

directing council

PAN AMERICAN
HEALTH
ORGANIZATION

XIV Meeting

Washington, D. C.
September 1963

regional committee

WORLD
HEALTH
ORGANIZATION

XV Meeting



Draft Agenda Item 10

CD14/2 (Eng.)
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FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL AUDITOR
FOR 1962

The Financial Report of the Director and the Report of the External Auditor, 1962 (Official Document No. 46) were submitted to the Executive Committee at its 48th Meeting.

After a detailed examination of these reports, with special reference to the payment of quotas concerning which the comments of the External Auditor were as follows:

"Further study should be given to all possible ways of encouraging and facilitating payment of quotas. Since arrears of two or more years are the most serious, it might be advisable for the Governing Bodies to consider the experience of WHO and other international organizations, including the effect of their constitutional provisions making possible the limitation of privileges and services. Solutions need to be found to assure sound financing for the program."

The Committee unanimously approved the following

RESOLUTION IX

"The Executive Committee,

Having examined the Financial Report of the Director and the Report of the External Auditor on the status of quotas of the Pan American Health Organization for the 1962 fiscal year (Official Document No. 46);

Considering that, with the exception of 1960, the percentage of quotas collected in 1962 is the lowest recorded in the past twelve years;

Mindful of the fact that, on a number of occasions, the Member Governments that have quotas in arrears have been urged to pay them as soon as possible in order to assure the normal development of the activities of the Organization;

Observing that the expenditures recommended in the resolution on allocations are necessary in order to attain the objectives established for the improvement of the health of the people of the Americas;

Considering that the External Auditor states in his report that "Since arrears of two or more years are the most serious, it might be advisable for the Governing Bodies to consider the experience of WHO and other international organizations, including the effect of their constitutional provisions making possible the limitation of privileges and services";

Mindful also of the fact that Article 7 of the Constitution of the World Health Organization establishes that "If a Member fails to meet its financial obligations to the Organization or in other exceptional circumstances, the Health Assembly may, on such conditions as it thinks proper, suspend the voting privileges and services to which a Member is entitled. The Health Assembly shall have the authority to restore such voting privileges and services"; and

Mindful of the opinions expressed during the current meeting,

RESOLVES:

1. To take note of the Financial Report of the Director and the Report of the External Auditor for the 1962 fiscal year (Official Document No. 46), and transmit them to the Directing Council at its XIV Meeting.
2. To bring to the attention of the Directing Council the provisions of Article 7 of the Constitution of the World Health Organization and recommend that it study the possibility of incorporating similar provisions in the Constitution of the PAHO, in accordance with the recommendation of the External Auditor.
3. To urge Governments that have outstanding quotas to pay them as soon as possible.
4. To confirm the policy of prudent administration followed by the Director to the effect that if the Organization does not have necessary funds provided by the quotas available when needed, it may be necessary to make reductions in the program in keeping with the available cash funds.

5. To urge the Director to transmit this resolution to all Governments and invite them to make provision, in their development plans, for the payment of their contributions to international organizations."

The recommendation made by the Executive Committee in paragraph 2 of the operative part of Resolution IX is a proposal of a constitutional amendment for the purpose of incorporating into the Constitution of the Pan American Health Organization a provision similar to Article 7 of the Constitution of the World Health Organization.

This Article reads as follows:

"If a Member fails to meet its financial obligations to the Organization or in other exceptional circumstances, the Health Assembly may, on such conditions as it thinks proper, suspend the voting privileges and services to which a Member is entitled. The Health Assembly shall have the authority to restore such voting privileges and services".

Likewise, a paragraph C could be added to Article 2 of the PAHO Constitution, reading as follows:

"If a Member fails to meet its financial obligations to the Organization or in other exceptional circumstances, the Pan American Sanitary Conference or the Directing Council may, on such conditions as it thinks proper, suspend the voting privileges and services to which a Member is entitled. The Pan American Sanitary Conference or the Directing Council shall have the authority to restore such voting privileges and services".