



INTER-AMERICAN BOARD OF AGRICULTURE - IABA

*Sixteenth Regular Meeting
October 19 - 21, 2011*

*IICA/JIA/Doc. 348 (11)
Original: español
19-21 octubre 2011*

REPORT ON THE COLLECTION OF QUOTAS

San Jose, Costa Rica

I. INTRODUCTION

The Convention on IICA establishes, in Article 23, that the Member States of the Institute shall contribute to the financial support of IICA through annual quotas established by the Inter-American Board of Agriculture (IABA), in accordance with the system for calculating quotas of the Organization of American States (OAS).

It is important to point out that total quota contributions have not been increased since 1995, affecting the purchasing power of these resources, which has diminished significantly. These financial constraints have hindered the Institute's ability, in some cases, to properly meet needs for technical cooperation at the hemispheric, regional, and national levels.

The contributions of the Member States provide the funding for the technical cooperation programs that IICA carries out in each country to meet the needs and demands of the agricultural sector and contribute to making agriculture sustainable and competitive in the Americas.

Resolution IICA/JIA/Res.414 "Revised Measures for Collecting Quotas Owed to the Institute" contains the definitions of the situation of a Member State with regard to the payment of quotas, as well as the rights and privileges of the Member States of IICA in accordance with their payment status.

This document presents information regarding quota collections at the close of 2010, the collection of quotas in 2011, the current situation of the Member States and status of outstanding quotas as of September 1st, 2011. Also, Resolution IICA/JIA/Res.414 is attached for reference.

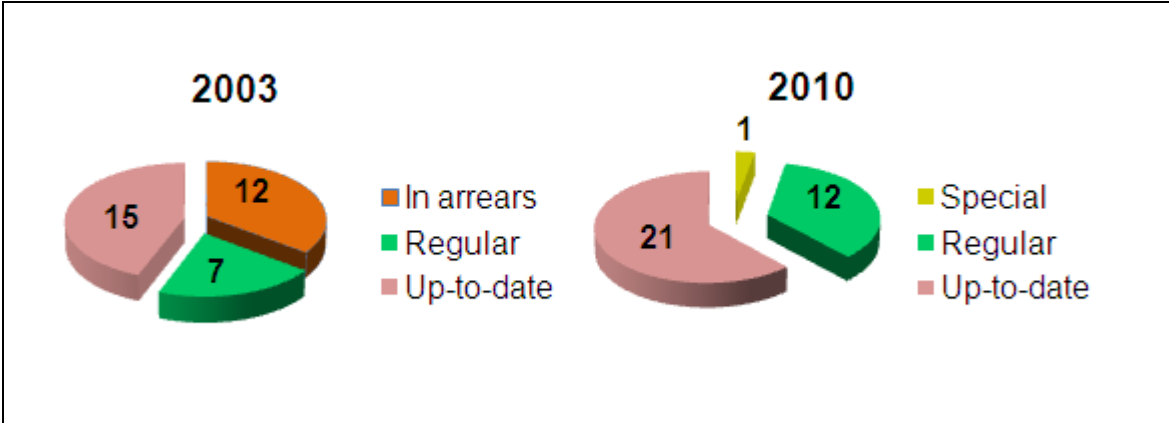
II. COLLECTION OF MEMBER STATES' QUOTAS IN 2010

For the year ended 2010, the Institute collected quotas in the amount of US\$27.9 million, receiving payments at the level required to fund the annual budget.

At the beginning of January 2010, the total amount of quotas pending collection was US\$29.6 million, of which US\$27.3 million were quotas corresponding to 2010 and the rest was owed from previous years. During the year the Institute received quota contribution payments from twenty-four Member States, including payment from Brazil equivalent to 150% of its annual contribution, which completed its payment plan.

