



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



138th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 19-23 June 2006

Provisional Agenda Item 5.6

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30 May 2006
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PROCESS FOR IMPLEMENTING THE NEW SCALE OF QUOTA ASSESSMENTS BASED ON THE NEW OAS SCALE

1. The Pan American Sanitary Code states that the scale of assessments to be applied to Member States of the Pan American Health Organization (PAHO) for the approval of its program budget will be based on the assessment scale adopted by the Organization of American States (OAS) for its membership. Currently, the regular budget portion of PAHO's approved biennial program budget for 2006-2007 is assessed to Member States based on the assessment scale in existence as of September 2005 when the budget was approved at the 46th Directing Council.
2. The scale of quota assessments for Member States of the OAS was last revised in 1994. In the year 2005, the Permanent Council to the General Assembly of the OAS was instructed to propose a revised scale of assessments for the year 2007, which, in accordance with Article 55 of the Charter of the OAS, would take into account "the ability to pay of the respective countries and their determination to contribute in an equitable manner."
3. The General Assembly of the OAS, at its thirty-first special session held 30-31 January 2006, approved a revised transitional scale of quota assessments corresponding to fiscal years 2007 and 2008 (note: the OAS budget is approved annually). Additionally, the Permanent Council was instructed to continue crafting a methodology for assessing quota contributions to the OAS Members States that will take into account the criteria established in Article 55 of the OAS Charter as well as current data on the ability to pay of the Member States. A proposed revised scale of quota assessments for 2009 and subsequent years is scheduled to be presented for approval to the thirty-seventh regular session of the General Assembly of the OAS in June 2007. The background and criteria for the decision made by the OAS General Assembly is contained in their Resolution AG/RES.1 (XXXI – E/06) adopted on 31 January 2006.

4. The transitional scale approved by the OAS for 2007 does not add up to 100%—the sum of all percentages, including the new percentage of 1.021% set for Cuba, is 99.723%. This introduces a problem for its adaptation to the PAHO membership. The 2008 scale, on the other hand, does total 100%, and this is done with an adjustment made to the 2007 scale for three countries (Chile, Mexico, and Venezuela). The new percentage set for Cuba remains the same in both scales. Given the incompleteness of the OAS scale for 2007, it is recommended that the PAHO Governing Bodies consider using the OAS scale for 2008 as the basis for determining a revised PAHO scale.

5. In arriving at the PAHO assessment scale, the percentage set for Cuba in the OAS scale has historically been used to assess, in addition to Cuba, those Member States that do not form part of the OAS membership. Currently, these are the three Participating Members (France, the United Kingdom, and the Kingdom of the Netherlands), and the Associate Member (Puerto Rico). The percentage set aside for Cuba in the revised OAS scale is lowered from 1.24% to 1.021%.

6. In going forward with the application of the revised PAHO scale of assessments, PAHO Member States have the following two options to consider:

- Option 1: Apply the revised assessment scale to the current approved PAHO 2006-2007 regular budget;
- Option 2: Apply the revised scale beginning with the proposal of the PAHO 2008-2009 regular budget.

7. Option 1 implies that the current assessments approved for the 2006-2007 budget would have to be modified to reflect a revised assessment for the second year of the current biennium. This option will require approval of a revised assessment scale by the 47th Directing Council in September 2006 to be implemented beginning in January 2007.

8. Option 2 would defer the application of the revised assessment scale to the next biennial program budget (i.e., 2008-2009) and would not require any further decision by PAHO's Governing Bodies in this regard. The revised scale would then be used to prepare the proposed assessment resolution that will accompany the 2008-2009 proposed program budget that will be presented for approval to the Pan American Sanitary Conference in September 2007.

9. The revised PAHO scale, based on the OAS scale for 2008, is attached as Table 1. Table 2 demonstrates the impact of the new scale using the current approved 2006-2007 regular budget as a baseline.

10. The Executive Committee, at this time, is requested to make a recommendation to the upcoming 47th Directing Council in going forward with one of the options. The Committee may, if it wishes, recommend a third option to the Directing Council.

