



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



45th DIRECTING COUNCIL

56th SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., USA, 27 September-1 October 2004

Provisional Agenda Item 6.2

CD45/17, Add. II (Eng.)
27 September 2004
ORIGINAL: ENGLISH

REPORT OF THE WORKING PARTY ON THE APPLICATION OF ARTICLE 6.B OF PAHO'S CONSTITUTION

1. The Working Party appointed to study the application of Article 6.B of the PAHO Constitution 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. The members of the Working Party are the Delegates of Canada, El Salvador, and Saint Kitts and Nevis.
2. At the opening of the 45th Directing Council, two Member States had arrearages in excess of two full years of assessments. However, both Member States are in material compliance with an approved deferred payment plan.
3. In resolution CD44.R2 approved at the 44th Directing Council, a Member State subject to Article 6.B of the Constitution lost its right to vote. However, since that time, the Secretariat has received sufficient payments such that the Member State is no longer subject to Article 6.B.

Analysis

4. The Working Party has carefully taken into account the recommendations of the 134th Session of the Executive Committee, as expressed in Resolution CE134.R2, as well as the official reports and resolutions of past sessions of this Council. The Working Party recognizes the important relationship that the timing of quota receipts bears to the successful implementation of programs approved by the 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.

Recommendations

5. With the preceding in mind, the Working Party commends the Governments of those Member States subject to a deferred payment plan for their commitment to eliminate their respective arrears within a reasonable period of time. Furthermore, the Working Party notes with appreciation the payments made by the Government of Venezuela which have reduced its arrears of quota contributions such that it is no longer subject to Article 6.B. Therefore, the Working Party recommends that the Directing Council confirm the restoration of the voting rights of Venezuela at this 45th Directing Council.

Concluding Remarks

6. The Working Party notes with appreciation the assiduous manner in which Member States, that have ongoing deferred payment plans but are no longer subject to Article 6.B, have maintained compliance with their plans.

7. Furthermore, the Working Party compliments those Member States which 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.

8. The Working Party proposes the following resolution for consideration by the Directing Council.

THE 45th DIRECTING COUNCIL,

Having considered the report of the Director on the collection of quota contributions (Document CD45/17 and Add. I), and the concern expressed by the 134th Session of the Executive Committee with respect to the status of the collection of quota contributions;

Noting that all Member States subject to an approved deferred payment plan are in compliance with their plans;

Noting that Venezuela is no longer subject to Article 6.B of the Constitution

RESOLVES:

1. To take note of the report of the Director on the collection of quota contributions (Document CD45/17 and Add. I).

2. To express appreciation to those Member States that have already made payments in 2004, and to urge all Members in arrears to meet their financial obligations to the Organization in an expeditious manner.

3. To congratulate the Member States that have fully met their quota obligations through 2004.
4. To compliment the Member States which have made significant payment efforts to reduce quota arrearages for prior years.
5. To take note that all Member States are in compliance with their approved payment plans and, therefore, shall retain the right to vote.
6. To restore the voting rights of Venezuela at this 45th Session of the Directing Council.
7. To request the Director to:
 - (a) continue to monitor the implementation of special payment agreements by Member States in arrears for the payment of prior years' quota assessments;
 - (b) advise the Executive Committee of Member States' compliance with their quota payment commitments;
 - (c) report to the 46th Directing Council on the status of the collection of quota contributions for 2005 and prior years.

Delegate of Canada

Delegate of El Salvador

Delegate of Saint Kitts and Nevis

Date: 27 September 2004

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