



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



25th PAN AMERICAN SANITARY CONFERENCE **50th SESSION OF THE REGIONAL COMMITTEE**

Washington, D.C., 21-25 September 1998

Agenda Item 5.1

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21 September 1998
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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, consisting of the Delegates of Antigua and Barbuda, Mexico, and Uruguay, has reviewed the status of quota collections in 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.

Today there are three Member States with payment arrears in excess of two full years of assessments. These Member States are Cuba, the Dominican Republic, and Grenada.

Cuba owes US\$ 2.5 million of which \$244,541 relates to 1994 and \$557,880 relates to 1995. The payment plan approved by the Secretariat in 1996 stipulated that a payment of \$600,000 was due in 1996, and payments thereafter would increase by \$50,000 in each subsequent year until arrears had been liquidated. In 1996 and 1997, the Organization received payments from Cuba totaling \$600,000 and \$650,000, respectively. Furthermore, in 1998 the Organization has received \$540,000 in payments from Cuba. Therefore, Cuba is in compliance with the terms of its deferred payment plan.

The Dominican Republic owes \$560,824 in quota assessments of which \$137,431 relates to 1995. No payments have been received from the Dominican Republic in 1998. However, the Organization has been advised by the PAHO/WHO Representative in the Dominican Republic that the Government has prepared a check for \$137,431 which will cover the 1995 assessment. At this time, this has already been signed by the first signatory and is awaiting the signature of the second signatory before being forwarded to the Organization. The Working Party determined that the Dominican Republic has evidenced a "good faith" effort in meeting its obligation.

Grenada owes \$90,712 in quota assessments of which \$20,148 relates to 1995. No payments have been received from Grenada during 1998. The Organization was informed that Grenada transferred \$23,522 via wire transfer to the Organization on 16 September 1998. Although this payment has not been received as of the opening of the Conference, the Working Party determined that Grenada has evidenced a “good faith” effort in meeting its obligation.

Analysis

The Working Party carefully analyzed these payment situations, taking into account the recommendations of the 122nd 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 CE122.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 the Directing Council. The members of the Working Party recognize the important relationship between the timing of quota receipts and the successful implementation of programs approved by the Directing Council. Clearly, when budgetary resources are not forthcoming at the time they are expected, the often critical timing of implementation of approved programs is endangered.

Recommendations

With the preceding in mind, the members of the Working Party are pleased to inform the Conference that the Government of Cuba is meeting its commitment to the Organization according to the terms of its deferred payment plan. Therefore, the Working Party recommends that the Conference restore Cuba’s voting privileges at this Session.

Furthermore, in the spirit of Panamericanism, the Working Party voted to restore the Dominican Republic’s and Grenada’s voting privileges due to their “good faith” efforts.

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 would also like to recognize the efforts made by the countries which are experiencing difficult economic conditions. At the same time, noting that past extraordinary circumstances have resulted in the need by some Member States for deferred payment arrangements, the members of the Working Party are unanimous in their opinion deferred payment plans, once agreed upon, should be considered firm

commitments, and as such not be subject to modification except to accelerate the liquidation of arrears.

The Working Party proposes the following resolution for consideration by the Conference:

THE 25th PAN AMERICAN SANITARY CONFERENCE,

Having considered the report of the Director on the collection of quota contributions (Document CSP25/19 and Adds. 1 and 2) and the concern expressed by the 122nd Session of the Executive Committee with respect to the status of the collection of quota contributions;

Noting that Cuba is in compliance with its deferred payment plan; and

Further noting that the Dominican Republic and Grenada have made “good faith” efforts to pay their 1995 arrearages,

RESOLVES:

1. To take note of the report of the Director on the collection of quota contributions (Document CSP25/19 and Add. 1).
2. To express appreciation to those Member States that have already made payments in 1998, and to urge all Member States in arrears to meet their financial obligations to the Organization in an expeditious manner.
3. To congratulate the States which have fully met their quota obligations through 1998.
4. To compliment the States which have made payment efforts to reduce quota arrears for prior years.
5. To request the Director to notify Cuba, the Dominican Republic, and Grenada that their voting privileges have been restored at this 25th Pan American Sanitary Conference.
6. To request the Director:
 - (a) To continue to monitor the implementation of special payment agreements made by Member States in arrears in 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 41st Directing Council on the status of the collection of quota contributions for 1999 and prior years.

Delegate of Antigua and Barbuda

Delegate of Mexico

Delegate of Uruguay