



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



47th DIRECTING COUNCIL

58th SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., USA, 25-29 September 2006

Provisional Agenda Item 5.6

CD47/26 (Eng.)
1 August 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 a revised assessment scale (based on the OAS transitional scale for 2007) to the current approved PAHO 2006-2007 regular budget;
- Option 2: Apply a revised assessment scale (based on the OAS transitional scale for 2008) beginning with the proposal of the PAHO 2008-2009 regular budget.

7. Option 1 would require developing a revised PAHO scale based on the OAS transitional scale for 2007 which is incomplete (does not add up to 100%). Thus, the PAHO Membership would need to decide on how to make up the .277 percent difference for its application to the PAHO budget. In addition, this option implies that the current assessments approved for the PAHO 2006-2007 budget would have to be modified to reflect a revised assessment for the second year (i.e., 2007) 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 a revised assessment scale to the next PAHO 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 Executive Committee, in response to the presentation of this item, unanimously decided to propose to the Directing Council to go forward with option 2. That is, the Committee opted to propose to the Directing Council to defer the application of any revised assessment scale until the presentation of the PAHO 2008-2009 program budget next year.

10. Annex I is presented to demonstrate the approximate level of change to PAHO assessments in adopting either of the two options. In this table, the OAS transitional scale for 2008 is used as the basis for the revised PAHO assessments for both options given that the OAS transitional scale for 2007 is incomplete.

Action by the Directing Council

11. The Directing Council is requested to consider the Resolution contained in Annex II proposed by the Executive Committee.

Annexes

Approximate Changes in Assessments (in US\$) for Options 1 and 2 using 2006-2007 as Baseline

Membership	Combined 2006-07 Quota Assessment <u>1/</u>	Option 1 Revised 2006- 07 Quota Assessment <u>2/</u>	Increase / (decrease) due to change in Quota Assessments	Option 2 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 CD46.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

**Approximate Changes in Assessments (in US\$) for Options 1 and 2 using 2006-2007
as Baseline (cont.)**

	Combined 2006-07 Quota Assessment 1/	Option 1 Revised 2006- 07 Quota Assessment 2/	Increase / (decrease) due to change in Quota Assessments	Option 2 Revised 2006- 07 Quota Assessment 3/	Increase / (decrease) due to change in Quota Assessments
Membership					
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>

**Approximate Changes in Assessments (in US\$) for Options 1 and 2 using 2006-2007
as Baseline (cont.)**

	Combined 2006-07 Quota Assessment <u>1/</u>	Option 1 Revised 2006- 07 Quota Assessment <u>2/</u>	Increase / (decrease) due to change in Quota Assessments	Option 2 Revised 2006- 07 Quota Assessment <u>3/</u>	Increase / (decrease) due to change in Quota Assessments
Membership					
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>183,550,000</u>	<u>0</u>	<u>183,550,000</u>	<u>0</u>



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



138th SESSION OF THE EXECUTIVE COMMITTEE

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

CD47/26 (Eng.)
Annex II

RESOLUTION

CE138.R3

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

THE 138th SESSION OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the process for implementing the new scale of quota assessments based on the new OAS scale (Document CE138/23, Rev.1),

RESOLVES:

1. To recommend to the 47th Directing Council the adoption of a resolution along the following lines:

THE 47th DIRECTING COUNCIL,

Whereas, PAHO Member States appearing on the scale adopted by the Organization of American States (OAS) are assessed according to the percentages shown in that scale, adjusted to PAHO membership, in compliance with Article 60 of the Pan American Sanitary Code;

Considering that adjustments are necessary taking into account the assessments of Cuba, the Participating Governments, and Associate Members;

Taking into consideration that the OAS revised scale of assessments for the year 2007 is not finalized and cannot be applied to the PAHO membership; and

Bearing in mind that the OAS revised scale of assessments for the year 2008 is not definitive, and that a definitive scale of assessments is scheduled to be presented for approval by the OAS membership at the 37th regular session of the OAS General Assembly in June 2007,

RESOLVES:

To postpone the adoption of a revised scale of assessments of the PAHO membership until the Organization of American States adopts a revised, definitive, scale of quota assessments.

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