and to provide the technical support that countries need.

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PHOTO OF THE DAY

Mexico's Federal Electoral Tribunal is expected today to formally declare Felipe Calderon the winner of the country' July 2 presidential election. See story on page 2.

Photo: official Calderon Web site.

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NEWS BRIEFS

Colombian Authorities Find Body of Murdered Paramilitary Leader

Colombian prosecutors reported Monday that they found the body of Carlos Castano, a right-wing paramilitary leader who authorities believe was ordered to be murdered by his older brother Vicente, according to the Associated Press. Another paramilitary soldier confessed to the April 2004 killing and led officials to Castano's body. The government says Vicente must surrender or face losing benefits of the peace process.

Volkswagen Workers End Strike in Brazil

Workers at **Volkswagen**'s biggest plant in Brazil ended a six day-old strike on Monday after the German automaker agreed to reconsider plans to cut 1,800 jobs, Reuters reported. Last Tuesday, workers walked off the job at the Sao Bernardo do Campo plant, which employs 12,000 people, or more than half of Volkswagen's Brazilian workforce of 21,000 people, after the company announced the job cuts. Last month, the automaker said it could lay off as many as 6,000 workers through 2008 because of losses caused by local currency strength.

Starbucks to Open First Store in Brazil in November

US cafe chain **Starbucks** will open its first store in Brazil in November, the company's senior vice president of procurement, Dub Hay, said Monday. Hay did not say in which city the first store would open, although in May the company announced plans to open stores in Sao Paulo within a year. Starbucks also plans to open stores in Central America, Hay said. The company plans to open another 2,000 shops worldwide in 2007, on top of the 12,000 it currently has, Hay said.

Political News

Mexico's Top Electoral Court To Declare Calderon Winner Today

Mexico's Federal Electoral Tribunal is expected today to declare Felipe Calderon the winner of the country's July 2 presidential election, according to news reports. Local daily *El Universal* reported that the seven-member Tribunal is expected to unanimously confirm the narrow victory by the conservative Calderon, who defeated the left-leaning Lopez Obrador by just 0.58 percentage points, or about 240,000 votes. A 300-page report by the Tribunal includes criticism of President Vicente Fox for announcing social programs ostensibly aimed at promoting the candidacy of Calderon, who belongs to Fox's National Action Party, and of television ads that also favored Calderon, but the Tribunal did not find enough evidence to overturn the results of the election, *El Universal* reported. Last week, the Tribunal rejected Lopez Obrador's claims of massive fraud. However, Lopez Obrador has said he will not accept Calderon's victory and that he plans to establish a parallel government. "What we are proposing could be a dream. It might not bear fruit, it might fail, but we have the confidence and the responsibility to do it," Lopez Obrador told a rally on Monday, according to Reuters. He plans to stage a massive rally in Mexico's main Zocalo square on September 16, Mexico's independence day. On Friday, Lopez Obrador's supporters in Congress blocked President Vicente Fox from making his last state of the union address before his six-year term ends on December 1, the first time ever a Mexican president was prevented from giving the speech to Congress. In an effort to win over Lopez Obrador's supporters, a Calderon aide said Monday that fighting poverty would be a priority of Calderon's government. Without a doubt the next government of Mexico must have a clear social leaning," the aide, Juan Camilo Mourino, said, according to Reuters. "Without a doubt this must be one of the priorities if not the priority." [Editor's note: look for a Q&A on the Tribunal's ruling and the outlook for Mexico's incoming government in this Thursday's issue of the *Latin America Advisor*.]

A 300-page report by the Tribunal reportedly includes criticism of President Vicente Fox for announcing social programs ostensibly aimed at promoting the candidacy of Calderon and of television ads that also favored Calderon, but the Tribunal did not find enough evidence to overturn the results of the election.

