



THE STATUS OF CONTRIBUTIONS OUTSTANDING

PREPARED BY: IOTC SECRETARIAT

ABOUT THIS REVISION

This document was revised to remove text associated with seeking the SCAFs input to the finalisation of the IOTC Financial Regulations (2019), i.e. the SCAF's recommendations on the latest date contributions should be paid in the budget year and, if contributions are not paid on time, the date (in the budget year) when contributions will be in 'Arrears'. This matter is now addressed in a separate document IOTC-2020-SCAF17-10.

PURPOSE

To inform the Standing Committee on Administration and Finance (SCAF) about the level of outstanding contributions to the Commission. This paper indicates:

- the status of contributions outstanding as of 31 December 2019
- the status of contributions outstanding as of 31 August 2020
- those members that have arrears equal to or exceeding the amount of the contributions due from it for the two preceding calendar years.

STATUS OF CONTRIBUTIONS AS OF 31 DECEMBER 2019

1. Typically, the 'Call for Funds' letters for the annual contributions are sent to members within two months of the Commission meeting, and a reminder is sent out by the Secretariat around the end of the year and/or in the first quarter of the following year. The 'Call for Funds' letters for the 2019 budget contributions were sent to members by FAO in July 2018; and reminders were circulated by the Secretariat in February 2019 and July 2019.
2. The status of contributions as of 31 December 2019, as reported to the IOTC Secretariat by FAO Administration and Finance, in United States Dollars (\$) is provided in Table 1.
3. The total of contributions due in 2019 for the 2019 budget was \$4,270,341. As of 31 December 2019, a total of \$3,990,829 had been received (Table 1). Note, the total of contributions received in 2019 also included contributions due from years prior to 2019. Therefore, the difference between the amount of the contributions due for the 2019 budget year and the contributions received (\$-279,512) does not necessarily reflect the diligence of members paying their contributions in a timely fashion.

As of 31 December 2019, 10 Members had outstanding contributions to a total value of \$2,933,133 (excluding ex-Members)

4. The cumulative total of outstanding contribution payments has increased by around 9%, from \$2,889,010 as of 31 December 2018, to \$3,162,341 as of 31 December 2019.
5. Three Member countries (Eritrea, Sudan and Yemen) have a history of non-payment, however a partial payment was received from Sudan of \$162,600 in 2019.
6. The I.R. of Iran continues to face difficulties submitting its contributions and no contributions were received from Iran in 2019. Iran was responsible for around 46% of the total outstanding contributions as of 31 December 2019.
7. Sierra Leone was reincluded in the schedule of contributions for the year 2020, however no contributions have been received from Sierra Leone since 2014 and it currently owes \$38,391 (<2% of the total).
8. Three ex-Members (Belize, Guinea and Vanuatu) left IOTC owing contributions totalling \$229,209 — equating to 7% of the outstanding contributions as of 31 December 2019.
9. The other countries with outstanding contributions as of 31 December 2019 were Comoros, Madagascar, Mozambique, Pakistan and Somalia.

It is important to pay contributions on time

10. The budget of IOTC is entirely autonomous, and paid for exclusively by its Members, with no financial contributions derived from the FAO Regular Programme. Therefore, when contributions are not paid on time, IOTC can face the risk of having to shut down its operations. The FAO's project cycle financial rules, which govern the administrative and financial processes of the IOTC, do not permit over-expenditure against contributions received within a given project. FAO has indicated that the future IOTC staff extensions and operating costs can only be accepted with sufficient funding available.
11. If the history of non-payment of contributions from Eritrea, Iran, Sudan and Yemen continues into the future, it means that every year, the annual budget could effectively be reduced by around \$350,000.

Table 1. Status of Member contributions to the IOTC autonomous budget (in US\$) as of 31 December 2019

Member	Outstanding Contribution 1 January 2019 (all years prior to 2019)	Contribution due for 2019	Received Contributions in 2019	Total Outstanding Contributions 31 Dec 2019
AUSTRALIA	0	191,528	191,528	0
BANGLADESH		69,127	69,127	0
BELIZE*	47,092	0		47,092
CHINA	0	116,673	116,673	0
COMOROS	70,602	38,558	46,440	62,719
ERITREA	250,564	14,380		264,944
EUROPEAN UNION	0	846,813	846,813	0
FRANCE	0	156,579	156,579	0
GUINEA*	155,866	0		155,866
INDIA	0	177,755	177,755	0
INDONESIA	0	295,996	295,996	0
IRAN	1,244,032	225,155		1,469,187
JAPAN	0	227,173	227,173	0
KENYA	12,102	68,195	80,297	0
KOREA, Rep. of	0	245,109	245,109	0
MADAGASCAR	33,308	37,771	23,191	47,888
MALAYSIA	0	81,223	81,223	0
MALDIVES	0	150,135	150,135	0
MAURITIUS	0	74,549	74,549	0
MOZAMBIQUE	31,488	34,744		66,232
OMAN	0	200,773	200,773	0
PAKISTAN	73,109	106,854	91,677	88,285
PHILIPPINES	0	68,119	68,119	0
SEYCHELLES	0	238,352	238,352	0
SIERRA LEONE	38,391	0		38,391
SOMALIA	26,026	14,234		40,260
SOUTH AFRICA	0	50,073	50,073	0
SRI LANKA	0	127,433	127,433	0
SUDAN	409,887	49,843	162,600	297,130
TANZANIA	0	36,775	36,775	0
THAILAND	0	75,848	75,848	0
UNITED KINGDOM	0	156,589	156,589	0
VANUATU*	26,251	0		26,251
YEMEN	464,109	93,988		558,097
Total	2,882,828	4,270,341	3,990,829	3,162,341

