



directing council

PAN AMERICAN
HEALTH
ORGANIZATION

XXI Meeting

regional committee

WORLD
HEALTH
ORGANIZATION

XXIV Meeting



Santiago, Chile
October 1972

Provisional Agenda Item 14

CD21/6 (Eng.)
15 August 1972
ORIGINAL: ENGLISH

PERCENTAGE RELATIONSHIP OF CONTRIBUTIONS TO THE REGULAR BUDGET

The XX Meeting of the Directing Council approved Resolution XXX on the percentage relationship of contributions to the regular budget. In compliance therewith, the Director was pleased to submit to the 68th Meeting of the Executive Committee the informational document (CE68/12) attached as the Annex.

The 68th Meeting of the Executive Committee studied the subject and approved the following resolution:

THE EXECUTIVE COMMITTEE,

Having studied the constitutional basis as well as policies established by the Directing Council for calculating assessments to the regular budget of PAHO and noting that a constitutional amendment would be required to change the system;

Recognizing that as long as there are governments in PAHO which are not members of OAS, the true percentage of each Government's contribution will be less than that shown in the assessment resolution, but that each Government can easily calculate or obtain from the Director its actual percentage; and

Believing that the present situation does not justify a change in the PAHO Constitution,

RESOLVES:

To request the Director to furnish annually to the Executive Committee a document similar to that provided to the 68th Meeting of the Committee (Document CE68/12).

Annex

*executive committee of
the directing council*

PAN AMERICAN
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*working party of
the regional committee*

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CD21/6 (Eng.)
ANNEX



68th Meeting
Washington, D. C.
July 1972

Provisional Agenda Item 20

CE68/12 (Eng.)
15 May 1972
ORIGINAL: ENGLISH

PERCENTAGE RELATIONSHIPS OF CONTRIBUTIONS TO REGULAR BUDGET

The Directing Council at its XX Meeting approved Resolution XXX which requested action by the Director and the Executive Committee in the following terms:

1. To request the Executive Committee to study the method of presenting, in the official documents of the Organization, the percentage relationship of the contributions of Member States to the regular budget.
2. To request the Director to inform the Executive Committee of the antecedents and other factors bearing on this question, including information concerning developments that may affect the basis of financing stipulated in Article 60 of the Sanitary Code.
3. To request the Executive Committee to report to the XXI Meeting of the Directing Council on this subject, and to submit recommendations concerning possible methods of presentation that will indicate in a more desirable manner the percentages of the contributions of Member States to the regular budget.

In accordance with the request of the Directing Council, the Director presents below the information requested.

The contribution assessment system for supporting the regular budget of PAHO is governed by Article 60 of the Sanitary Code, which specifies that expenses shall be apportioned among the signatory Governments on the same basis as are the expenses of the Pan American Union*, and by the Constitution, Article 24, which provides as follows:

Financial Obligations of the Governments:

- A. The Organization shall be financed by annual contributions from Governments. The contributions from Member Governments

* Organization of American States (OAS)

shall be determined in conformity with Article 60 of the Pan American Sanitary Code. The Participating Governments shall make annual contributions computed on a basis similar to that established for the Member Governments.

Changes in the assessment system would require an amendment to the Constitution.

It will be noted that Article 24 of the Constitution does not incorporate the Participating Governments into the Scale of Quota Assessments of the OAS, but rather provides for them to be assessed "on a similar basis." The Directing Council, at its fifth meeting, adopted Resolution XL which provided for assessing the Participating Governments on the basis of the per capita assessment of the most comparable Member State.

In 1967, the XVII Directing Council, in its Resolution XXVIII, continued the concept of assessing non-OAS countries, whether participating or independent Governments, on the basis of equivalency, but provided that no such Government shall be assessed less than the minimum quota, under the OAS Scale.

The OAS system of calculating the scale of assessment for the budget is as follows:

- (a) The quota for the United States of America is 66%.
- (b) The other 34% is divided among the remaining Governments included in the scale, in the proportion that these Governments bear to each other in the United Nations' Scale of Assessments. Thus the OAS Scale is revised each year with respect to the group of countries which together contribute 34%.
- (c) The foregoing calculation is subject to the limitation that the per capita contribution of a Member Government shall not be higher than that of the largest contributor.