At the end of 2010 there were total quotas outstanding in the amount of US\$1.7 million. As shown in the chart, twenty-one Member States ended the year in "Up-to-date Status" with quotas paid in full and twelve in "Regular Status" owing two years or less. Also, Nicaragua continues with its payment plan for settlement of its arrearages and maintained "Special Status" in accordance with the payments it made equivalent to six quotas in 2005 and seven quotas in 2008.

PROGRESS IN THE STATUS OF THE MEMBER STATES



III. THE SITUATION OF 2011 QUOTA COLLECTIONS

As of January 1, 2011, the total amount of quotas pending collection was US\$29 million, of which US\$27.3 million were quotas for 2011 and US\$1.7 million due from previous years. As of September 1st, 2011 the amount collected is US\$22 million and the outstanding amount is US\$7 million, as shown in the table below:

**INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE
STATEMENT OF QUOTAS OF THE MEMBER STATES AS OF SEPTEMBER 1, 2011**

COUNTRY	UNCOLLECTED			COLLECTED	AMOUNT DUE
	DUE FROM PREVIOUS YEARS	QUOTA OF 2011	DUE AT JANUARY 1ST, 2011	AMOUNT PAID IN 2011	
ANTIGUA & BARBUDA	12,156	6,052	18,208	18,208	0
ARGENTINA	0	883,304	883,304	883,304	0
BAHAMAS	0	21,182	21,182	21,182	0
BARBADOS	0	16,505	16,505	16,505	0
BELIZE	0	6,052	6,052	0	6,052
BOLIVIA	29,159	12,654	41,813	29,159	12,654
BRAZIL	17,576	2,187,765	2,205,341	2,205,341	0
CANADA	0	3,785,469	3,785,469	3,785,469	0
COLOMBIA	0	230,798	230,798	0	230,798
COSTA RICA	41,152	51,441	92,593	16,103	76,491
CHILE	0	295,168	295,168	0	295,168
DOMINICA	0	6,052	6,052	6,052	0
ECUADOR	0	56,943	56,943	56,943	0
EL SALVADOR	0	28,884	28,884	28,884	0
UNITED STATES	0	16,359,412	16,359,412	12,269,559	4,089,853
GRENADA	6,052	6,052	12,104	0	12,104
GUATEMALA	51,441	51,441	102,882	0	102,882
GUYANA	6,424	6,052	12,476	11,973	504
HAITI	0	12,379	12,379	12,379	0
HONDURAS	0	12,379	12,379	12,379	0
JAMAICA	0	33,836	33,836	0	33,836
MEXICO	0	2,239,482	2,239,482	2,239,482	0
NICARAGUA	73,056	12,379	85,435	0	85,435
PANAMA	9,157	44,839	53,996	53,996	0
PARAGUAY	-1,163	34,111	32,948	40,000	-7,052
PERU	0	152,123	152,123	152,123	0
DOMINICAN REPUBLIC	101,982	56,668	158,650	56,321	102,329
SAINT VINCENT & GRENADINES	6,052	6,052	12,104	12,104	0
SAINT KITTS & NEVIS	0	6,052	6,052	6,052	0
SAINT LUCIA	6,466	6,052	12,518	7,165	5,354
SURINAME	0	12,379	12,379	12,379	0
TRINIDAD & TOBAGO	0	41,813	41,813	41,813	0
URUGUAY	0	49,791	49,791	0	49,791
VENEZUELA	1,322,342	566,679	1,889,021	0	1,889,021
TOTAL	1,681,854	27,298,240	28,980,094	21,994,875	6,985,219
% COLLECTION / OUTSTANDING BALANCES				75.90%	24.10%
% COLLECTION / ANNUAL QUOTA				80.57%	

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IV. THE STATUS OF OUTSTANDING QUOTAS

The quotas owed to the Institute as of September 1st, 2011 and the status of each country with regards to quota payments is shown in the table below:

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE
STATEMENT OF UNCOLLECTED QUOTAS BY COUNTRY AND BY YEAR
AS OF SEPTEMBER 1, 2011