Haiti, UN to Launch Disarmament Campaign

The Haitian government and United Nations peacekeepers plan to launch a major campaign to disarm hundreds of gangsters, the UN's envoy to the Caribbean nation, Edmond Mulet, said Monday, according to the Associated Press. Mulet said officials will seek to persuade gangsters to hand in their weapons in exchange for money, food, and job training. "We are ready to receive 1,000 armed people who would willingly give up their weapons and arms," Mulet was quoted as saying. Gang members participating

The UN and Haitian authorities hope as many as 1,000 gansters will turn in their weapons as the result of a new disarmament campaign.

UN file photo.

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in the program will receive ID cards entitling them to money, medical assistance, food for their families, and training for manual-labor jobs in such areas as construction, garbage collection, and agriculture, Mulet said. However, top gang leaders will not be eligible to participate, the UN envoy said, despite indications by some top gang leaders in Port-au-Prince's Cite Soleil slum of a willingness to lay down their guns. "This is not for the big people responsible for human rights violence or criminal activities or killings or kidnappings," he said. Instead, a new seven-member commission to be appointed this week by President Rene Preval will decide who is eligible, Mulet said. Disarming Haiti's gangs, which are blamed for a surge in kidnappings and shootings, is a key aim in restoring stability to the impoverished nation. Some of the gangs are considered loyal to exiled former President Jean-Bertrand Aristide, and the violence is seen by officials in part as an attempt to force Preval to make concessions, according to the AP. Last month, Preval warned gangs to disarm or face death, the AP reported.

Featured Q&A

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Given today's global information infrastructure, WHO should become a policy and knowledge broker under the global mantle of the World Health Assembly."

A Guest Comment: Marilyn Ehrhardt: "With the events that are happening in the world today, WHO needs to take a leadership role in disease surveillance and in building public health infrastructure around the world. Pandemics, infectious diseases, weather disasters, and bioterrorism are threats to the world, not just one nation. In the past, WHO has taken a passive and bureaucratic role, and has had no accountability for money spent on activities that had no impact on the organization's mission. The role of WHO should not be in establishing policy because it has no leverage in enforcing policies in individual countries around the world. It has spent too much effort on policies that are not embraced by any country, and too little effort on the execution and facilitating of funding to build public health infrastructure around the world. While there are many policies, still the basic and most fundamental questions are not answered. Is the world prepared to handle a pandemic? Everybody knows the answer is no; however, no organization is taking a leadership role in defining how we can prepare and plan to mentor, fund, and facilitate professionals and volunteers in the building of public health infrastructure in the most vulnerable countries. Public health is key to addressing the issues we are facing today. It is the most neglected department in healthcare around the world. Policy-makers and epidemiologists want to know everything there is to know before taking action. The solution is to start to do things and make adjustments as progress is being made. With all the technology available and all the Web sites displaying useless information, we still do not have critical information at our fingertips in relation to global health, and indicators that tell us how many beds are available, how many doctors and nurses

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Company News

AES to Sell 33 Percent Stake in Brazil's Eletropaulo

A unit of US power company **AES Corp.** this month will sell a 33 percent stake in **Eletropaulo**, Brazil's biggest electricity generator, as part of an effort to restructure some $1.2 billion in debt owed to Brazil's state development bank, BNDES, Bloomberg News reported on Monday, citing filings with the local securities regulator. Sao Paulo-based **AES Transgas Empreendimentos** will sell 13.76 billion preferred B shares of Eletropaulo through a public offering on domestic and international markets. Transgas, which will keep as much as 4.9 percent of Eletropaulo after the transaction, plans to price the shares on September 21, according to Bloomberg News. AES, which defaulted on some $1.3 billion in debt owed to BNDES, has been negotiating with the bank over its local units' debts. In May, AES announced it would pay off $582 million of that debt by selling a portion of its interest in Eletropaulo, which serves some 5.3 million customers in Sao Paulo state. Through its interest in **Brasiliana**, a joint venture with BNDES, AES also has a 24 percent economic interest in a 2,650 megawatt hydroelectric power generation business called **Tiete**, and a 46 percent economic interest in **Uruguaiana**, a 639 megawatt gas-fired power plant. AES has a controlling interest in all of those businesses, and also owns **AES Sul**, which serves one million customers in the state of Rio Grande do Sul in southern Brazil. After the sale of its shares in Eletropaulo and debt repayment, AES plans to simplify the shareholding structure of its Brazilian assets, Bloomberg News reported.

