

60th DIRECTING COUNCIL

75th SESSION OF THE REGIONAL COMMITTEE OF WHO FOR THE AMERICAS

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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 25 and 26 September 2023 to review the status of assessed contributions in light of the provisions of Article 6.B of the Constitution of PAHO 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 Pan American Sanitary Conference or a meeting 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 Dominica, El Salvador, and Haiti. The Chair of the Working Party is the delegate of El Salvador.

Analysis

4. As of the opening of the 60th Directing Council, one Member State, the Bolivarian Republic of Venezuela, was in the situation foreseen in Article 6.B, with outstanding assessed contributions due for 2017, 2018, 2019, 2020, 2021, 2022, and 2023, amounting to a total arrearage of US\$ 14,476,395.00.¹ The Pan American Sanitary Bureau (PASB) sent a formal communication to the Government of the Bolivarian Republic of Venezuela regarding its situation with respect to Article 6.B in May 2023, as well as follow-up communications in June and August 2023.

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

5. In 2020, at the opening of the 58th Directing Council, the Bolivarian Republic of Venezuela had its voting rights suspended in accordance with Article 6.B of the Constitution. At the beginning of that session, the Bolivarian Republic of Venezuela had outstanding assessed contributions due for 2017, 2018, 2019, and 2020 amounting to a total of \$7,854,219.

6. Consequently, pursuant to application of the provisions of Article 6.B, and Resolutions CD58.R8 (2020), CD59.R5 (2021), and CSP30.R5 (2022), the voting rights of the Bolivarian Republic of Venezuela remain suspended as of the opening of the 60th Directing Council.

7. The Bolivarian Republic of Venezuela has not made any payments towards its assessed contributions since May 2017, nor presented an updated deferred payment plan since the 58th Directing Council in September 2020. On 25 September 2023, the first day of the Directing Council, a communication was received from the Ministry of Health of the Bolivarian Republic of Venezuela expressing the intention to pay.

8. The Working Party has reviewed the analysis made by the working party at the Pan American Sanitary Conference, reflected in Resolution CSP30.R5 Add. II, as well as the updated statement of assessed contributions due. The Working Party reviewed Article 6.B of the PAHO Constitution. It also reviewed Directing Council Resolution CD15.R12 (1964), which requires governments in arrears to establish a payment plan with the Bureau, and states that if such a plan is established and fulfilled, the Directing Council may permit the government concerned to exercise its voting privileges. The Working Party assessed historical data on the application of Article 6.B and noted the consistent requirement of an acceptable payment plan before voting privileges are restored. Finally, the Working Party considered the license issued by the Office of Foreign Assets Control of the United States Department of the Treasury, which permits PAHO to conduct official business with the Bolivarian Republic of Venezuela, including receiving funds from it.

9. The Working Party has analyzed and discussed the delay in the payments from the Bolivarian Republic of 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.

Recommendation of the Working Party

10. Members expressed their concern about the status of arrears from the Bolivarian Republic of Venezuela and recognized that this can put cooperation in their own countries at risk. They also expressed their optimism that the Minister of Health of the Bolivarian Republic of Venezuela has stated the intention to pay and recognized that the country is looking for alternatives to honor its commitment. However, the members note that the Bolivarian Republic of Venezuela has not presented a payment plan to the Bureau,

as required by Resolution CD15.R12, in order to have voting privileges reinstated. The members expressed regret, but in light of the lack of payment or a payment plan with the Bureau, the Working Party recommends that the Directing Council not reinstate the voting rights of the Bolivarian Republic of Venezuela and that the situation be reviewed again by the Member States at future sessions of the Governing Bodies.

11. Dominica expresses some reservations to the Report and proposes a step of further engagement of the Bolivarian Republic of Venezuela. Whereas Dominica accepts the need for quotas to be met in order to finance the important subregional public health agenda of PAHO, Dominica also acknowledges the efforts by PAHO to seek resolution to the payment of arrears with the Bolivarian Republic of Venezuela. Dominica notes the general pattern of lack of response to PAHO's communication by the Bolivarian Republic of Venezuela. Dominica acknowledges the correspondence received on 25 September 2023 by the Working Party, expressing, among other issues, serious financial challenges and an intention to pay. In addition to Article 6.B, Resolution CD15.R12 of 1964 goes further to propose clearly outlined considerations towards achieving settlement. Dominica therefore considers that PAHO should take into account the Bolivarian Republic of Venezuela's intention to pay as communicated and should immediately engage with the country in order to reach an agreeable payment plan in accordance with Resolution CD15.R12.

12. The Working Party recognizes the technical cooperation that the Bureau continues to provide to the Bolivarian Republic of Venezuela despite the non-payment and urges the Bureau and the Bolivarian Republic of Venezuela to develop a payment plan as soon as possible and honor it accordingly. Likewise, it congratulates all Member States that have made every effort to meet their financial commitments to the Organization during 2023, and requests Member States that have outstanding contributions to meet their financial obligations without delay.

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