* No longer a member but has contributions outstanding.

STATUS OF CONTRIBUTIONS AS OF 31 AUGUST 2020

12. Table 2 shows the status of contributions received up to 31 August 2020 (1 January – 31 August 2020).

13. A total of \$3,172,314 has been received against a budget of \$4,367,285. Therefore, the 2020 budget is currently facing a potential deficit of \$1,194,971.

Table 2. Status of Member contributions to the IOTC autonomous budget (in US\$) as of 31 August 2020.

Member	Outstanding Contribution 1 January 2020 (all years prior to 2020)	Contribution due for 2020	Received Contributions in 2020	Total Outstanding Contributions
AUSTRALIA	0	192,075	192,075	0
BANGLADESH	0	68,820		68,820
BELIZE*	47,092			47,092
CHINA	0	116,792	116,792	0
COMOROS	62,719	75,763	52,000	86,482
ERITREA	264,944	14,230		279,174
EUROPEAN UNION	0	864,649	864,649	0
FRANCE	0	156,693	156,693	0
GUINEA*	155,866			155,866
INDIA	0	173,127		173,127
INDONESIA	0	305,337	305,337	0
IRAN	1,469,187	227,722		1,696,909
JAPAN	0	224,965	224,965	0
KENYA	0	68,412	68,412	0
KOREA, Rep. of	0	245,793	245,793	0
MADAGASCAR	47,888	37,876	43,068	42,696
MALAYSIA	0	81,151	81,151	0
MALDIVES	0	152,691	152,691	0
MAURITIUS	0	76,869	76,869	0
MOZAMBIQUE	66,232	35,093		101,325
OMAN	0	207,374	207,374	0
PAKISTAN	88,285	106,339	101,623	93,002
PHILIPPINES	0	49,897	49,897	0
SEYCHELLES	0	251,567		251,567
SIERRA LEONE	38,391	14,088		52,479
SOMALIA	40,260	14,088		54,348
SOUTH AFRICA	0	68,258		68,258
SRI LANKA	0	127,899		127,899
SUDAN	297,130	49,761		346,891
TANZANIA	0	37,045		37,046
THAILAND	0	76,221	76,221	0
UNITED KINGDOM	0	156,705	156,705	0
VANUATU*	26,251			26,251
YEMEN	558,097	89,984		648,081
Total	3,162,341	4,367,285	3,172,314	4,357,312

* No longer a member but has contributions outstanding.

MEMBERS IN ARREARS OF THEIR CONTRIBUTIONS

14. If a Member is in arrears of their contributions, there may be restrictions on its eligibility for the meeting participation fund and voting.
15. According to Article XIII.8 of the IOTC Agreement, *a Member of the Commission which is in arrears in the payment of its financial contributions to the Commission shall have no vote in the Commission if the amount of its arrears equals or exceeds the amount of the contributions due from it for the two preceding calendar years. The Commission may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay was due to conditions beyond the control of the Member.*
16. Similarly, according to Appendix VIII of the IOTC Rules of Procedure, *delegates from Contracting Parties (Members) of the Commission which are in arrears in the payment of its financial contributions to the Commission are not be eligible to benefit from the IOTC Meeting Participation Fund if the amount of its arrears equals or exceeds the amount of the contributions due from it for the two preceding calendar years.*
17. The IOTC financial Regulations were revised in 2019. Annex, Reg 5 states: *Contributions shall be due and payable in full as soon as possible and not later than [date] s of the calendar year to which they relate. As of [date] in the calendar year to which the contributions relate, the unpaid balance of such contributions shall be considered to be one year in arrears.*
18. The dates in square brackets are to be agreed by the Commission following advice from the SCAF (refer to IOTC-2020-SCAF17-10).
19. Pending the recommendation from the SCAF and agreement by Commission on the dates to be used in the above Annex Re. 5 of the IOTC Financial Regulations (2019), the Secretariat has applied the Commission's (S23) recommended interim definition of arrears for this report.
20. As of 31 August 2020, seven members currently have arrears equal to or exceeding the amount of the contributions due from it for the two preceding calendar years (Table 3).