Telmex Accuses Telefonica of Trying to Block its Operations in Chile

Telefonos de Mexico (Telmex) on Monday accused the Chilean unit of Spain's **Telefonica** of seeking to block Telmex's plans to operate a wireless local loop (WLL) concession, Reuters reported. Eduardo Diaz, Telmex's chief executive in Chile, said **Telefonica Chile** "is almost obsessed with halting our entry" and was using legal maneuvers to block Telmex's use of a national WLL license it won last December. Despite Telefonica Chile's actions, Diaz vowed "we will enter." WLL technology poses a threat to Telefonica Chile, the country's biggest fixed-line operator, because it allows users to bypass its fixed-line local loop network. However, Telefonica Chile denies that it is trying to obstruct Telmex's operations. It says it is objecting to preferential status given to Telmex for early enrollment in the bidding process for the WLL concessions last year, according to Reuters. "The objective of legal recourse is not to slow anything down ... what we are questioning is the preferential treatment," Telefonica Chile CEO Jose Moles said, according to Reuters.

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Featured Q&A

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there are, how many vaccines are available and where, what joint medical analysis tools there are to determine an epidemic quickly and proactively, and finally what the logistics (cost-processes) are for mobilizing assets to a disaster area. Wal-Mart can move merchandise from China to the US and knows at any one point where the merchandise is, but we can't do this in healthcare with the assets required to handle an emergency. WHO needs to bring the best practices from individual countries and customize them for the most vulnerable countries. It needs to be a facilitator of building public health infrastructure, with investors, academia, military, governments and private industry ... How can the system be improved? The answer is simple: take politics and bureaucrats out of the way, and focus on saving lives. It is a short answer but a very difficult thing to accomplish by this organization."

A Board Comment: Adrian Cruz: "Julio Frenk is an intelligent, well informed, and dedicated health professional who can bring much needed focus and direction to the WHO and its regional office, the Pan American Health Organization. I had the privilege of working closely with him in the publication of *21st Century Health Care in Latin America and the Caribbean: Prospects for Achieving Health For All* (Institute for Alternative Futures, 1998). He is well versed in the technical aspects of healthcare therapeutics, breakthroughs in vaccines and genetics, managed care, and healthcare financing and policy. He also is well aware of the role that social and economic development will have on health and vice versa, and the role that both the public sector and private sectors, particularly pharmaceutical companies, can play in the pursuit of the 'Health for All' vision established by WHO. The system suffers from politicized healthcare delivery structures, inefficient deployment of healthcare professionals, and inadequate funding. If anyone can fix it, Julio Frenk may just be the man."

A Guest Comment: Ruth Levine: "WHO has far to go to reach its potential as a force for better health worldwide. The new leadership faces three central—and related—problems. First, WHO's technical expertise, which is its core added value in a world crowded with funders and implementers, is often overshadowed by politics. It is, after all, governed primarily by ministers of health, who tend to be politicians, not public health professionals. Second, WHO's stagnant budget is inadequate to respond to growing global health challenges, and many extra-budgetary funds have strings attached. How can an organization in such a position squarely face health issues that might upset particular constituencies with money: intellectual property regimes, reproductive health, tobacco control, and others? Third, WHO's regional offices are not accountable to headquarters. Living up to its quizzical acronym, WHO's identity is hard to sort out. In short, the agency that should be the leader in identifying and solving major public health problems doesn't (yet) have the credibility, cash, capacity, or institutional coherence to do the job. The question is: will a new director-general be chosen who will renew the institution with vision, political savvy, exacting technical standards, and integrity? Here's hoping."

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