Annex

Table I

ASSESSMENTS OF THE MEMBER GOVERNMENTS, PARTICIPATING GOVERNMENTS AND ASSOCIATE MEMBERS OF THE PAN AMERICAN HEALTH ORGANIZATION FOR 2006-2007										
(1)	(2)		(3)		(4)		(5)		(6)	
Membership	Scale Adjusted to PAHO Membership		Gross Assessment		Credit from Tax Equalization Fund		Adjustment for Taxes Imposed by Member Governments on Emoluments of PASB Staff		Net Assessment	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
	%	%	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Member Governments:										
Antigua and Barbuda	0,020	0,024	19.637	23.572	2.313	2.776			17.324	20.796
Argentina	4,898	4,282	4.810.580	4.205.646	566.545	495.293			4.244.035	3.710.353
Bahamas	0,070	0,084	68.727	82.502	8.097	9.716			60.630	72.786
Barbados	0,080	0,080	78.543	78.573	9.253	9.253			69.290	69.320
Belize	0,030	0,026	29.454	25.536	3.470	3.007			25.984	22.529
Bolivia	0,070	0,060	68.727	58.930	8.097	6.940			60.630	51.990
Brazil	8,546	7,626	8.393.915	7.490.017	988.504	882.089			7.405.411	6.607.928
Canada	12,355	13,761	12.134.454	13.515.622	1.429.086	1.591.716	25.000	25.000	10.730.368	11.948.906
Chile	0,540	1,112	530.171	1.092.171	62.461	128.624			467.710	963.547
Colombia	0,940	0,807	922.892	792.611	108.729	93.345			814.163	699.266
Costa Rica	0,130	0,150	127.634	147.325	15.037	17.350			112.597	129.975
Cuba	0,730	0,582	717.305	571.621	84.438	67.319			632.867	504.302
Dominica	0,020	0,017	19.637	16.697	2.313	1.966			17.324	14.731
Dominican Republic	0,180	0,165	176.724	162.058	20.820	19.085			155.904	142.973
Ecuador	0,180	0,165	176.724	162.058	20.820	19.085			155.904	142.973

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Membership	Scale Adjusted to PAHO Membership		Gross Assessment		Credit from Tax Equalization Fund		Adjustment for Taxes Imposed by Member Governments on Emoluments of PASB Staff		Net Assessment	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
	%	%	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Member Governments:										
El Salvador	0,070	0,084	68.727	82.502	8.097	9.716			60.630	72.786
Grenada	0,030	0,022	29.454	21.608	3.470	2.545			25.984	19.063
Guatemala	0,130	0,150	127.634	147.325	15.037	17.350			112.597	129.975
Guyana	0,020	0,022	19.637	21.608	2.313	2.545			17.324	19.063
Haiti	0,070	0,060	68.727	58.930	8.097	6.940			60.630	51.990
Honduras	0,070	0,060	68.727	58.930	8.097	6.940			60.630	51.990
Jamaica	0,180	0,163	176.724	160.094	20.820	18.854			155.904	141.240
Mexico	6,077	6,513	5.968.988	6.396.864	702.918	753.350			5.266.070	5.643.514
Nicaragua	0,070	0,060	68.727	58.930	8.097	6.940			60.630	51.990
Panama	0,130	0,130	127.634	127.682	15.037	15.037			112.597	112.645
Paraguay	0,180	0,165	176.724	162.058	20.820	19.085			155.904	142.973
Peru	0,410	0,443	402.537	435.101	47.424	51.241			355.113	383.860
Saint Kitts and Nevis	0,020	0,022	19.637	21.608	2.313	2.545			17.324	19.063
Saint Lucia	0,030	0,024	29.454	23.572	3.470	2.776			25.984	20.796
Saint Vincent and the Grenadines	0,020	0,022	19.637	21.608	2.313	2.545			17.324	19.063
Suriname	0,070	0,060	68.727	58.930	8.097	6.940			60.630	51.990
Trinidad and Tobago	0,180	0,180	176.724	176.790	20.820	20.820			155.904	155.970
United States of America	59,445	59,470	58.384.681	58.409.568	6.875.922	6.878.814	5.100.000	5.100.000	56.608.759	56.630.754
Uruguay	0,260	0,223	255.268	219.024	30.074	25.794			225.194	193.230
Venezuela	<u>3,199</u>	<u>2,747</u>	<u>3.141.640</u>	<u>2.698.018</u>	<u>370.024</u>	<u>317.742</u>	<u>0</u>	<u>0</u>	<u>2.771.616</u>	<u>2.380.276</u>
Subtotal	<u>99,450</u>	<u>99,561</u>	<u>97.675.132</u>	<u>97.785.689</u>	<u>11.503.243</u>	<u>11.516.083</u>	<u>5.125.000</u>	<u>5.125.000</u>	<u>91.296.889</u>	<u>91.394.606</u>

