

58th DIRECTING COUNCIL

72nd SESSION OF THE REGIONAL COMMITTEE OF WHO FOR THE AMERICAS

Virtual Session, 28-29 September 2020

Provisional Agenda Item 5.1

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REPORT OF THE WORKING PARTY TO STUDY THE APPLICATION OF ARTICLE 6.B OF THE CONSTITUTION OF THE PAN AMERICAN HEALTH ORGANIZATION

1. The Working Party appointed to study the application of Article 6.B of the Constitution of the Pan American Health Organization (PAHO) met on 28 and 29 September 2020 to review the status of quota collections in light of the provisions of Article 6.B concerning the suspension of voting privileges of any Member “in arrears in an amount exceeding the sum of its annual payments of contributions for two full years” by the date of the opening of the Directing Council.
2. The Working Party has been entrusted with recommending whether or not to reinstate the voting privileges of such countries in accordance with the following terms of Article 6.B: “If the Conference or the Directing Council is satisfied that the failure of the Government to pay is due to conditions beyond its control, it may permit the Government to vote.”
3. The members of the Working Party are the Delegates of Aruba, El Salvador, and Trinidad and Tobago. The Chair of the Working Party is the Delegate of El Salvador.

Analysis

4. As of the opening of the 58th Directing Council, one Member State, Venezuela, was in the situation foreseen in Article 6.B, with outstanding quotas payments for 2017, 2018, 2019, and 2020 amounting to a total arrearage of US\$ 7,854,219.¹ Consequently, pursuant to application of the provisions of Article 6.B, Venezuela remained without voting privileges as of the opening of this session of the Directing Council.
5. On 24 September, Venezuela presented the Pan American Sanitary Bureau (the Bureau) with a 20-year payment plan that did not include payment of its contributions in 2020 nor indicate concrete payment dates for 2021 and thereafter. Due to the late

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

presentation of this payment schedule, the Bureau was unable to initiate a conversation with Venezuela in regard to this proposal. The Bureau has indicated that in the past the Organization has not accepted such long-term payment plans but that the World Health Organization (WHO) has done so.

6. The Working Party invited Venezuela to present its proposal. Venezuela has acknowledged its delay in the payment of its assessed contributions, its debt to the Organization in this regard, and also the amounts owed to the Revolving Fund for Access to Vaccines and the Regional Revolving Fund for Strategic Public Health Supplies. It has stated that it has not been able to make the payments for reasons beyond its control; with its assets frozen abroad and the inability to perform banking operations, it has been unable to transfer funds outside the country. In its presentation, Venezuela has committed to making an initial payment of \$392,560 immediately, albeit unable to transfer the funds abroad, and to make the rest of the scheduled payments in future years during the first half of each year.

7. On 29 September 2020, Venezuela sent a written communication to PAHO confirming its verbal statement at the previous day's meeting, confirming that payment transfers cannot be made abroad at the present time.

8. The Working Party has reviewed the recommendations of the 166th Session of the Executive Committee, reflected in Resolution CE166.R4, as well as the pertinent correspondence, the payment plan proposed by Venezuela, its statements during the course of the meetings, and the observations made by the Bureau.

9. The Working Party has analyzed and discussed the delay in the payments from Venezuela. It has emphasized the importance of timely receipt of the assessed contributions for fulfillment of the program budget approved by the Member States and has fully recognized that failure to receive the budgeted amounts at the time they are expected threatens the implementation of planned activities and even the continuity of the Organization, making it necessary to impose extraordinary measures for the management of financial resources. It has also affirmed that it is not advisable to make exceptions to the application of Article 6.B that may be cited by other Member States when they fail to meet their financial commitments.

Recommendation of the Working Party

10. In light of the lack of payment, the majority of the Working Party recommends that the Directing Council not reinstate the voting privileges of Venezuela and that the situation be reviewed again by the Member States at future sessions of the Governing Bodies.

11. However, one of the members of the Working Party sees that Venezuela has not paid for reasons beyond its control and therefore considers that its voting privileges should be reinstated. The further member recommends that the Directing Council urge Member States to take steps to enable Venezuela to transfer the necessary funds as soon as possible.

12. The Working Party congratulates those Member States that have made the effort to meet their quota commitments to the Organization during 2020 in the midst of challenges imposed by the COVID-19 pandemic and the resulting economic situation, and it urges those Member States with pending contributions for 2020 or previous years to meet their financial commitments without delay.

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