



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



26th PAN AMERICAN SANITARY CONFERENCE 54th SESSION OF THE REGIONAL COMMITTEE

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Provisional Agenda Item 5.1

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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 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 the Bahamas, Canada, and Chile.

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

Argentina owes US\$ 20.8 million of which \$8.6 million relate to 1999 and prior years. In accordance with the deferred payment plan as approved by the Secretariat in 2000, Argentina was required to pay a total of \$9,372,737 through 2002. The Organization has received payments totaling \$2,825,425 thus far. Argentina was required to pay, under the approved deferred payment plan, an additional \$6,547,312 prior to the opening of the Pan American Sanitary Conference. The Government of Argentina has submitted a revised deferred payment plan.

Analysis

The Working Party has carefully analyzed this payment situation, taking into account the recommendations of the 130th Meeting of the Executive Committee as expressed in Resolution CE130.R3, 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 Meetings of the Directing Council. The members of this Working Party recognize the important relationship that the timing of quota receipts bears to the

successful implementation of Programs approved by the Pan American Sanitary Conference and 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. Furthermore, the timely receipt of quota contributions can generate investment income, thereby reducing, proportionately, the need for quota assessment increases.

With the preceding in mind, the members of this Working Party note that Argentina has reaffirmed its commitment to meet its financial obligations to the Organization and has submitted a revised deferred payment plan and promptly fulfilled its commitment under this proposed plan. The Working Party also notes that the 43rd Directing Council stipulated in resolution CD43.R2 that although Argentina's voting rights would be restored at that meeting, no further extensions would be granted after 2001.

However, the members of the Working Party note the drastic change in Argentina's economic situation since the 43rd Directing Council met last year and two members are satisfied that the failure to pay its assessed contributions is in fact due to conditions beyond the Government of Argentina's control.

One member of the Working Party, while sympathetic to the difficulties facing the Government and the people of Argentina, notes again resolution CD43.R2 which stipulates that no further extensions would be granted to Argentina after 2001.

Although the Working Party having responsibility to make a recommendation to the Pan American Sanitary Conference regarding the voting privileges of Argentina was unable to reach consensus, the majority of the Working Party recommends that the voting privileges of Argentina be restored at this Pan American Sanitary Conference.

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 significant efforts made by the countries which are experiencing difficult economic conditions and urges all Member States in arrears to meet their financial obligations to the Organization in an expeditious manner.

The Working Party proposes the following resolution for consideration by the Sanitary Conference.

Proposed Resolution

THE 26th PAN AMERICAN SANITARY CONFERENCE,

Having considered the report of the Director on the collection of quota contributions (Document CSP26/18 and Addendum I), and the concern expressed by the 130th Meeting of the Executive Committee with respect to the status of the collection of quota contributions; and,

Noting that Argentina's failure to pay its assessed contributions is due to conditions beyond its control;

RESOLVES:

1. To take note of the report of the Director on the collection of quota contributions (Document CSP26/18 and Addendum I).
2. To express appreciation to those Member States that have already made payments in 2002, and urge all Member States in arrears to meet their financial obligations to the Organization in an expeditious manner.
3. To congratulate those countries that have fully met their quota obligations through 2002.
4. To compliment the countries which have made significant payment efforts to reduce quota arrearages for prior years.
5. To express grave concern regarding Argentina's accumulation of arrears and to encourage Argentina to make settlement of its arrears a priority of the Government.
6. To request the President of the Pan American Sanitary Conference to notify the Argentine Delegation that its voting rights will be restored at this 26th Pan American Sanitary Conference.
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 44th Directing Council on the status of the collection of quota contributions for 2003 and prior years.

Delegate of Bahamas

Delegate of Canada

Delegate of Chile