

RESOLUTION No. 417

**PROGRESS REPORT ON THE COLLECTION OF QUOTAS OWED TO THE
INSTITUTE AND ON COMPLIANCE WITH IABA RESOLUTION 392**

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

HAVING SEEN:

Documents IICA/CE/Doc.445(04) "Financial Situation of the Institute" and IICA/EC/Doc.446(04), "Progress Report on the Collection of Quotas Owed to the Institute,"

CONSIDERING:

That the timely payment of quotas to IICA is essential to enable the Institute to operate normally and to generate the products that the Member States require, making it a matter of urgency that countries in arrears bring their quota payments with the Institute up to date;

That Resolution 392 of the Inter-American Board of Agriculture (IABA), "Proposal for the Collection of Quota Contributions owed to the Institute," establishes "Measures for Collecting Quotas Owed to the Institute" ("Measures");

That, since the adoption of those measures, Ecuador has brought itself up to date in the payment of its quotas by making a contribution equivalent to seven quotas, an example worthy to be followed by other Member States; and Argentina, Brazil and Uruguay have complied with the payment plans that they agreed to with the Institute;

That, despite these exemplary cases and the extraordinary efforts of the General Directorate to collect quota arrearages, some Member States are still in arrears and subject to the application of the aforementioned Measures;

That, in response to a request from the Director General, this Executive Committee set up a Working Group to make recommendations to the plenary concerning the application of the Measures;

That the Working Group, having carefully studied the cases of all the Member States that owe quotas to the Institute, made recommendations regarding the application

of the Measures and recommended that this Executive Committee submit to the consideration of the next regular meeting of the IABA a proposal to facilitate a more balanced application of the measures, in keeping with the best interests of the Institute;

That, in the Working Group and in the sessions of the Executive Committee, the Member States have demonstrated their readiness to cooperate in the search for creative and pragmatic solutions to improve the Institute's financial and operational viability;

That several Member States have offered to use their good offices to assist the Director General in his efforts to collect the quotas owed to the Institute.

RESOLVES:

1. To thank all the Member States that, pursuant to Resolution IICA/JIA/RES.392, are "up to date," enjoy "regular status" or are in a "special situation".
2. To thank the Working Group set up by this Committee for its efficiency, creativity and willingness to propose practical recommendations to facilitate the fair and logical application of the Measures.
3. To adopt the recommendations made in Annex A of this Resolution and instruct the Director General to put them into effect.
4. To thank the countries in arrears that, as a result of the efforts of the Working Group, have pledged to sign payment plans and make the corresponding payments.
5. To recommend that, at its next regular meeting, the Inter-American Board of Agriculture amend, retroactive to 1 January 2004, the Measures for Collecting Quotas Owed to the Institute established in Resolution IICA/JIA/RES.392 (XII-O/03), adding a new Section VI, attached to this resolution as Annex B.
6. To urge the Director General to continue the efforts to collect the quotas owed to the Institute and to take advantage of offers from the Member States to assist him, individually and collectively, in this endeavor.

ANNEX A

Antigua & Barbuda

To request that Antigua & Barbuda pay US\$5,502, one annual quota, during the second semester of 2004 as an indication of commitment to pay, and present to the Director General of the Institute by May 2005 a plan for payment of quota amounts past due.

Argentina

To recognize compliance by Argentina with commitments made under its payment plan, recognizing special status achieved, and to request that Argentina pay US\$1,006,744 during the second semester of 2004, to complete payment of 150% of an annual quota and maintain special status.

Brazil

To recognize financial compliance by Brazil with the commitment under Resolution 392, and the written formalization of the commitment to pay, recognizing special status achieved, and to request that Brazil pay US\$1,190,458, during the second semester of 2004, to complete payment of 150% of an annual quota and maintain special status.

Colombia

To request Colombia proceed with the announced payment of its accumulated quotas due of US\$522,783 by October 31, 2004, and, if necessary, to formalize via official letter to the Director General by December 31, 2004 its commitment to pay any remaining amounts.

Costa Rica

To request that Costa Rica proceed with the payment of US\$35,761, one annual quota, by October 31, 2004, and present a plan for payments of accumulated quota arrearages to the Director General of the Institute by December 31, 2004

Nicaragua

To request that Nicaragua pay an advance on amounts due under its payment plan by October 31, 2004, as an indication of its intention to pay under that plan, and to inform the Director General of the Institute by October 31, 2004, on expectations for additional payments.

Paraguay

To recognize the commitment made by Paraguay to pay its accumulated arrearages of US\$233,858, paying 50% of this amount (US\$116,929), by December 31, 2004, and the remaining 50% (US\$116,929) by December 31, 2005; to request that Paraguay pay at least half of the US\$116,929 for the year 2004 by October 31, 2004, for Special Status, and the balance of the 2004 commitment by December 31, 2004; and to request that it formalize via official letter to the Director General its commitment to pay US\$116,929 in 2005.

Peru

To acknowledge the presentation by Peru of a proposal for reduction or cancellation of its arrearages, in exchange for providing IICA with use of a building. To request that the proposal be reviewed with the Director General of the Institute to study the details of the proposal To authorize the Director General, in accordance with Rule 4.20 of the Financial Rules of the Institute, to accept the use of the building as part of the payment of arrearages, if he determines that it is in the best interests of the Institute; and to request that Peru pay the amount of US\$112,786, one annual quota, by October 31, 2004.

Suriname

To recognize partial compliance of Suriname with its commitment, to merit special status, and to request that Suriname proceed with the remaining payment of US\$24,000 per its commitment for 2004, and present to the Director General of the Institute by December 31, 2004 a plan for payment of accumulated quota arrearages, to maintain this status.

Venezuela

To request that Venezuela proceed with payment of the commitment made for US\$1,830,000 by October 31, 2004 and formalize via an official letter to the Director General of the Institute, before December 31, 2004, its commitment to pay in future years at least 150% of an annual quota to cancel accumulated arrearages.

General

- Request that the Director General inform each Member States that owes three or more quotas and is not in compliance with their payment plan of the possible implications of the application of Resolution 392.
- For any Member State that owes three or more quotas and is not in compliance with its payment plan, there will be a reduction in 2005 either of 20% of the quota budget assigned to the IICA office in that Member State, or of an amount equal to its annual quota assessment, whichever is less.

ANNEX B

VI. IMPLEMENTATION OF MEASURES

If, in the judgment of the Director General, in any particular case implementation of any or all of the measures put in place for collecting quotas owed the Institute would not be in the best interests of the Institute, the Director General may consult with the Executive Committee or the Inter-American Board of Agriculture for guidance before applying them. By this consultation process, the Executive Committee or the Board, as the case may be, may consider proposals by the Director General and authorize suspension of any or all of the measures or such alternative action as it deems appropriate. During the process, the subject Debtor State, with due notice, shall have the opportunity to explain its position to the other Member States before the Executive Committee or Board authorizes any such action. For the 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 objectives.