



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



135th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 1 October 2004

Provisional Agenda Item 5.1

CE135/4 (Eng.)
15 September 2004
ORIGINAL: ENGLISH

PROPOSED REVISION TO PAHO FINANCIAL RULES

Background

1. At its 134th Session, the Executive Committee recommended that the 45th Directing Council approve the Director's proposed revision to the Financial Regulations in relation to the collection of quota contributions (Resolution CE134.R1). The Council approved the revised Financial Regulations without change in Resolution CD45.R____. This revision to the Regulations was necessary in order to implement the Director's strategy for increasing the rate of collection of quota assessments by permitting payments in local currency.
2. Regarding the aforementioned revised Financial Regulations, the Director has determined that additional Financial Rules are warranted in order to set forth controls and conditions in the approval and compliance process directed at protecting the Organization against the risk of loss from fluctuating exchange rates.
3. Financial Regulation 16.3 requires that the Financial Rules established by the Director and the amendments made by the Director to such Rules shall be confirmed by the Executive Committee and reported to the Conference or Directing Council for information.

Current Situation

4. Upon review of the practices and procedures of the World Health Organization and other United Nations agencies, the Director has established two new PAHO Rules. The Rules are generally consistent with comparable WHO Financial Regulations and Rules and are as follows:

106.1 – As set forth in Financial Regulation 6.6, the Director shall determine the acceptability of payment of contributions in local currencies rather than United States dollars. The acceptance by the Director of any currency that is not fully convertible shall be subject to annual approval on a case-by-case basis. Such approvals will cover any terms and conditions that the Director considers necessary to protect the Pan American Health Organization, including the amounts of any authorized payments. The payments shall be credited to the relevant Member's account with the Pan American Health Organization at the United Nations rate of exchange effective on the date of receipt.

106.2 – Any payments in currencies other than United States dollars that do not comply with the terms of approval given by the Director shall be automatically returned to the relevant Member State, and the assessed contribution concerned shall continue to be due and payable.

Action by the Executive Committee

5. Should the Executive Committee agree with the proposed revision to the Financial Rules, it may wish to adopt a resolution along the following lines:

Proposed Resolution

THE 135th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the Director's presentation on the revisions proposed to the Financial Rules of the Pan American Health Organization (Document CE135/4); and

Taking into consideration that the revisions are consistent with the Financial Regulations adopted by the 45th Directing Council and will provide protection against exchange losses,

RESOLVES:

To confirm the changes requested by the Director in the Financial Rules of the Organization as they appear in paragraph 2 of Document CE135//4 and to forward the revised Financial Rules to the 46th Directing Council for its information.
