

2021 Conference of Ministers of Agriculture of the Americas – Twenty-first Regular Meeting of the Inter-American Board of Agriculture (IABA)

Report on the collection of quotas

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I. INTRODUCTION

Contributions from the Member States are used to fund the cooperation programs that the Inter-American Institute for Cooperation on Agriculture (IICA) carries out in each country to meet the needs and demands of the agriculture sector and promote sustainable and competitive agriculture in the Americas.

The Convention on IICA, in Article 23, stipulates that the Member States shall contribute to the financial support of IICA by means of 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).

In Resolution IICA/JIA/Res. 523 (XX-O/19) "2020-2021 Program Budget," the Member States adopted the biennial budget with quota financing of USD 29,574,100 per year, in accordance with the Member States' quota scale. This sum includes USD 386,500 in over-quota contributions pledged by the Member States. The assessed quotas are computed in accordance with the percentages established in the quota scale approved by the General Assembly of the OAS for that period.

Furthermore, the Institute focuses institutional resources on strengthening technical cooperation services under the 2018-2022 Medium-Term Plan (MTP), with the financial platform providing the cornerstone for those efforts in support of agriculture in the member countries.

The Institute's regular budget financed with quotas, as well as the agreements on over-quotas, give IICA the financial capacity needed to fund its internal operations and provide technical cooperation. The continued efforts of the Member States in the timely fulfillment of their quota commitments are necessary in order to prevent fluctuations in financing and provide the amount of funding agreed upon to enable the Institute to implement its MTP.

This document presents information regarding quotas at the close of 2020 and the collection of quotas in 2021, including the current situation of the Member States and the status of outstanding quotas as at July 29, 2021. Attached for reference is Resolution IICA/JIA/Res. 414 (XVIII-O/15) "Revised Measures for Collecting Quotas Owed to the Institute," which contains the definitions of the situation of Member States with regard to the payment of quotas, as well as the rights and privileges of IICA's Member States based on their payment status.

II. COLLECTION OF MEMBER STATES' QUOTAS

At the beginning of 2020, the total amount of quotas pending collection was USD 42.5 million, of which USD 29.6 million were quotas corresponding to 2020 and USD 12.9 million quotas owed from previous years.

During 2020 the Institute received USD 25.2 million in quota contributions from twenty-six Member States, 85.33% of the annual quota budget. The amount of quotas outstanding at the end of the year was USD 17.3 million, an increase of USD 4.4 million compared to year-end 2019.

As shown in the chart 1, sixteen Member States ended the year 2020 in "Up-to-date Status", with quotas paid in full, and fifteen in "Regular Status," owing two years or less. Three Member States ended the year in "In Arrears Status", one owing more than two quotas, one owing more than four quotas and one owing quotas for ten years.

■ Up-to-Date Regular 20 Special In Arrears 18 16 15 20 14 15 15 15 10 Up-to-Date Regular 5 Special In Arrears 0 2016 2017 2018 2019 2020

Chart 1. Progress in the status of the Member States' quotas (2016-2020)

As of the date of this report, ten Member States are in "Up-to-date Status," twenty are in "Regular Status" and four Member States are in "In arrears Status".

III. STATUS OF QUOTA COLLECTION IN 2021

As at January 1, 2021 the total amount of quotas pending collection was USD 46.9 million, of which USD 29.6 million were quotas for 2021 and USD 17.3 million from previous years.

The amount collected as at July 29, 2021 was USD 21.3 million, corresponding to 72.10% of the quota resolution for financing the 2021 Program Budget, and contributions have been received from eight Member States. The total amount owing is USD 25.5 million, as shown in the following Statement of Quotas.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE STATEMENT OF QUOTAS OF THE MEMBER STATES AS OF JULY 29, 2021

UNCOLLECTED BEGINNING BALANCE CURRE									
COUNTRY	DUE FROM PREVIOUS YEARS	QUOTA 2021	TOTAL DUE AT JANUARY 1, 2021	COLLECTED	BALANCE AMOUNT DUE				
ANTIGUA AND BARBUDA	0	9,600	9,600	0	9,600				
ARGENTINA	1,126,500	1,194,000 2,320,500		1,126,500	1,194,000				
BAHAMAS	0	0 22,000 22,00		22,000	0				
BARBADOS	13,100	14,900	28,000	0	28,000				
BELIZE	0	0 9,600 9,600		0	9,600				
BOLIVIA	21,100	.100 22,600 43,700		0	43,700				
BRAZIL	7,304,000			3,652,000	7,584,400				
CANADA	0	3,093,900	3,093,900	3,093,900	0				
COLOMBIA	1,825,000	517,100	2,342,100	0	2,342,100				
COSTA RICA	45,729	83,400	129,129	38,577	90,552				
CHILE	105,103	461,300	566,403	351,131	215,272				
DOMINICA	0	9,600	9,600	9,600	0				
DOMINICAN REPUBLIC	85,836	88,000	173,836	0	173,836				
ECUADOR	315,216	130,500	445,716	1,233	444,482				
EL SALVADOR	34,800	36,500	71,300	0	71,300				
GRENADA	0	9,600	9,600	9,600	0				
GUATEMALA	0	67,800	67,800	67,800	0				
GUYANA	0	10,200	10,200	8,233	1,967				
HAITI	0	12,700	12,700	10,680	2,020				
HONDURAS	0	16,700	16,700	16,700	0				
JAMAICA	820	21,800	22,620	20,524	2,096				
MEXICO	0	2,042,400	2,042,400	0	2,042,400				
NICARAGUA	0	11,300	11,300	11,300	0				
PANAMA	0	66,400	66,400	66,400	0				
PARAGUAY	2,176	36,400	38,576	0	38,576				
PERU	316,998	326,700	643,698	316,998	326,700				
SAINT LUCIA	0	9,600	9,600	9,600	0				
SAINT KITTS AND NEVIS	0	9,600	9,600	9,600	0				
SAINT VINCENT AND THE GRENADINES	1,968	9,600	11,568	0	11,568				
SURINAME	10,700	12,700	23,400	0	23,400				
TRINIDAD AND TOBAGO	52,800	55,800	108,600	0	108,600				
UNITED STATES OF AMERICA	0	16,515,000	16,515,000	12,386,250	4,128,750				
URUGUAY	95,300	102,000	197,300	95,300	102,000				
VENEZUELA	5,935,479	612,400	6,547,879	0	6,547,879				
TOTAL	17,292,625	29,574,100	46,866,725	21,323,926	25,542,799				
% COLLECTION / OUTSTANDING BALANCES 45.50% 54.5									
% BUDGET PROGRAM 72.10%									

