



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



46th DIRECTING COUNCIL

57th SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., USA, 26 September-30 September 2005

Provisional Agenda Item 5.1

CD46/22, Add. II (Eng.)
26 September 2005
ORIGINAL: ENGLISH

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

1. The Working Party appointed to study the application of Article 6.B of the PAHO Constitution has reviewed the status of quota collections in 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. The members of the Working Party are the Delegates of Canada, Guatemala and St. Vincent and the Grenadines.
2. At the opening of the 46th Directing Council, three Member States had arrearages in excess of two full years of assessments. Two of these Member States are in compliance with an approved deferred payment plan.
3. One Member State has not made any payments towards its arrears. Therefore, this Member State has lost its right to vote as of the opening of this session of the Directing Council. However, the Member State has submitted a deferred payment plan for the settlement of its arrears which has been accepted by the Secretariat.

Analysis

4. The Working Party has carefully taken into account the recommendations of the 136th Session of the Executive Committee, as expressed in Resolution CE136.R4, as well as the official reports and resolutions of past sessions of this Council. The Working Party recognizes the important relationship that the timing of quota receipts bears to the successful implementation of programs approved by the Directing Council. Clearly, when budgetary resources are not forthcoming at the time they are expected, the critical timing of implementation of approved programs is endangered. Furthermore, the delay in receipt of quota contributions results in the imposition of special measures for the management of financial resources in order to maintain a sound financial position for the Organization.

Recommendations

5. With the preceding in mind, the Working Party commends the Governments of those Member States subject to a deferred payment plan for their ongoing commitment to eliminate their respective arrears within a reasonable period of time. The members of this Working Party also note with understanding the difficulties facing the Government of Peru and commend the Government for its commitment to eliminate its arrears over the next five years. Therefore, the Working Party recommends that the Directing Council restore the voting privileges of Peru at this 46th Session of the Directing Council

Concluding Remarks

6. The Working Party notes with appreciation the assiduous manner in which Member States that have ongoing deferred payment plans, but are no longer subject to Article 6.B, have maintained compliance with and, in one case, successfully completed all financial obligations, under their plans.

7. Furthermore, the Working Party compliments those Member States which have made special efforts to meet their quota commitments as early as possible during the calendar year. It also recognizes the significant efforts made by the countries which are experiencing difficult economic conditions.

8. The Working Party proposes the following resolution for consideration by the Directing Council.

THE 46th DIRECTING COUNCIL,

Having considered the report of the Director on the collection of quota contributions (Document CD46/22 and Add. I), and the concern expressed by the 136th Meeting of the Executive Committee with respect to the status of the collection of quota contributions;

Noting that Peru is in arrears in the payment of its quota assessments such that it is subject to Article 6.B of the Constitution, and has submitted a proposed deferred payment plan for the settlement of its arrears, which has been accepted by the Secretariat; and

Noting that all Member States subject to an approved deferred payment plan are in compliance with their plans;

RESOLVES:

1. To take note of the report of the Director on the collection of quota contributions (Document CD46/22 and Add. I).
2. To express appreciation to those Member States which have already made payments in 2005, and to urge all Members in arrears to meet their financial obligations to the Organization in an expeditious manner.
3. To congratulate the Member States which have fully met their quota obligations through 2005.
4. To compliment the Member States which have made significant payment efforts to reduce quota arrearages for prior years.
5. To request the President of the Directing Council to notify the Delegation of Peru that its voting rights have been restored as of this 46th Session of the Directing Council.
6. To take note that all Member States are in material compliance with their approved payment plans and, therefore, shall retain the right to vote.
7. To request the Director to:
 - (a) continue to monitor the implementation of special payment agreements by Member States in arrears for the payment of prior years' quota assessments;
 - (b) continue to explore mechanisms that will increase the rate of collection of quota assessments;
 - (c) advise the Executive Committee of Member States' compliance with their quota payment commitments;
 - (d) report to the 47th Directing Council on the status of the collection of quota contributions for 2006 and prior years.

Representative of Canada

Representative of Guatemala

Representative of St. Vincent
and the Grenadines

Date: 26 September 2005

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