COUNTRY	2006	2007	2008	2009	2010	2011	TOTAL
UP-TO-DATE STATUS							
ANTIGUA & BARBUDA	0	0	0	0	0	0	0
ARGENTINA	0	0	0	0	0	0	0
BAHAMAS	0	0	0	0	0	0	0
BARBADOS	0	0	0	0	0	0	0
BRAZIL	0	0	0	0	0	0	0
CANADA	0	0	0	0	0	0	0
DOMINICA	0	0	0	0	0	0	0
ECUADOR	0	0	0	0	0	0	0
EL SALVADOR	0	0	0	0	0	0	0
HAITI	0	0	0	0	0	0	0
HONDURAS	0	0	0	0	0	0	0
MEXICO	0	0	0	0	0	0	0
PANAMA	0	0	0	0	0	0	0
PARAGUAY ¹⁾	0	0	0	0	0	-7,052	-7,052
PERU	0	0	0	0	0	0	0
SURINAME	0	0	0	0	0	0	0
SAINT KITTS AND NEVIS	0	0	0	0	0	0	0
ST. VINCENT & GRENADINES	0	0	0	0	0	0	0
TRINIDAD & TOBAGO	0	0	0	0	0	0	0
REGULAR STATUS							
BELIZE	0	0	0	0	0	6,052	6,052
BOLIVIA	0	0	0	0	0	12,654	12,654
CHILE	0	0	0	0	0	295,168	295,168
COLOMBIA	0	0	0	0	0	230,798	230,798
COSTA RICA	0	0	0	0	25,050	51,441	76,491
DOMINICAN REPUBLIC	0	0	0	0	45,661	56,668	102,329
GUATEMALA	0	0	0	0	51,441	51,441	102,882
GUYANA	0	0	0	0	0	504	504
GRENADA	0	0	0	0	6,052	6,052	12,104
JAMAICA	0	0	0	0	0	33,836	33,836
SAINT LUCIA	0	0	0	0	0	5,354	5,354
UNITED STATES	0	0	0	0	0	4,089,853	4,089,853
URUGUAY	0	0	0	0	0	49,791	49,791
SPECIAL STATUS							
NICARAGUA	8,411	19,256	16,505	16,505	12,379	12,379	85,435
IN ARREARS STATUS:							
COUNTRIES OWING MORE THAN 2 QUOTAS							
COUNTRIES OWING 3 or MORE QUOTAS							
VENEZUELA	0	0	0	755,663	566,679	566,679	1,889,021
COUNTRIES OWING 4 or MORE QUOTAS							
COUNTRIES OWING 5 or MORE QUOTAS							
TOTAL	8,411	19,256	16,505	772,168	707,261	5,461,618	6,985,219

1) Applies to the 2012 quota contribution

Note: Resolution No. 414 establishes that quotas for the current year become past due if not paid by June 30 of the year, setting the period considered reasonable to make payment of annual quotas that fall due as of January 1 of the year.

Additionally, Resolution No. 414 establishes that during the current year, a Member State shall retain the status it had as of December 31 of the prior year, provided it makes a payment equal to the current year's quota by June 30 of the current year. Failure to make that payment by June 30 will result in an adjustment of status.

ANNEX

IICA/JIA/Res. 414 (XIII-O/05)
1 September 2005
Original: English

RESOLUTION No. 414

REVISED MEASURES FOR COLLECTING QUOTAS OWED TO THE INSTITUTE

The INTER-AMERICAN BOARD OF AGRICULTURE, at its Thirteenth Regular Meeting,

HAVING SEEN:

Resolution IICA/CE/Res.435 (XXV-O/05), adopted by the Executive Committee at its Twenty-fifth Regular Meeting, and document IICA/JIA/Doc.293 “Revised Measures for Collecting Quotas Owed to the Institute,”

CONSIDERING,

That in Resolution IICA/JIA/Res.392 (XII-0/03), the Inter-American Board of Agriculture (“IABA”) adopted “Measures for Collecting Quotas Owed to the Institute;”