Financial Management

IV. STATUS OF OUTSTANDING QUOTAS

The status of each country with regard to quota payments as at July 29, 2021 is shown in the table below:

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE REPORT OF UNCOLLECTED QUOTAS BY COUNTRY AND BY YEAR

AS OF JULY 29, 2021

COUNTRY	2011-2015	2016	2017	2018	2019	2020	2021	TOTAL	
UP-TO-DATE STATUS									
BAHAMAS	0	0	0	0	0	0	0	0	
CANADA	0	0	0	0	0	0	0	0	
DOMINICA	0	0	0	0	0	0	0	0	
GRENADA	0	0	0	0	0	0	0	0	
GUATEMALA	0	0	0	0	0	0	0	0	
HONDURAS	0	0	0	0	0	0	0	0	
NICARAGUA	0	0	0	0	0	0	0	0	
PANAMA	0	0	0	0	0	0	0	0	
SAINT LUCIA	0	0	0	0	0	0	0	0	
SAINT KITTS AND NEVIS	0	0	0	0	0	0	0	0	
REGULAR STATUS									
ANTIGUA AND BARBUDA	0	0	0	0	0	0	9,600	9,600	
ARGENTINA	0	0	0	0	0	0	1,194,000	1,194,000	
BARBADOS	0	0	0	0	0	13,100	14,900	28,000	
BELIZE	0	0	0	0	0	0	9,600	9,600	
BOLIVIA	0	0	0	0	0	21,100	22,600	43,700	
BRAZIL	0	0	0	0	0	3,652,000	3,932,400	7,584,400	
CHILE	0	0	0	0	0	0	215,272	215,272	
COSTA RICA	0	0	0	0	0	7,152	83,400	90,552	
EL SALVADOR	0	0	0	0	0	34,800	36,500	71,300	
GUYANA	0	0	0	0	0	0	1,967	1,967	
HAITI	0	0	0	0	0	0	2,020	2,020	
JAMAICA	0	0	0	0	0	0	2,096	2,096	
MEXICO	0	0	0	0	0	0	2,042,400	2,042,400	
PARAGUAY	0	0	0	0	0	2,176	36,400	38,576	
PERU	0	0	0	0	0	0	326,700	326,700	
SAINT VINCENT AND THE GRENADINES	0	0	0	0	0	1,968	9,600	11,568	
SURINAME	0	0	0	0	0	10,700	12,700	23,400	
TRINIDAD AND TOBAGO	0	0	0	0	0	52,800	55,800	108,600	
UNITED STATES OF AMERICA	0	0	0	0	0	0	4,128,750	4,128,750	
URUGUAY	0	0	0	0	0	0	102,000	102,000	
	IN A	ARREARS	STATUS	:			,	,	
CO	UNTRIES OV	NING MC	RE THAN	I 2 QUOT	AS				
DOMINICAN REPUBLIC	0	0	0	0	3,736	82,100	88,000	173,836	
(OUNTRIES	OWING 4	or MORE	QUOTAS					
ECUADOR	0	0	0	71,182	121,400	121,400	130,500	444,482	
COUNTRIES OWING 5 or MORE QUOTAS									
COLOMBIA	0	0	384,400	480,200	480,200	480,200	517,100	2,342,100	
VENEZUELA	2,971,879	628,600	628,600	568,800	568,800	568,800	612,400	6,547,879	
TOTAL	2,971,879	628,600	1,013,000	1,120,182	1,174,136	5,048,296	13,586,705	25,542,799	

Note: Article 70 of the Rules of Procedure of the IABA provide that quotas are "due on the first day of each fiscal year." Additionally, Resolution IICA/JIA/Res.414 (XIII-O/05) establishes that quotas for the current year become past due if not paid by June 30 of the year, indicating "During the current year, a Member State shall retain the status it had as at 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."

V. 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 to 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 TO THE INSTITUTE

I. DEFINITIONS

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

- A. <u>Up-to-Date status</u>: A Member State is in "Up-to-Date Status" when it has paid all of its assessed Regular Fund quotas to IICA.
- B. <u>Regular Status</u>: A Member State is in "Regular Status" when it owes no more than two full years of assessed Regular Fund quotas to IICA.
- C. <u>Special Status</u>: 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. <u>In Arrears Status</u>: 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. <u>Years in arrears</u>: This is the number of years for which assessed Regular Fund quotas are owed as at 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 at December 31 of the previous 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 that 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 <u>only</u> 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;
 - 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.

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.

- 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. 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.
- 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 that the Director General decides to carry out the consultation and make a proposal as provided for 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.

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.

VIII. GUIDELINES FOR PAYMENT PLANS

- A. The Payment Plan shall be in writing and shall be 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 that 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 the 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.