



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



42nd DIRECTING COUNCIL

52nd SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., 25-29 September 2000

Provisional Agenda Item 5.1

CD42/21, Add. II (Eng.)

26 September 2000

ORIGINAL: ENGLISH

REPORT OF THE WORKING PARTY ON THE APPLICATION OF ARTICLE 6.B OF PAHO'S CONSTITUTION

The Working Party appointed to study the application of Article 6.B of the PAHO Constitution has reviewed the status of quota collections in the light of the provisions of Article 6.B concerning the suspension of voting privileges of any Member more than two years in arrears in the payment of its quotas. The members of the Working Party are the Representatives of Canada, Haiti, and Venezuela.

At this time, only one Member State, Argentina has arrears in excess of two full years of assessments or is not in compliance with an approved deferred payment plan.

ARGENTINA owes \$15.2 million of which \$3.5 million relates to 1997. The Organization has received one payment in the amount of \$233,385 in January 2000. The Government has been advised that an additional payment of \$3,507,032 or the acceptance of a deferred payment plan is necessary to prevent the suspension of its voting rights. Argentina has agreed to a deferred payment plan which has been accepted by the Organization. Argentina must make its total annual payments under the plan by the date of the opening of the Pan American Sanitary Conference or a meeting of the Directing Council in order to retain its right to vote.

Analysis

The Working Party has carefully analyzed this payment situation, taking into account the recommendations of the 126th Session of the Executive Committee, noting particularly the implication that "substantial payments" should be the standard measure of compliance with commitments relative to quotas, as expressed in Resolution CE126.R1, and giving due regard to the economic situations currently being faced by the Member States, as well as the official reports and Resolutions of past Sessions of this Council. The members of this Working Party

recognize as well the important relationship that the timing of quota receipts bears to the successful implementation of Programs approved by this Directing Council. Clearly, when budgetary resources are not forthcoming at the time they are expected, the critical timing of implementation of approved Programs is endangered.

Recommendations

With the preceding in mind, the members of this Working Party note that Argentina has presented a proposed deferred payment plan to the Secretariat, which will amortize the balance of its arrears over ten years. Therefore, the Working Party recommends that the Directing Council notify Argentina that it shall have the right to vote at this 42nd Directing Council.

Concluding Remarks

The Working Party would like to take this opportunity to compliment those Member States who have made special efforts to meet their quota commitments as early as possible during the calendar year. It also recognizes the efforts made by the countries which are experiencing difficult economic conditions.

The Working Party proposes the following resolution for consideration by the Directing Council.

Proposed Resolution

THE 42nd DIRECTING COUNCIL,

Having considered the report of the Director on the collection of quota contributions (Document CD42/21 and Addendum I) and the concern expressed by the 126th Session of the Executive Committee with respect to the status of the collection of quota contributions;

Noting that Argentina has proposed a deferred payment plan to address its arrears of contributions;

RESOLVES:

1. To take note of the report of the Director on the collection of quota contributions (Document CD42/21 and Add. I).

2. To express appreciation to those Member States that have already made payments in 2000, and to urge all Member States in arrears to meet their financial obligations to the Organization in an expeditious manner.
3. To congratulate the countries that have fully met their quota obligations through 2000.
4. To compliment the countries which have made payment efforts to reduce quota arrearages for prior years.
5. To request the President of the Directing Council to notify Argentina that it shall have the privilege of voting at this 42nd Directing Council.
6. To take note that all other countries are in compliance with their approved payment plans and, therefore, shall retain the right to vote.
7. To request the Director:
 - (a) to continue to monitor the implementation of special payment agreements by Member States in arrears for the payment of prior years' quota assessments;
 - (b) to advise the Executive Committee of Member States' compliance with their quota payment commitments;
 - (c) to report to the 43rd Directing Council on the status of the collection of quota contributions for 2001 and prior years.

Representative of Canada

Representative of Haiti

Representative of Venezuela