ASSESSMENTS OF THE MEMBER GOVERNMENTS, PARTICIPATING GOVERNMENTS AND ASSOCIATE MEMBERS OF THE PAN AMERICAN HEALTH ORGANIZATION FOR 2006-2007										
(1)	(2)		(3)		(4)		(5)		(6)	
Membership	Scale Adjusted to PAHO Membership		Gross Assessment		Credit from Tax Equalization Fund		Adjustment for Taxes Imposed by Member Governments on Emoluments of PASB Staff		Net Assessment	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
	%	%	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Participating Governments:										
France	0,289	0,230	284.606	225.899	33.428	26.604			251.178	199.295
Kingdom of the Netherlands	0,090	0,072	88.361	70.716	10.410	8.328			77.951	62.388
United Kingdom	<u>0,060</u>	<u>0,048</u>	<u>58.907</u>	<u>47.144</u>	<u>6.940</u>	<u>5.552</u>			<u>51.967</u>	<u>41.592</u>
Subtotal	<u>0,439</u>	<u>0,350</u>	<u>431.874</u>	<u>343.759</u>	<u>50.778</u>	<u>40.484</u>			<u>381.096</u>	<u>303.275</u>
Associate Member:										
Puerto Rico	<u>0,111</u>	<u>0,089</u>	<u>109.854</u>	<u>87.414</u>	<u>12.839</u>	<u>10.295</u>			<u>97.015</u>	<u>77.119</u>
Subtotal	<u>0,111</u>	<u>0,089</u>	<u>109.854</u>	<u>87.414</u>	<u>12.839</u>	<u>10.295</u>			<u>97.015</u>	<u>77.119</u>
TOTAL	<u>100,000</u>	<u>100,000</u>	<u>98.216.860</u>	<u>98.216.862</u>	<u>11.566.860</u>	<u>11.566.862</u>	<u>5.125.000</u>	<u>5.125.000</u>	<u>91.775.000</u>	<u>91.775.000</u>
<p>(5) This column includes estimated amounts to be received by the respective Member Governments in 2006-2007 in respect of taxes levied by them on staff members' emoluments received from PASB, adjusted for the difference between the estimated and the actual for prior years.</p>										

Table II

Membership	Combined 2006-07 Quota Assessment <u>1/</u>	Revised 2006- 07 Quota Assessment <u>2/</u>	Increase / (decrease) due to change in Quota Assessments	Revised 2006- 07 Quota Assessment <u>3/</u>	Increase / (decrease) due to change in Quota Assessments
Member Governments:					
Antigua and Barbuda	34.648	38.120	3.472	41.592	6.944
Argentina	8.488.070	7.954.388	(533.682)	7.420.706	(1.067.364)
Bahamas	121.260	133.416	12.156	145.572	24.312
Barbados	138.580	138.610	30	138.640	60
Belize	51.968	48.513	(3.455)	45.058	(6.910)
Bolivia	121.260	112.620	(8.640)	103.980	(17.280)
Brazil	14.810.822	14.013.339	(797.483)	13.215.856	(1.594.966)
Canada	21.460.736	22.679.274	1.218.538	23.897.812	2.437.076
Chile	935.420	1.431.257	495.837	1.927.094	991.674
Colombia	1.628.326	1.513.429	(114.897)	1.398.530	(229.796)
Costa Rica	225.194	242.572	17.378	259.950	34.756
Cuba	1.265.734	1.137.169	(128.565)	1.008.606	(257.128)
Dominica	34.648	32.055	(2.593)	29.462	(5.186)
Dominican Republic	311.808	298.877	(12.931)	285.946	(25.862)
Ecuador	311.808	298.877	(12.931)	285.946	(25.862)

