



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



44th DIRECTING COUNCIL

55th SESSION OF THE REGIONAL COMMITTEE

Washington, D.C., USA, 22-26 September 2003

Provisional Agenda Item 5.1

CD44/17, Add. II (Eng.)
22 September 2003
ORIGINAL: ENGLISH

REPORT OF 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 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. The members of the Working Party are the Delegate of Canada, Nicaragua and Trinidad and Tobago.
2. At the opening of the 44th Directing Council, two Member States had arrearages in excess of two full years of assessments and were not in compliance with a deferred payment plan. These Member States are Suriname and Venezuela. However, early Monday, 22 September prior to the meeting of this Working Party, Suriname submitted a proposed deferred payment plan for the settlement of its arrears, which has been accepted by the Secretariat.
3. SURINAME owes \$231,083 of which \$54,884 relates to 2000. The Organization has not received any payments thus far in 2003. The last payment was received in 2001. Therefore, Suriname has lost the right to vote at this 44th Directing Council. However, the Secretariat has approved a deferred payment plan which would eliminate the balance of arrears over the next five years, with the first payment due by 31 December 2003.
4. VENEZUELA owes \$8,397,599 of which \$327,863 relates to 2000. The Organization has not received any payments thus far in 2003. The last payment was received in 2000. To date, the Secretariat is not in receipt of any communication on this matter from the Government of Venezuela. Therefore, Venezuela has lost the right to vote at this 44th Session of the Directing Council.

Analysis

5. The Working Party has carefully analyzed these payment situations, taking into account the recommendations of the 132nd Session of the Executive Committee, as expressed in Resolution CE132.R2, 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 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 critical timing of implementation of approved programs is endangered. Furthermore, the timely receipt of quota contributions can generate investment income, thereby reducing, proportionately, the need for quota assessment increases.

Recommendations

6. With the preceding in mind, the members of this Working Party note with understanding the difficulties facing the Governments of Suriname and Venezuela. Furthermore, the members commend the Government of Suriname for its commitment to eliminate its arrears over the next five years. However, the members of the Working Party note with concern that the Government of Venezuela has not made any payments towards the balance of arrears during this biennium. Nor has it submitted a proposed plan for the settlement of these arrears. Therefore, the Working Party recommends that the Directing Council restore the voting rights of Suriname at this 44th Directing Council. The Working Party also recommends that the Directing Council maintain the suspension of the voting privileges of Venezuela until such time as their arrears are sufficiently reduced or a payment plan is submitted to and approved by the Secretariat.

Concluding Remarks

7. 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 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.

Proposed Resolution

THE 44th DIRECTING COUNCIL,

Having considered the report of the Director on the collection of quota contributions (Document CD44/17 and Add. I), and the concern expressed by the 132nd Session of the Executive Committee with respect to the status of the collection of quota contributions;

Noting that Suriname and Venezuela are in arrears in the payment of their quota assessments such that they are subject to Article 6.B of the Constitution;

Noting that Suriname has submitted a proposed deferred payment plan for the settlement of its arrears, which has been accepted by the Secretariat; and,

Noting that all other 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 CD44/17 and Add. I).
2. To express appreciation to those Member States that have already made payments in 2003, 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 that have fully met their quota obligations through 2003.
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 Suriname that its voting rights have been restored at this 44th Session of the Directing Council.
6. To take note that all other Member States are in compliance with their approved payment plans and, therefore, shall retain the right to vote.

7. To request the President of the Directing Council to notify the Delegation of Venezuela that its voting rights have been suspended as of this 44th Session of the Directing Council.
8. To request the Director:
 - (a) To continue to monitor the implementation of special payment agreements 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 45th Session of the Directing Council on the status of the collection of quota contributions for 2004 and prior years.

Delegate of Canada

Delegate of Nicaragua

Delegate of Trinidad and Tobago

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