

directing council



PAN AMERICAN
HEALTH
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XV Meeting

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regional committee

WORLD
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XVI Meeting



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REPORT OF THE WORKING PARTY CHARGED WITH STUDYING PROCEDURES
THAT WILL ENABLE GOVERNMENTS TO PAY THEIR ARREARS

The Working Party composed of Dr. Manoel José Ferreira (Brazil), Dr. Charles L. Williams (United States of America), Dr. Miguel E. Bustamante (Mexico), Dr. Carlos Quirós (Peru), and Dr. Daniel Orellana (Venezuela) met at 12 noon, Friday, 4 September 1964, in Salon No. 4 of the Hotel del Prado.

Dr. Manoel José Ferreira was elected Chairman, and Dr. Daniel Orellana, Rapporteur. Dr. Emilio Budnik of the Pan American Sanitary Bureau acted as Technical Secretary.

The Chairman stated that the terms of reference received from the Directing Council were to study ways and means of enabling Governments to pay their quota contributions in arrears.

The Working Party took into consideration the earlier resolutions on the subject adopted by the Governing Bodies of the Organization and the Financial Reports of the Director and of the External Auditor. Year after year these reports have drawn attention to the shortfall in the collection of quotas and the fact that it endangered the normal development of the Organization's programs. The Working Party was of the opinion that no purpose would be served by issuing statements of a general nature or by adopting measures or taking steps that had produced no practical results.

The Working Party therefore focused its attention on the ideas put forward during the plenary session discussions on Agenda Item 11 and in particular the following aspects:

1. Financing of the payment of arrears through international credit institutions.

2. Whenever necessary, establishment, by the Government involved and the Pan American Sanitary Bureau of a scheme for the payment of arrears within a specified period.

3. Representations to be made to the Governments of the Organization by the Director of the Bureau, or his special representative with a view to bringing their payment of quotas up-to-date.

4. A review to be proposed to the Executive Committee concerning the Governments in arrears.

It was the opinion of the Working Party that it was not possible to make specific recommendations for uniform application to all countries and that the particular circumstances of each country called for separate consideration.

It was suggested that some countries might find it advisable to include their quota contributions to the Organization in the budget of the Ministry of Health, although such a matter was of course at the absolute discretion of the Government involved. The important point was to have a specific budgetary procedure that would ensure prompt payment of quota contributions and their being assigned appropriate priority.

In examining further questions related to these points, the Working Party considered the payment of dues in local currencies. This idea was discarded, however, because it was felt that the financial consequences for the Governments and the complex administrative burden it would impose on the Bureau would nullify the advantages it appeared at first sight to offer.

In the course of its deliberations, the Working Party unanimously recognized that international financing of the payment of quota contributions, aside from the very slight possibilities of success, was the exclusive affair of each Government, and it remained for each one to explore such possibilities as might exist. As a sovereign state, each country was entitled to establish such relations with international credit organizations as it deemed fit, and the Pan American Health Organization could not intervene in any of the corresponding representations.

The Working Party, bearing in mind previous experience, came to the conclusion that representations to the various national authorities should be of an official nature and that any arrangements made with Governments in arrears should be flexible and should be adapted in each case to the particular situation of the country concerned.

As a result of its deliberations, the Working Party prepared the following

Draft Resolution

THE DIRECTING COUNCIL,

Bearing in mind the amendment to the Constitution that was approved at this Meeting of the Directing Council which provides that the voting privileges of Governments in arrears in an amount exceeding the sum of their quotas for two full years shall be suspended; and

Having examined the Report of the Working Party charged with studying procedures that whenever necessary will enable the Governments to pay their arrears,

RESOLVES:

1. To urge all Governments in arrears in an amount exceeding the sum of their quotas for two full years to explore every possible way of paying their outstanding contributions, including, if they deem it appropriate, resort to national and international credit institutions.

2. To recommend to the Governments that, whenever appropriate, they establish a plan with the Pan American Sanitary Bureau for the payment of arrears within a specified period, it being understood that should such a financial plan be established and promptly fulfilled, the Pan American Sanitary Conference or the Directing Council may permit the Government concerned to exercise its voting privileges.

3. To instruct the Director of the Bureau to officially inform the Governments, either personally or through a special representative, of the serious consequences of the delay in the payment of quotas on the normal development of the programs decided on by the Governing Bodies for the benefit of the peoples of America.

4. To instruct the Executive Committee to conduct an annual review of the situation of the countries in arrears in an amount exceeding the sum of their quotas for two full years, and to recommend such measures as it deems pertinent in each particular case.