That in Resolution IICA/CE/Res.417 (XXIV-O/04), the Executive Committee recommended that the IABA amend Resolution IICA/JIA/Res. 392 retroactive to January 1, 2004, to give the Director General the option of consulting first with the Executive Committee or the IABA for guidance prior to applying those measures in cases where, in the Director General’s judgment, “implementation of any or all of the measures put in place for collecting quotas owed the Institute would not be in the best interest of the Institute;”

That the Special Advisory Commission on Management Issues (SACMI), meeting in March 2005, recommended that the Director General, together with the Legal Advisor, prepare a proposal in the form of a draft resolution “that would clear up certain ambiguities” in Resolutions IICA/JIA/Res.392 and IICA/CE/Res.417 so as to facilitate application of those measures, consistent with Article 24 of the Convention on the Inter-American Institute for Cooperation on Agriculture and IICA’s other rules and regulations;

That the Executive Committee took note of the comments of the delegations regarding the proposal put forth and, in Resolution IICA/CE/Res.435 (XXV-O/05), recommended that the IABA derogate the appendix to Resolution IICA/JIA/Res.392, entitled “Measures for Collecting Quotas Owed to the Institute,” and replace it with the revised version appended hereto and bearing the same title,

RESOLVES:

To eliminate the appendix to Resolution IICA/JIA/Res.392, entitled “Measures for Collecting Quotas Owed to the Institute,” and replace it with the document entitled “Revised Measures for Collecting Quotas Owed to the Institute,” attached to this Resolution as Appendix I.

APPENDIX I

REVISED MEASURES FOR COLLECTING QUOTAS OWED THE INSTITUTE

I. DEFINITIONS

For the purposes of these measures, the following definitions shall apply:

- A. Up-to-Date status: A Member State is in “Up-to-Date Status” when it has paid all of its assessed Regular Fund quotas to IICA.
- B. Regular Status: A Member State is in “Regular Status” when it owes no more than two full years of assessed Regular Fund quotas to IICA.
- C. Special Status: A Member State is in “Special Status” when it owes more than two full years of assessed Regular Fund quotas to IICA, has agreed with the Director General to a payment plan for all its arrearages, and is in full compliance with that payment plan.
- D. In Arrears Status: A Member State is in “In Arrears Status” when it owes more than two years of assessed Regular Fund quotas to IICA and does not satisfy all the above-stated requirements for Special Status.
- E. Years in arrears: This is the number of years for which assessed Regular Fund quotas are owed as of July 1 of the current year, regardless of whether the Member State has entered into a payment plan and is in compliance with that schedule.

II. RULES FOR COMPUTING STATUS AND YEARS IN ARREARS FOR APPLICATION OF THESE MEASURES

- A. Article 86 of the Rules of Procedure of the General Directorate and Article 70 of the Rules of Procedure of the IABA provide that quotas are “due on the first day of each fiscal year.” Nonetheless, those Articles shall not apply for determining the status of a Member State under these measures.
- B. During the current year, a Member State shall retain the status it had as of December 31 of the prior year, provided it makes a payment equal to the current year’s quota by June 30 of the current year. Failure to make that payment by June 30 will result in an adjustment of status.
- C. By making additional payments during the current year, a Member State that is not already in Up-to-Date Status may improve its status at any time during that year.
- D. As provided under Article 84 of the Rules of Procedure of the General Directorate, quota payments received “shall be credited against the balance receivable pending from the earliest year for which the money is owed.”