The calculation of the PAHO assessments is carried out in two stages, as follows:

- (a) The OAS percentage scale is applied to the PAHO Member Governments. This results in a group whose percentages add to 100.
- (b) An equivalency percentage is calculated for those Governments not members of the OAS. This includes the Member Governments, Canada, and Guyana, and the Participating Governments, France,

the Kingdom of the Netherlands, and the United Kingdom. All these countries happen to fall under the provision mentioned in paragraph (c) above, so that their percentage assessments are based on the per capita contribution of the largest contributor.

The above calculation method, when applied to the budget proposal for 1973, results in the percentages shown in the draft assessment resolution in the Program and Budget, Official Document No. 114. The total of the percentages for both groups of countries add to 107.65. To calculate the contributions, the total assessment budget of \$22,108,146 is divided by 107.65 and multiplied by 100. This produces the figure of \$20,537,061, to which all of the individual percentages are applied to arrive at the respective contributions as shown under the column entitled Gross Assessment. The credits from the tax equalization fund are calculated in the same proportion and deducted from the gross assessment. The resulting balances, plus any adjustment for taxes imposed on emoluments of PAHO staff, are the net assessments for the respective Governments.

It is obvious that the above described method of calculation and presentation does not reflect the actual percentage relationship of the contributions of the respective Governments of PAHO to the regular budget. Any Government wishing to know its actual percentage has only to divide its contribution, as shown under the Gross Assessment column, by the total of the gross assessments for all Governments. For informational purposes, the actual percentages in respect of the draft assessment for 1973 are shown in the Annex.

As stated near the beginning of this document, a constitutional amendment would be required to change the basis for calculating the PAHO quota assessments. The present scale is based on the OAS scale, and the method of presentation makes this direct relationship obvious.

Annex

INFORMATIONAL SCHEDULE SHOWING ACTUAL PERCENTAGES
IN RESPECT TO CONTRIBUTIONS FOR 1973 UNDER THE
BUDGET PROPOSAL IN OFFICIAL DOCUMENT NO. 114

(1) Country	(2) OAS Scale %	(3) Gross <u>a/</u> Assessment US\$	(4) Actual Percentages %
Argentina	6.89	1,415,003	6.40
Barbados	0.08	16,430	.07
Bolivia	0.32	65,719	.30
Brazil	6.49	1,332,854	6.03
Chile	1.63	334,754	1.51
Colombia	1.54	316,271	1.43
Costa Rica	0.32	65,719	.30
Cuba	1.30	266,982	1.21
Dominican Republic	0.32	65,719	.30
Ecuador	0.32	65,719	.30
El Salvador	0.32	65,719	.30
Guatemala	0.41	84,202	.38
Haiti	0.32	65,719	.30
Honduras	0.32	65,719	.30
Jamaica	0.32	65,719	.30
Mexico	7.13	1,464,291	6.62
Nicaragua	0.32	65,719	.30
Panama	0.32	65,719	.30
Paraguay	0.32	65,719	.30
Peru	0.81	166,350	.75
Trinidad and Tobago	0.30	61,611	.28
United States of America	66.00	13,554,459	61.31
Uruguay	0.57	117,061	.53
Venezuela	3.33	683,884	3.09
Subtotal	<u>100.00</u>	<u>20,537,061</u>	<u>92.91</u>
	<u>Equivalent</u>		
<u>Other Member Governments</u>	<u>Percentages</u>		
Canada	6.72	1,380,091	6.24
Guyana	0.24	49,289	.22
<u>Participating Governments</u>			
France	0.23	47,235	.21
Kingdom of the Netherlands	0.19	39,020	.17
United Kingdom	0.27	55,450	.25
Subtotal	<u>7.65</u>	<u>1,571,085</u>	<u>7.09</u>
Total Assessments			
All Countries	<u>107.65</u>	<u>22,108,146</u>	<u>100.00</u>
	=====	=====	=====

a/ The net assessment for each Government is obtained by deducting the credit from Tax Equalization Fund and adding any adjustment for taxes imposed on emoluments of PAHO staff, as shown in Official Document No. 114.