

**RESOLUTION 392**

**PROPOSAL FOR THE COLLECTION OF QUOTA CONTRIBUTIONS  
OWED TO THE INSTITUTE**

The EXECUTIVE COMMITTEE, at its Twenty-third Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc.429(a) "Proposed Measures for Ensuring the Timely Payment and Collection of Quota Contributions Owed to IICA" and document IICA/CE/Doc.424(03)rev., "Report of the Special Advisory Commission on Management Issues,"

CONSIDERING:

That the Institute continues to face serious financial difficulties as a result of the failure of some Member States to pay their quotas;

That this deficit limits the Institute's ability to fulfill its mandate and launch new programs consistent with the Plan of Action of the Summit Process, and to implement the Declaration of Bavaro and the Institute's 2002-2006 Medium Term Plan and other actions requested by the Member States;

That the failure of some Member States to help maintain the Institute through the timely payment of quotas seriously affects IICA's financial viability and the cooperation it provides to the Member States;

That the Special Advisory Commission on Management Issues, during its meeting held May 29-30, 2003, recommended a set of measures to facilitate the collection of quota arrearages;

That the Executive Committee recognized the importance of finding mechanisms to help the Member States bring themselves up to date with their quota payments to IICA so that it may have the budgetary resources it requires to execute its activities in an orderly manner,

RESOLVES:

1. To urge the Member States that owe quotas to IICA to pay their pending quotas as soon as possible, to enable the Institute to fully comply with its mandates.
2. To instruct the Director General to implement the measures recommended by the Special Advisory Commissions on Management Issues for collecting quota arrearages set out in the single Appendix attached to this resolution.
3. To thank the Special Advisory Commission on Management Issues for recommending ways of solving the problem that the Institute faces due to the large amounts owed by some Member States.

**APPENDIX****PROPOSED MEASURES****I. DEFINITION OF THE STATUS OF THE MEMBER STATES WITH REGARD TO QUOTA PAYMENTS****A. Up-to-date status:**

A Member State's status is considered "up to date" when it has paid the entirety of the payments in accordance with its assigned quota. Pursuant to Article 70 of the IABA, quotas are considered in arrears as of the first day of each fiscal year. As an exception to this rule, and for purposes of this definition, Member States that have paid the totality of their quotas by 30 June of the current year, shall be considered "up to date".

**B. Regular status:**

A Member State's status is considered "regular" when it owes one quota or part of one, or the annual quota and part of the quota of the previous fiscal year. For purposes of this provision, Member States that owe less than two complete quotas as of June 30 this year, shall be considered "regular."

**C. Special situation:**

A Member State's status is considered "special" when it has agreed to a payment schedule with the Director General, and that schedule is being met. For purposes of this provision, Member States that by June 30 owe the quota of the year plus one or more full quotas of previous fiscal years, and that have agreed to a payment schedule with the Director General, which is being met and for which at least one payment has been made in the current year, shall be considered to have "special status." Once a Member State in special status has reduced its arrearages to less than two years, it will be considered "regular."

**D. In arrears:**

A Member State's status is "in arrears" when it owes the quota of the year plus one or more full quotas of previous fiscal years. For purposes of this provision, Member States that by June 30 owe the quota of the year plus one or more full quotas of previous fiscal years, have not agreed to a payment schedule and are not meeting one, shall be considered to be "in arrears."

## II. GENERAL PROVISIONS TO ENCOURAGE THE TIMELY PAYMENT OF QUOTAS

### A. Applicable to Member States that have up-to-date and regular status:

1. They will have the right to vote in the Executive Committee and the IABA.
2. They can host IICA meetings.
3. They can nominate candidates for the position of Director General.
4. They can nominate candidates to positions on Committees.
5. Nationals of these Member States will be given preference in IICA hiring.
6. The IICA Office in the country may be allocated additional quota resources, as a result of the application of budgetary reductions to IICA Offices in Member States that have in-arrears status, quota collection permitting.
7. They are eligible to serve as members of the SACMI.

### B. Applicable to Member States that have special status:

1. They will have the right to vote in the Executive Committee and the IABA.

### C. Applicable to Member States that have in-arrears status, in accordance with the degree of delay:

1. Member States that owe the quotas of two complete fiscal years.
  - i. Suspension of the right to vote.<sup>1</sup>
2. Member States that owe the quotas of three complete fiscal years:
  - i. Suspension of the right to vote.<sup>1</sup>
  - ii. 20% reduction in the annual quota budget allocated to the Office in the country.
3. Member States that owe the quotas of four complete fiscal years:
  - i. Suspension of the right to vote.<sup>1</sup>
  - ii. 40% reduction in the annual quota budget allocated to the Office in the country.

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<sup>1</sup> Article 24 of the Convention on the Institute, Article 69 of the Rules of Procedure of the IABA, and Article 77 of the Rules of Procedure of the Executive Committee establish the rules regarding the suspension of the right to vote. For details on the enforcement of these rules, see the Aide Memoire included in the document: *Convention and Basic Rules of Procedure of IICA*, Official Documents Series N° 22, pp. 23-31.

- iii. Additional charge for managing projects financed with government resources, in partial payment of quotas owed.
4. Member States that owe quotas for five or more complete fiscal years:
- i. Suspension of the right to vote.<sup>1</sup>
  - ii. Reduction of IICA actions in the country
  - iii. Closing of the IICA Office in the country (as a last and extreme measure, not to be taken without considering the costs involved in re-opening the Office, and that the country must cover such costs should it pay its arrearages or arrange a payment schedule with the Institute).
5. The SACMI recommends that the General Directorate consider other alternatives for encouraging payment of quotas.

### III. CONDITIONS FOR THE PAYMENT SCHEDULE OF A MEMBER STATE

- A. A minimum initial payment of one annual quota, and a maximum term of 24 months for paying the accumulated debt.
- B. The plan should take into account the payment of quotas for following fiscal years, so as not to generate new debts.
- C. Submit a payment plan to IICA, signed and formalized by the government and the Institute
- D. Not to accept special contributions in the form of personnel, office space, communications, etc., as payment for overdue quotas, but rather as an alternative form of support for IICA's finances.
- E. Other proposals submitted by the member countries, subject to evaluation by the Institute.

### IV. SPECIAL AND TRANSITORY PROVISIONS FOR THE YEAR 2003 FOR MEMBER STATES THAT HAVE "IN ARREARS" STATUS

- A. As an exception and a special incentive for establishing payment schedules, and for the purposes of Article 24, payment of one complete quota may be applied to the current year, provided that the Member State has agreed to a payment schedule and is meeting it.
- B. Before proceeding to close an IICA Office in a Member State that owes quotas for five or more complete fiscal years, an additional extension to December 31 will be granted for beginning to execute the payment schedule, so that it may apply for special status.

- C. With payment of one annual quota and the establishment of a schedule for paying at least 50% of the debt within a period of 24 months, as an exception, other proposals by the Member States may be considered, such as payments in national currency, in kind or in marketable securities, in payment of the other 50% of the debt.

V. SPECIAL CONSIDERATION FOR THE CONTRIBUTIONS MADE BY MEMBER STATES THAT HOST MEETINGS OF THE EXECUTIVE COMMITTEE OR THE IABA

- A. Even though many Member States are interested in hosting meetings of the Executive Committee and the IABA, they cannot do so due to the additional costs often incurred in connection with holding same. The Executive Committee and the IABA could consider the possibility of covering a portion of said costs for those countries that are up to date in the payment of their quotas, or are complying with a payment plan.