III. RIGHTS AND PRIVILEGES OF IICA MEMBER STATES IN UP-TO-DATE STATUS

- A. The rights and privileges of IICA Membership for Member States in Up-to-Date Status include, among others, the following:
1. The right to vote in the meetings of the Executive Committee and the Inter-American Board of Agriculture;
 2. The right to nominate candidates for the position of Director General;
 3. The right to have their nationals serve in the position of Director General;
 4. The right to nominate candidates to serve on Committees and to serve in leadership positions on those Committees;
 5. The right to hiring preferences for their nationals;
 6. The right to an Office of the Institute in their territory, funded by IICA's Regular Fund;
 7. The right to serve on the Special Advisory Commission on Management Issues (SACMI);
 8. The right to receive an allocation from the IICA Regular Fund Budget for in-country projects.
 9. The privilege of hosting IICA meetings in their territory, funded in whole or in part by IICA's, Regular Fund Budget.¹
 10. The privilege of receiving extraordinary appropriations from the Working Subfund of the Regular Fund, as approved by the Executive Committee in accordance with Article 90 of the Rules of Procedure of the General Directorate
- B. The exclusion of any right or privilege stated in Part A above does not preclude the existence of other rights and privileges IICA Member States may enjoy.

IV. RIGHTS AND PRIVILEGES OF MEMBER STATES IN REGULAR AND IN SPECIAL STATUS

- A. Member States in Regular Status shall enjoy all the rights and privileges of Up-to-Date status described in Part III(A) above, except for the privilege of receiving extraordinary appropriations from the Working Subfund of the Regular Fund, as approved by the Executive Committee in accordance with Article 90 of the Rules of Procedure of the General Directorate.
- B. Member States in Special Status shall enjoy all the rights and privileges of Up-to-Date status described in Part III(A) above, except for the privilege of receiving extraordinary appropriations from the Working Subfund of the Regular Fund, as approved by the Executive Committee in accordance with Article 90 of the Rules of Procedure of the General Directorate.

V. RIGHTS AND PRIVILEGES OF MEMBER STATES IN ARREARS

- A. Any Member State in In Arrears Status shall have its right to vote suspended unless it is determined, in accordance with Article 24 of the Convention on the Inter-American Institute for Cooperation on Agriculture, by the IABA or the Executive Committee, as the case may be, "that failure to pay is due to circumstances beyond the control of that State."
- B. Of the other rights and privileges enumerated in Part III(A) above, any Member State in arrears shall enjoy only the rights and privileges listed below, in accordance with the number of years in arrears:
1. More than two full fiscal years in arrears, but less than three:
 - a. The right to nominate candidates for the position of Director General;
 - b. The right to have their nationals serve in the position of Director General;

¹ For purposes of applying this privilege, funding from the IICA Regular Fund does not include the funds used to pay for the salaries of the staff members who must attend those meetings, regardless of where they are held.

- c. The right to nominate candidates to serve on Committees and to serve in leadership positions on those Committees.
 - d. The right to hiring preferences for their nationals;
 - e. The right to an Office of the Institute in their territory, funded by IICA's Regular Fund; however, the amount authorized will be reduced by 10%;
 - f. The right to serve on the SACMI;
 - g. The right to receive an allocation from the IICA Regular Fund Budget for in-country projects.
2. Three full fiscal years in arrears, but less than four:
- a. The right to nominate candidates for the position of Director General;
 - b. The right to have their nationals serve in the position of Director General;
 - c. The right to nominate candidates to serve on Committees and to serve in leadership positions on those Committees.
 - d. The right to hiring preferences for their nationals;
 - e. The right to an Office of the Institute in their territory, funded by IICA's Regular Fund; however, the amount authorized will be reduced by 20%;
 - f. The right to serve on the SACMI;
 - g. The right to receive an allocation from the IICA Regular Fund Budget for in-country projects.
3. Four full fiscal years in arrears, but less than five:
- a. The right to hiring preferences for their nationals;
 - b. The right to an Office of the Institute in their territory, funded in part by IICA's Regular Fund; however, the amount authorized will be reduced by 40%;
 - c. The right to serve on the SACMI;
 - d. The right to receive an allocation from the IICA Regular Fund Budget for in-country projects.
4. Five or more full fiscal years in arrears: None of the rights and privileges set out in Part III(A) above.

