



*directing council*

PAN AMERICAN  
HEALTH  
ORGANIZATION

XX Meeting

*regional committee*

WORLD  
HEALTH  
ORGANIZATION



XXIII Meeting

Washington, D.C.  
September-October 1971

Provisional Agenda Item 13

CD20/4 (Eng.)  
6 August 1971  
ORIGINAL: ENGLISH

PROPOSED PROGRAM AND BUDGET OF THE PAN AMERICAN HEALTH ORGANIZATION FOR 1972

The Provisional Draft of the Proposed Program and Budget of the Pan American Health Organization for 1972 was first reviewed at the XVIII Pan American Sanitary Conference, which recognized that the provisional draft contained soundly conceived and much needed health projects. The Conference requested the Director to use the provisional draft as the basis for further consultations with Governments to determine their latest desires and requirements in relation to the priorities of the Governments and of the Organization. These consultations were carried out, and the resulting proposed program and budget for 1972 was reviewed in detail at the 66th Meeting of the Executive Committee. After consideration of the many factors bearing directly on the proposed program and budget, the Executive Committee adopted the following resolution recommending to the XX Meeting of the Directing Council approval of the appropriation and assessment resolutions as shown on pages 4 and 5 of Official Document No. 107:

THE EXECUTIVE COMMITTEE,

Bearing in mind that the Pan American Sanitary Conference stated, in Resolution XXVII of its XVIII Meeting, that the Provisional Draft of the Proposed Program and Budget of the Pan American Health Organization for 1972 (Official Document No. 98) contained soundly conceived and much-needed health projects;

Considering that the provisional draft has been the subject of further consultations with and study by the Governments to determine their latest desires and requirements;

Having carefully considered the Proposed Program and Budget of the Pan American Health Organization for 1972 (Official Document No. 107);

Taking into account the recommendation made by the Ministers of Agriculture at their IV Meeting held in Lima, Peru in April 1971, appearing in Document CE66/8;

Taking into account the admission of the Government of Canada to the Pan American Health Organization; and

Bearing in mind Article 14-C of the Constitution of the Pan American Health Organization and Article III, paragraphs 3.5 and 3.6, of the Financial Regulations of the Pan American Health Organization,

RESOLVES:

1. To submit to the XX Meeting of the Directing Council, the Proposed Program and Budget of the Pan American Health Organization for 1972, with the recommendation that it approve the effective working budget in the amount of \$17,821,855.
2. To recommend to the XX Meeting of the Directing Council that it approve appropriation and assessment resolutions as shown on pages 4 and 5 of Official Document No. 107.

*directing council*



PAN AMERICAN  
HEALTH  
ORGANIZATION  
XX Meeting

*regional committee*

WORLD  
HEALTH  
ORGANIZATION  
XXIII Meeting



Washington, D.C.  
September-October 1971

Provisional Agenda Item 13

CD20/31  
27 September 1971  
ORIGINAL: ENGLISH

QUOTA ASSESSMENT SYSTEM

(Document Presented by the United States of America)

Attached for the information and consideration of the Directing Council is the letter from the U.S. Department of State concerning the system of quota assessment of the Pan American Health Organization.

This document is related to the draft resolution appearing on page 5 of Official Document No. 107.

Annex



DEPARTMENT OF STATE

Washington, D.C. 20520

September 24, 1971

Dr. Abraham Horwitz  
Director, Pan American Sanitary Bureau  
Regional Office of the World Health  
Organization  
525 Twenty-third Street, N.W.  
Washington, D.C. 20037

Dear Dr. Horwitz:

When the 66th Meeting of the Executive Committee considered the resolution on quota contributions, the United States Representative stated that the entry into the Organization of Canada should cause a downward adjustment in the percentage contributions of all of the present members. As you will recall, Dr. Ehrlich made a statement on this subject, a copy of which I attach for your convenience, in which he pointed out inter alia that the entry of Canada into the Pan American Institute of Geography and History--the only other Specialized Organization in the OAS system of which Canada is a full member--resulted in a downward adjustment of the percentage contributions of all members. He explained that the United States believes that this precedent should be followed on the occasion of the entry of Canada into the Pan American Health Organization.

Inasmuch as the forthcoming XX Meeting of the Directing Council is to decide upon the scale of contributions that will be in force upon entry of Canada into the Organization, I transmit to you herewith, for circulation to the Directing Council in connection with Item 13 of the Agenda, a draft of a resolution which could be adopted by the Directing Council on this subject.

I am aware that the recent General Assembly of the Organization of American States, at its First Regular Meeting in San Jose, Costa Rica, in Resolution 39 requested the Permanent Council of the Organization of

American States to study the formula for determining the assessed quotas for the support of the Organization approved in 1949 and to transmit its conclusions to the Assembly in 1972. Since the Permanent Council of the Organization of American States has not yet undertaken this study, it is not possible to foresee whether it will submit recommendations having the effect of modifying the basis of financing adopted in 1949. Any modifications incorporated by the Assembly would, of course, be reflected in the contributions scale used in the Pan American Health Organization.

Although the issue involved in the attached draft resolution is a separate one, concerning as it does not only the method of expressing the percentages of members of PAHO not members of the OAS, it is possible that other delegations at the Directing Council may wish to delay the rectification of the PAHO contributions scale until the General Assembly has taken a decision on the basis of the study to be submitted to it pursuant to Resolution 39. Nevertheless, the United States believes that the rectification of the PAHO contributions scale is long overdue, and will become all the more essential with the entry of Canada. I am therefore hopeful that the XX Meeting will give full consideration to the attached proposal.