SUGGESTED ACTIONS BY THE STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

That the SCAF:

- a) **NOTE** the information presented in IOTC-2020-SCAF17-05 on outstanding contributions.

Table 3. Status of Member contributions and arrears as of 31 August 2020. The seven Members (in blue) currently have arrears equal to or exceeding the amount of the contributions due from it for the two preceding calendar years (2018 and 2019).

Member	Outstanding contributions as of 1 January 2020 (all years prior to 2020)	2020 Contribution due 31 Dec 2020	Contributions received in 2020	Total Outstanding Contributions (all years)	MPF ELIGIBILITY - relating to the 2 year arrears rule***					
					2018 Contribution due 31 Dec 2018	2019 Contribution due 31 Dec 2019	Total due for 2 years 2018+2019	Is the amount of arrears ≥ contributions due from the two preceding calendar years	Currently eligible for MPF** ?	
AUSTRALIA	0	192,075	192,075	0	177,389	191,528	368,917	N	NA	
BANGLADESH	0	68,820	0	68,820	0	69,127	69,127	N	Y	
BELIZE*	47,092	0	0	47,092	0	0	0	Y	NA	
CHINA	0	116,792	116,792	0	106,081	116,673	222,754	N	Y	
COMOROS	62,719	75,763	52,000	86,482	33,252	38,558	71,810	N	Y	
ERITREA	264,944	14,230	0	279,174	13,600	14,380	27,980	Y	N	
EUROPEAN UNION	0	864,649	864,649	0	780,098	846,813	1,626,911	N	NA	
FRANCE	0	156,693	156,693	0	146,426	156,579	303,005	N	NA	
GUINEA*	155,866	0	0	155,866	0	0	0	Y	NA	
INDIA	0	173,127	0	173,127	168,791	177,755	346,546	N	Y	
INDONESIA	0	305,337	305,337	0	281,633	295,996	577,629	N	Y	
IRAN	1,469,187	227,722	0	1,696,909	201,476	225,155	426,631	Y	N	
JAPAN	0	224,965	224,965	0	208,497	227,173	435,670	N	NA	
KENYA	0	68,412	68,412	0	63,568	68,195	131,763	N	Y	
KOREA, Rep. of	0	245,793	245,793	0	214,493	245,109	459,602	N	NA	
MADAGASCAR	47,888	37,876	43,068	42,696	34,950	37,771	72,721	N	Y	
MALAYSIA	0	81,151	81,151	0	76,410	81,223	157,633	N	Y	
MALDIVES	0	152,691	152,691	1	137,794	150,135	287,929	N	Y	
MAURITIUS	0	76,869	76,869	0	67,033	74,549	141,582	N	Y	
MOZAMBIQUE	66,232	35,093	0	101,325	31,488	34,744	66,232	Y	N	
OMAN	0	207,374	207,374	-1	183,386	200,773	384,159	N	NA	
PAKISTAN	88,285	106,339	101,623	93,002	98,342	106,854	205,196	N	Y	
PHILIPPINES	0	49,897	49,897	0	63,636	68,119	131,755	N	Y	
SEYCHELLES	0	251,567	0	251,567	209,654	238,352	448,006	N	NA	
SIERRA LEONE	38,391	14,088	0	52,479	0	0	0	Y	N	
SOMALIA	40,260	14,088	0	54,348	13,468	14,234	27,702	Y	N	
SOUTH AFRICA	0	68,258	0	68,258	63,279	50,073	113,352	N	Y	
SRI LANKA	0	127,899	0	127,899	141,800	127,433	269,233	N	Y	
SUDAN	297,130	49,761	0	346,891	46,728	49,843	96,571	Y	N	
TANZANIA	0	37,045	0	37,046	35,114	36,775	71,889	N	Y	
THAILAND	0	76,221	76,221	0	70,093	75,848	145,941	N	Y	
UNITED KINGDOM	0	156,705	156,705	-1	146,436	156,589	303,025	N	NA	
VANUATU*	26,251	0	0	26,251	0	0	0	Y	NA	
YEMEN	558,097	89,984	0	648,081	90,744	93,988	184,732	Y	N	
Total	3,162,341	4,367,285	3,172,314	4,357,312						
* No longer a member, but has contributions outstanding			** Taking into account all criteria (e.g. income status)			*** Members of the Commission which are in arrears in the payment of its financial contributions to the Commission are not be eligible to benefit from the IOTC Meeting Participation Fund if the amount of its arrears equals or exceeds the amount the contributions due from it for the two preceding calendar years.				