1/ Approved PAHO Resolution CD/46.R9 on the 46th Directing Council, September 2005

2/ 2008 approved OAS scale applied to 2007 portion of the PAHO 2006-2007 assessments

3/ 2008 approved OAS scale applied to the entire PAHO 2006-2007 assessments

	Combined 2006-07 Quota Assessment <u>1/</u>	Revised 2006- 07 Quota Assessment <u>2/</u>	Increase / (decrease) due to change in Quota Assessments	Revised 2006-07 Quota Assessment <u>3/</u>	Increase / (decrease) due to change in Quota Assessments
<u>Membership</u>					
Member Governments:					
El Salvador	121.260	133.416	12.156	145.572	24.312
Grenada	51.968	45.047	(6.921)	38.126	(13.842)
Guatemala	225.194	242.572	17.378	259.950	34.756
Guyana	34.648	36.387	1.739	38.126	3.478
Haiti	121.260	112.620	(8.640)	103.980	(17.280)
Honduras	121.260	112.620	(8.640)	103.980	(17.280)
Jamaica	311.808	297.144	(14.664)	282.480	(29.328)
Mexico	10.532.140	10.909.584	377.444	11.287.028	754.888
Nicaragua	121.260	112.620	(8.640)	103.980	(17.280)
Panama	225.194	225.242	48	225.290	96
Paraguay	311.808	298.877	(12.931)	285.946	(25.862)
Peru	710.226	738.973	28.747	767.720	57.494
Saint Kitts and Nevis	34.648	36.387	1.739	38.126	3.478
Saint Lucia	51.968	46.780	(5.188)	41.592	(10.376)
Saint Vincent and the Grenadines	34.648	36.387	1.739	38.126	3.478
Suriname	121.260	112.620	(8.640)	103.980	(17.280)
Trinidad and Tobago	311.808	311.874	66	311.940	132
United States of America	113.217.518	113.239.51 3	21.995	113.261.508	43.990
Uruguay	450.388	418.424	(31.964)	386.460	(63.928)
Venezuela	<u>5.543.232</u>	<u>5.151.892</u>	<u>(391.340)</u>	<u>4.760.552</u>	<u>(782.680)</u>
Subtotal	<u>182.593.778</u>	<u>182.691.49 5</u>	<u>97.717</u>	<u>182.789.212</u>	<u>195.434</u>

	Combined 2006-07 Quota Assessment <u>1/</u>	Revised 2006- 07 Quota Assessment <u>2/</u>	Increase / (decrease) due to change in Quota Assessments	Revised 2006-07 Quota Assessment <u>3/</u>	Increase / (decrease) due to change in Quota Assessments
<u>Membership</u>					
Participating Governments:					
France	502.356	450.473	(51.883)	398.590	(103.766)
Kingdom of the Netherlands	155.902	140.339	(15.563)	124.776	(31.126)
United Kingdom	<u>103.934</u>	<u>93.559</u>	<u>(10.375)</u>	<u>83.184</u>	<u>(20.750)</u>
Subtotal	<u>762.192</u>	<u>684.371</u>	<u>(77.821)</u>	<u>606.550</u>	<u>(155.642)</u>
Associate Member:					
Puerto Rico	<u>194.030</u>	<u>174.134</u>	<u>(19.896)</u>	<u>154.238</u>	<u>(39.792)</u>
Subtotal	<u>194.030</u>	<u>174.134</u>	<u>(19.896)</u>	<u>154.238</u>	<u>(39.792)</u>
 TOTAL	<u>183.550.000</u>	<u>183.550.00</u> <u>0</u>	<u>0</u>	<u>183.550.000</u>	<u>0</u>