Sincerely yours,



Martin F. Herz  
Acting Assistant Secretary for  
International Organization Affairs

Enclosures:

1. Copy of Summary Statement  
of Dr. Ehrlich
2. Draft Resolution

Summary Statement of Dr. Ehrlich to  
66th Meeting of the PAHO  
Executive Committee

(See CE66/33, 14 July 1971, pages 37-40)  
and Official Document No. 110, 14 July 1971, page 192)

Dr. EHRLICH (United States of America) said he wished to make a statement on the same point as that raised by Dr. Acuna but to preface it by saying once again that they warmly welcomed Canada's entry into PAHO for many reasons, particularly the notable contribution Canada could make to the betterment of public health.

As the Committee had seen in its review of the budget, Canadian support of PAHO would enable the Organization to undertake more programs than would otherwise have been the case. That brought him, however, to consideration of the manner in which the Canadian contribution was to be handled in relation to the other contributions and a glance at page 5 revealed what might be termed two classes of membership. His Government took the view that all existing Members should receive a proportional reduction in their percentage when a new Member joined and had expressed that policy in other OAS agencies. They had not insisted upon its application in the case of Jamaica, Trinidad and Tobago, and Barbados in the OAS, and of Guyana in PAHO, but only because of the smallness of the percentage involved. On the other hand, when Canada had joined the Pan American Institute of Geography and History other Members had agreed with the United States' position, and his country's percentage had accordingly been reduced to a little over 60%, those of other countries being reduced accordingly. The United States of America considered that that same policy should apply in the Pan American Health Organization. In that connection, it should be noted that the OAS Permanent Council would be undertaking, by decision of the recent OAS Assembly, a review of the contribution scale. During that review, the United States of America would carefully consider all the possibilities, including that of a reduced percentage share by the United States in the OAS agencies, in accordance with the growing belief, and he wished to emphasize that point, that an international organization should not be unduly dependent upon the contribution of

any one member.

Accordingly, while for the moment his delegation would support the assessment scale as presented in the document, they wished to fully reserve their position in the Directing Council on the general principle involved and might, after consultation, propose a new approach to the problem at the meeting of the Council, depending on the review to be conducted by the OAS.

While his delegation was not suggesting any action by the Executive Committee at the moment to change the proposed scale of assessments, it did wish to call attention to the wording of Article 60 of the Pan American Sanitary Code, to the effect that the PAHO budget was to be distributed on the same basis as were the expenses of the OAS. They believed that the basis of the OAS scale merely provided a starting point for PAHO's own scale. When PAHO had a different membership from that of the OAS, the inclusion of all PAHO members within the 100% total did not affect that basis but only its application to PAHO. "Basis of financing" would ordinarily be taken to mean the agreed set of factors which, when applied to the situation of each country in an organization, resulted in the contribution scale. The term was therefore not synonymous with contribution scale, which was the resulting table of individual percentages for each Member Government, adding up to 100%. If it had not been for the fact that the OAS itself was to review its basis of financing, the United States of America would be proposing there and then that PAHO follow the precedent of the Institute of Geography and History in the matter. That would mean that the percentages of Guyana and Canada as Member States of PAHO would be included in the 100% table, with corresponding adjustments in the percentages of all existing Member States. His Government recognized that arithmetically speaking the outcome was almost the same, but he was sure that all Governments represented there were aware that important matters of principle were involved and he had therefore ventured to state the views of the United States of America for the record.

## Draft Resolution

### Scale of Contributions

Whereas,

1. The basis of financing of the Pan American Union, from which the OAS contributions scale is derived, provides that the maximum contributor is to pay no more than 66% of the assessments, and that the remainder of the assessments are to be divided among the other members in accordance with their relative position in the contributions scale of the United Nations, provided that no other member is to pay more per capita than the largest contributor;
2. Article 60 of the Pan American Sanitary Code provides that the financial support of the Pan American Sanitary Bureau is to be apportioned among the governments "on the same basis as are the expenses of the Pan American Union";
3. Pursuant to this treaty provision, the contributions scale of the OAS has been applied directly to the assessment budget to determine the quotas of members of PAHO that are also members of the OAS;
4. In 1951, a special method of calculation was adopted by the Directing Council, using the procedure decided in Resolution XL to determine the contribution of Participating Governments by assigning to them the same per capita



assessment as that of the Member State whose capacity to pay was most comparable.

5. With the entry into PAHO of Guyana in 1967, the procedure adopted in 1951 was applied for the first time to determine the assessment of a Member State, with the result that the PAHO contributions scale now consists of three sections:

Members of the OAS also members of PAHO; members of PAHO that are not members of the OAS, and Participating Governments, with consequent confusion as to the true percentage contributions of the Member State of PAHO;

6. It would be desirable, upon the entry of Canada as a full member of the Organization, to adjust the contributions scale so that it will express the true percentage contribution of the American States Members of the Organization.

7. Such an adjustment can be effected without altering the basis of financing stipulated in the Pan American Sanitary Code, by including the percentages corresponding to the new member within the total percentage scale, thus effecting a proportionate modification in the percentages of the existing members.

THE XX MEETING OF THE DIRECTING COUNCIL

RESOLVES:

1. To fix the percentage contribution corresponding to Canada in accordance with Resolution XL of the Directing Council in 1951.
2. To adopt a contributions scale showing the true percentage contribution of the Member States of PAHO by incorporating the percentages corresponding to Guyana and to Canada within the contributions scale, thus effecting a corresponding downward adjustment of the percentages corresponding to each Member State as follows:

<u>Present Scale</u>	<u>Scale Adjusted to Present Membership</u>
A. OAS Member	A. PAHO Member
.....	.....
.....	.....
<u>100</u>	
B. Canada	.....
Guyana	.....
<u>106.84</u>	<u>100</u>
C. Participating Govts.	B. Participating Govts.
<u>0.69</u>	<u>0.69</u>