

THE STATUS OF CONTRIBUTIONS OUTSTANDING

PREPARED BY: IOTC SECRETARIAT

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 2023.
- lists those members that have arrears equal to or exceeding the amount of the contributions due from it for the two preceding calendar years.
- following a recommendation from SCAF18, lists separately the outstanding contributions of ex-Members

STATUS OF CONTRIBUTIONS AS OF 31 DECEMBER 2023

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 2023 budget contributions were sent to members by FAO in August 2023, immediately after the Commission meeting report had been adopted.
2. The status of contributions as of 31 December 2023, 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 for the 2023 budget was \$4,109,745. As of 31 December 2023, a total of \$4,055,531 had been received (Table 1). This represents a shortfall in contributions due and contributions received of \$54,214. Note, the total of contributions received in any year may also include contributions due from years prior. However, contributions received early for the subsequent year are not included in the total; therefore, the difference between the amount of the contributions due for the budget year and the contributions received does not necessarily reflect the diligence of members paying their contributions in a timely fashion.

As of 31 December 2023, 10 Members had outstanding contributions to a total value of \$2,470,015 (excluding ex-Members)

4. No contributions were received from five Member countries in 2023, namely Eritrea, Iran, Pakistan, Sudan and Yemen.
5. The other Members with outstanding contributions as of 31 December 2023 were Bangladesh, Comoros, Madagascar, Mozambique and Somalia (only partial payments were received from these Members).
6. The cumulative total of outstanding contribution payments has increased by around 2% from \$2,711,107 as of 31 December 2022 to \$2,765,321 as of 31 December 2023. Following a recommendation from SCAF18, the total outstanding contributions of members and ex-members will now be reported separately. The total outstanding contributions of members is \$2,470,015 and the total outstanding contributions of ex-members is \$295,306.
7. Three Members (Eritrea, Sudan and Yemen) have a history of non-payment and no payments were received from them in 2023. In January 2023, Eritrea requested to leave IOTC. In accordance with the IOTC Agreement (Art XXI.1), withdrawal becomes effective at the end of the calendar following that in which the notice of withdrawal was received, therefore Eritrea will be moved to the ex-members table starting 2024.
8. As of 31 December 2023, the total of outstanding contributions for Eritrea, Sudan and Yemen was \$1,515,204, equivalent to almost 55% of the total outstanding contributions. If the history of non-payment of contributions from Sudan and Yemen continues into the future (Eritrea have now withdrawn from the Commission in 2024), it means that every year, the annual budget could effectively be reduced by around \$68,000.

It is important to pay contributions on time

9. 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.

10. If a Member is in arrears of their contributions, there may be restrictions on its eligibility for the meeting participation fund and voting.
11. 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.*
12. 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 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.*
13. The IOTC Financial Regulations were revised in 2019 and the dates for arrears were agreed at S25. Annex, Reg 5 of the Financial Regulations now states: *Contributions shall be due and payable in full as soon as possible and not later than 30 June of the calendar year to which they relate. As of 1 July in the calendar year to which the contributions relate, the unpaid balance of such contributions shall be considered to be one year in arrears.*

SUGGESTED ACTIONS BY THE STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

That the SCAF:

- a) **NOTE** the information presented in IOTC-2024-SCAF21-04 on outstanding contributions.

Table 1. Status of Member contributions to the IOTC autonomous budget (in US\$) as of 31 December 2023

Member	Outstanding Contribution 1 January 2023 (all years prior to 2023)	Contribution due for 2023	Received Contributions in 2023	Total Outstanding Contributions
AUSTRALIA	0	190,607	190,607	0
BANGLADESH	45,648	50,309	45,648	50,309
CHINA	0	105,022	105,022	0
COMOROS	166,646	73,926	21,700	218,872
ERITREA	306,605	31,092		337,698
EUROPEAN UNION	0	873,095	873,095	0
FRANCE	0	159,823	159,823	0
INDIA	0	159,911	159,911	0
INDONESIA	0	281,959	281,959	0
IRAN	202,958	207,267		410,225
JAPAN	0	211,401	211,401	0
KENYA	0	69,860	69,860	0
KOREA, Rep. of	217,024	233,023	450,047	0
MADAGASCAR	13,599	35,427	17,530	31,496
MALAYSIA	0	80,313	80,313	0
MALDIVES	0	144,872	144,872	0
MAURITIUS	0	80,345	80,345	0
MOZAMBIQUE	137,966	33,839	34,744	137,062
OMAN	0	220,227	220,227	0
PAKISTAN	11,561	95,035		106,596
PHILIPPINES	45,551	50,230	95,781	0
SEYCHELLES	0	140,180	140,180	0
SOMALIA	28,821	13,699	42,270	250
SOUTH AFRICA	0	67,764	67,764	0
SRI LANKA	122,439	127,321	249,760	0
SUDAN	374,118	13,791		387,909
TANZANIA	0	73,362	73,362	0
THAILAND	0	78,437	78,437	0
UNITED KINGDOM	0	160,872	160,872	0
YEMEN	742,863	46,733		789,597
Total	2,415,801	4,109,745	4,055,531	2,470,015

Member	Total Outstanding Contributions
BELIZE	47,092
GUINEA	155,866
SIERRA LEONE	66,097
VANUATU	26,251
Total	295,306

Members	2,470,015
Ex-Members	295,306
Total	2,765,321