



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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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 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 two revised transitional scales of 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 early 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. In arriving at past PAHO assessment scales, the percentage set for Cuba in the OAS scale has been used to assess, in addition to Cuba, those PAHO 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 two revised OAS scales is lowered from 1.24% to 1.021%.

5. 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. Given the incompleteness of the OAS transitional scale for 2007, it is **not** recommended that the PAHO Governing Bodies consider using the OAS scale for 2007 as the basis for determining a revised PAHO scale. The 2008 scale, on the other hand, does total 100%, and this is done with an adjustment made by the OAS to its 2007 scale that affects three countries (Chile, Mexico, and Venezuela). However, the OAS scale approved for 2008 is also considered transitional.

6. In going forward with a revised PAHO scale of assessments to be applied to the PAHO regular program budget for 2008-2009 and beyond, PAHO Member States have the following three options:

- *Option 1:* Apply a revised assessment scale to the proposed PAHO 2008-2009 regular budget based on the OAS scale of assessments for 2009 and beyond (scheduled for adoption at its thirty-seventh regular session of the General Assembly in early June 2007);
- *Option 2:* Apply a revised assessment scale to the proposed PAHO 2008-2009 regular budget based on the OAS transitional scale approved for 2008;
- *Option 3:* Apply the current PAHO assessment scale to the proposed PAHO 2008-2009 regular budget and to future budget periods until such time that the OAS adopts a permanent scale of assessments.

7. If the OAS adopts a permanent scale for 2009 and beyond at its thirty-seventh regular session in June 2007, then it is recommended that PAHO's Governing Bodies move forward with Option 1, and that the PAHO assessment scale for 2008-2009 and beyond be adapted accordingly. In the unlikely event that the OAS does not approve a permanent assessment scale for 2009 and beyond at its thirty-seventh regular session of the General Assembly in early June 2007, then the PAHO Governing Bodies will need to make a decision between Options 2 and 3.

8. Immediately following the 37th regular session of the OAS General Assembly in early June 2007, the PAHO Secretariat will develop the necessary proposed PAHO assessment scales in accordance with the three options outlined above, for consideration by the 140th Session of the Executive Committee.

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