VI. THE SUSPENSION OF THE RIGHT TO VOTE

- A. The decision as to whether to suspend the right to vote of a Member State with In Arrears Status lies exclusively with the IABA and the Executive Committee, as the case may be, under Article 24 of the Convention on the Inter-American Institute for Cooperation on Agriculture.
- B. Voting rights may be restored automatically when a State in In Arrears Status changes its status to Special Status, Regular Status, or Up-to-date Status. They may also be restored by either the Executive Committee or the IABA, upon the presentation of a petition by the interested State, as set out in Article 6.4 of the Regulations for Application of Article 24 of the Convention on the Inter-American Institute for Cooperation on Agriculture.

VII. SUSPENDING THE ECONOMIC IMPACT OF IN ARREARS STATUS IN THE BEST INTEREST OF THE INSTITUTE²

- A. If the Director General determines that it is not in the best interest of the Institute to implement the reduced levels of funding for projects and Office support for any Member State in "In Arrears" status, he/she may first consult with the Executive Committee or the IABA before applying them and propose the suspension or modification of the reduction prescribed. The consultation shall be by correspondence if there is no meeting of the IABA or Executive Committee scheduled within ninety days of the date the State becomes subject to those reductions.

² This section of the measures is effective as of January 1, 2004. This section replaces the Executive Committee's recommendation in Annex B of Resolution IICA/CE/Res. 417.

- B. The IABA or the Executive Committee, as the case may be, may consider the Director General's proposal for not applying the reduced levels and may approve the proposal or any other lesser reduction that it deems appropriate. If the IABA or the Executive Committee rejects the proposal and provides no other relief, or they fail to respond within thirty days to the consultation by correspondence, the Director General shall apply the reductions prescribed in these measures.
- C. In the event the Director General decides to make the consultation and a proposal as provided in this Section, the interested State shall be given due notice with sufficient time to explain its position to the other Member States before the Executive Committee or Board rules on the proposal.
- D. For purposes of this provision, "the best interests of the Institute" include the "purposes" established in Article 3 of the Convention on the Inter-American Institute for Cooperation on Agriculture and the programs and policies adopted by the Institute in pursuit of those purposes.

VIII. GUIDELINES FOR PAYMENT PLANS

- A. The Payment Plan shall be in writing and signed by the Director General and the duly authorized representative of the participating Member State.
- B. The Plan shall provide for the payment of the entire amount owed over a period of no more than forty-eight months.
- C. The Plan shall obligate the participating Member State to make a payment equal to at least the current year's assessed quota within fifteen days of its signature and a payment for each subsequent year the Plan is in force of an amount at least equal to the quota assessed for each of those years.
- D. The Director General may negotiate and accept payment terms with Member States for the payment of amounts past due in national currency, real estate, or other valuable assets, ad referendum of the Executive Committee, and only upon a determination that:
 - 1. In the case of national currency or other valuable assets, the Institute shall not be financially prejudiced by the acceptance of said currency or assets; and
 - 2. In the case of real estate, the specific conditions under Article 4.20 of the Financial Rules "Accepting Donations of Interests in Real Property" have been satisfied and over a reasonable time, the Institute will earn income or generate savings from the occupancy, use, sale, or rental of the property in an amount equal to or greater than the corresponding arrearages.

IX. NOTICE OF STATUS PRIOR TO ELECTIONS AND MEETINGS

- A. When circulating to the Member States documents presented by a Member State nominating a candidate, the General Directorate shall indicate in the transmittal notice whether the status of the nominating Member State, and if different, the state of the nationality of the candidate, is Up-to-Date, Regular, Special, or In Arrears. It shall also indicate the number of years in arrears for the relevant States.
- B. The notice of Debtor States sent prior to meetings of the IABA and Executive Committee under Article 3.1 of the Regulations for Application of Article 24 of the Convention on the Inter-American Institute for Cooperation on Agriculture shall indicate, inter alia, the status of each Member State under these measures and the number of years, if any, that it is in arrears.