

**Directing Council**  
**PAN AMERICAN**  
**HEALTH**  
**ORGANIZATION**  
XL Meeting

**Regional Committee**  
**WORLD**  
**HEALTH**  
**ORGANIZATION**  
XLIX Meeting

Washington, D.C.  
September 1997

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*Provisional Agenda Item 6.1*

CD40/25 (Eng.)  
22 August 1997  
ORIGINAL: ENGLISH

## **REPORT ON THE COLLECTION OF QUOTA CONTRIBUTIONS**

The Director has the honor to present a report on the status of quota contributions as of 22 August 1997. Collections are shown by Member State and by date of payment.

Total contributions received as of 22 August 1997 were \$54,586,991, compared to \$71,804,644 received during the same period last year. Of the amount received this year, \$34,339,346 relates to 1997 assessments and \$20,247,645 to assessments for prior years.

To provide the XL Directing Council with the latest information on contributions, an updated status report will be issued prior to the meeting.

The Executive Committee at its 120<sup>th</sup> Meeting considered the status of quota contributions and the special report of the Director on countries in arrears in an amount exceeding the sum of their quota assessments for two full years and adopted Resolution CE120.R2, which reads as follows:

### *THE 120th MEETING OF THE EXECUTIVE COMMITTEE,*

Having considered the report of the Director on the collection of quota contributions (Document CE12023 and Add. I) and the report provided on Member States in arrears in the payment of their quota contributions to the extent that they can be subject to the application of Article 6.B of the Constitution of the Pan American Health Organization;

Noting the provisions of Article 6.B of the PAHO Constitution relating to the suspension of voting privileges of Member States that fail to meet their financial obligations and the potential application of these provisions to seven Member States; and

Noting with concern that there are 23 Member States that have not made any payments towards their 1997 quota assessments and that the amount collected for 1997 assessments represents only 30% of total assessments,

*RESOLVES:*

1. To take note of the report of the Director on the collection of quota contributions (Document CE12023 and Add. I).
2. To thank the Member States that have already made payments for 1997 and to urge the other Member States to pay their outstanding contributions as soon as possible.
3. To recommend to the XL Meeting of the Directing Council that the voting restrictions contained in Article 6.B of the PAHO Constitution be strictly applied to those Member States that by the opening of that meeting have not made substantial payments towards their quota commitments or in accordance with their deferred payment plans.

To request the Director to continue to inform the Member States of any balances due and to report to the XL Meeting of the Directing Council on the status of the collection of quota contributions.

*(Adopted at the fifth plenary session,  
25 June 1997)*

*Provisional Agenda Item 6.1*

CD4025, Add.1 (Eng.)  
19 September 1997  
ORIGINAL: ENGLISH

**REPORT ON THE COLLECTION OF QUOTA CONTRIBUTIONS**

*To provide the Directing Council with the latest information, a revised report on the status of quota contributions as of 18 September 1997 is presented.*

**Annex**

***STATEMENT OF QUOTA CONTRIBUTIONS DUE FROM MEMBER, PARTICIPATING AND ASSOCIATE STATES - AS OF 18 SEPTEMBER 1997***

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

The Working Party appointed to study the application of Article 6.B of the PAHO Constitution, consisting of the Representatives of Brazil, Canada, and Costa Rica, has reviewed the status of quota collections in the 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.

Today there are two Member States with payment arrears in excess of two full years of assessments. These Member States are Bolivia and Cuba.

**Bolivia** owes \$182,262 in quota assessments of which \$19,046 relate to 1994. The deferred payment plan approved by the XXIV Pan American Sanitary Conference in 1994 stipulated that the Government pay \$40,000 per year for five years beginning in 1994 and a final payment of \$55,293 in 1999, as well as the annual assessments for these years. In 1994 and 1995, Bolivia remitted payments according to its approved plan. In 1996, Bolivia paid \$47,916 of the \$94,885 due, leaving a balance of \$46,969 outstanding for 1996. On 12 September 1997, Bolivia made a payment of \$54,885. To comply with its deferred payment plan, Bolivia must pay \$86,969 during 1997. In order to have no arrearages exceeding two years, Bolivia must pay a minimum of \$19,046.

**Cuba** owes \$2.6 million of which \$939,541 relate to 1993 and 1994. The payment plan approved by the Secretariat in 1996 stipulated that a payment of \$600,000 was due in 1996, and payments thereafter would increase by \$50,000 in each subsequent year until arrears would have been liquidated. During 1996 and 1997, the Organization received payments from Cuba totaling \$600,000 and \$495,000, respectively. Therefore, Cuba is making proportional payments towards its arrears and is in compliance with its deferred payment plan.

**Analysis**

The Working Party has carefully analyzed these payment situations, taking into account the recommendations of the 120th Session of the Executive Committee, noting particularly the implication that "substantial payments" should be the standard measure of compliance with commitments relative to quotas, as expressed in Resolution CE120.23, and giving due regard to the economic situations currently being faced by the Member States, as well as the official reports and resolutions of past meetings of this Council. The members of this Working Party recognize as well the important relationship that the timing of quota receipts bears to the successful implementation of programs approved by this Directing Council. Clearly, when budgetary resources are not forthcoming at the time they are expected, the often critical timing of

implementation of approved programs is endangered.

### **Recommendations**

With the preceding in mind, the members of this Working Party are pleased to inform the Directing Council that the Government of Cuba has made payments of \$495,000 in 1997. Thus, the Government of Cuba is meeting its commitment to the Organization according to the terms of its deferred payment plan. Therefore, **the Working Party recommends that the Directing Council restore Cuba's voting privileges at this Meeting.**

The Working Party considered that Bolivia paid \$54,885 of the \$73,931 required to have its voting privileges restored and is pleased with Bolivia's payment this September. The Secretary received a letter from the Charge d'Affaires of the Permanent Mission of Bolivia to the Organization of American States assuring prompt payment of its balance. Because of Bolivia's recent payment and its assurance of payment of the pending balance, the **Working Party recommends to the Directing Council that Bolivia's voting privileges be restored.**

### **Concluding Remarks**

The Working Party would like to take this opportunity to compliment those Member States who have made special efforts to meet their quota commitments as early as possible during the calendar year. It also recognizes the efforts made by the countries which are experiencing difficult economic conditions. At the same time, noting that past extraordinary circumstances have resulted in the need by some Member States for deferred payment arrangements, this Working Party desires to express its unanimous sense that deferred payment plans, once agreed upon, should be considered firm commitments and, as such, not subject to modification except to accelerate the liquidation of arrears at the earliest possible moment.

The Working Party recommends to the Directing Council the adoption of a resolution along the following lines:

*THE XL DIRECTING COUNCIL,*

Having considered the report of the Director on the collection of quota contributions (Document CD4025 and Add. 1) and the concern expressed by the 120th Meeting of the Executive Committee with respect to the status of the collection of quota contributions;

Noting that Venezuela paid \$11 million in arrearages in 1997 and is no longer subject to the application of Article 6.B; and

Further noting that Bolivia and Cuba have outstanding quota amounts in excess of two full years of assessments and are subject to the application of Article 6.B of the Constitution,

*RESOLVES:*

1. To take note of the report of the Director on the collection of quota contributions (Document CD4025 and Add. 1).
2. To express appreciation to those Member States that have already made payments in 1997, and to urge all Member States in arrears to meet their financial obligations to the Organization in an expeditious manner.
3. To congratulate Bahamas, Belize, Canada, Colombia, Dominica, El Salvador, France, Guyana, the Netherlands, Saint Kitts and Nevis, Saint Lucia, and Suriname for their successful payment efforts in fully meeting their quota obligations through 1997.
4. To compliment Antigua and Barbuda, Chile, Costa Rica, Cuba, Guatemala, Haiti, Jamaica, Nicaragua, Saint Vincent and the Grenadines, Trinidad and Tobago, and Venezuela for their payment efforts to reduce quota arrears for prior years.
5. To request the Director to notify Bolivia and Cuba that their voting privileges have been restored at this XL Directing Council, based upon Bolivia's recent payment and renewed commitment to the terms of its deferred payment plan, and Cuba's compliance with its deferred payment plan.
6. To request the Director:
  - (a) To continue to monitor the implementation of special payment agreements made by Member States in arrears for the payment of prior years' quota assessments.
  - (b) To advise the Executive Committee of Member States' compliance with their quota payment commitments.
  - (c) To report to the 25th Pan American Sanitary Conference on the status of the collection of quota contributions for 1998 and prior years.

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Representative of Brazil

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Representative of Canada

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Representative of Costa Rica