

COUNCIL
29th extraordinary session
Agenda item 4(b)

C/ES.29/4(b)
25 September 2017
Original: ENGLISH

RESOURCE MANAGEMENT

(b) Report on arrears of contributions and advances to the Working Capital Fund and on the implementation of Article 61 of the IMO Convention

Note by the Secretary-General

SUMMARY

Executive summary: This document reports on the status of Member States' contributions and of advances to the Working Capital Fund as at 31 August 2017; as well as on the implementation of Article 61 of the IMO Convention and contains a draft Assembly resolution on Arrears of Contributions, for approval and submission to the thirtieth regular session of the Assembly for adoption

Strategic direction: 4

High-level action: 4.0.1

Output: 4.0.1.4

Action to be taken: Paragraph 12

Related documents: C 118/4(d) and its addendum

Summary of current position

1 The situation regarding contributions made and those due and payable (including those outstanding from previous years) by all Member States, as at 31 August 2017, is summarized below.

Table 1

Summary of Member States' Contributions					
Years		Balance due as at 01/01/2017	Amount Received	Balance due as at 31/08/2017	Total due (Sterling equivalent)
Current year 2017	£	30,116,000 ¹	28,644,658	1,471,342	1,471,342
	%	100.00%	95.11%	4.89%	
£ Arrears 1988 – 2016	£	1,399,777 ²	45,220	942,026	942,026
	%	100.00%	3.23%	67.30%	
\$ Arrears	\$	13,721	0	13,721	10,565 ³
1987 and earlier years	%	100.00%	0.00%	100.00%	
Total contributions due as at 31/08/2017					£2,423,933

2 As shown in table 1, the total amount due to the Organization, as at 31 August 2017, amounted to £2,423,933. Details of individual Member States' contributions and their status under the terms of Article 61 is found in annex 1, with a separate schedule showing the status of Council Members' contributions attached in annex 2.

3 As at 31 August 2017, 95.11% of current-year assessments had been received. This compares favourably with the collection rate at the same date of 88.97% for 2015 whilst being slightly below the rate for 2016 of 96.34%.

4 By the reporting date of 31 August 2017, of the 172 Member States and three Associate Members included in the Notice of Assessment, 112 had made full payment of their 2017 assessment, 40 had made partial payment and 23 had made no payment. Comparative figures for the past two years are given below.

Table 2

Comparison of Member States' Payments for the years 2015 to 2017				
Year	Full payment	Partial payment	No payment	Total
2017	112	40	23	175
2016	118	33	23	174
2015	117	37	19	173

¹ Excludes the Republic of Belarus assessed amount. The Republic of Belarus became a Member of IMO on 29 November 2016, but the Secretariat did not receive notification of its instrument of acceptance of the IMO Convention until January 2017.

² This figure includes the amount of £355,063 due from the former Socialist Federal Republic of Yugoslavia. There has been no further update from the United Nations Secretariat regarding the pre-dissolution arrears of the former Socialist Federal Republic of Yugoslavia.

³ Converted at the UN Exchange rate applicable as at 31 August 2017.

5 Of the 40 Council Members, 38 had made full payment of their 2017 assessment and two had made partial payments as at 31 August 2017.

6 The Council may wish to note that, of the 63 Member States who had arrears in contributions as at 31 August 2017, 46 Member States had balances for 2017 only, and 17 Member States still had arrears outstanding for 2016 and/or prior years. Table 3 below provides a summary of the age of contributions in arrears by Member States, as at 31 August 2017.

Table 3

Ageing of Member States' Arrears as at 31 August 2017							
	Fully paid	Earliest year outstanding					Total
		2017	2016	2015	2014	2013 or earlier	
Number of Member States	112	46	9	0	2	6	175
Amount (£)	0	1,352,970	96,654	0	37,271	937,038	2,423,933

Application of Article 61 of the IMO Convention

7 A total of 34 Member States, excluding the former Socialist Federal Republic of Yugoslavia, fell under the provision of Article 61 as at 1 January 2017. Details of their balances at that date are shown in annex 3. Between 1 January 2017 and 31 August 2017, the Plurinational State of Bolivia, the Republic of the Congo, the Republic of Djibouti, the Arab Republic of Egypt, the Islamic Republic of Iran, the Lebanese Republic, Libya, the Republic of Mozambique, the Republic of Namibia, the Republic of Senegal, the Republic of the Sudan, the former Yugoslav Republic of Macedonia, the Democratic Republic of Timor-Leste, Turkmenistan, the Eastern Republic of Uruguay, the Republic of Yemen and the Republic of Zimbabwe cleared their arrears in full up to 2016. Consequently, these 17 Member States no longer fall under the provision of Article 61.

8 Of the remaining 17 Member States falling under the provision of Article 61 as at 31 August 2017, the Federal Democratic Republic of Nepal cleared its arrears in full for 2015 and partially paid for 2016, the Republic of Zambia cleared its arrears in full for 2014 and partially paid for 2015, and the Union of Comoros cleared its arrears in full for 2012 and partially paid for 2013. No additional payments have been received from the remaining 14 Member States.

9 The Secretariat regularly reviews the situation with respect to Article 61 and reminders are sent on a quarterly basis to the Member States with outstanding balances. The Acting Director of the Administrative Division, in February and August of this year, contacted Member States' Ambassadors, High Commissioners and Permanent Representatives, seeking their assistance in expediting the payment of assessments due from their Governments. It will be recalled that it is incumbent upon all Members to pay their annual contributions within 30 days of receipt of the notice of assessment or on the first day of the calendar year to which they relate, whichever is later.

Advances to the Working Capital Fund

10 The Council will recall that at its twenty-eighth extraordinary session, the advances to the Working Capital Fund (WCF) from Members totalled £142,134. Since then, the WCF has been increased by the amounts which new Members are required to pay in accordance with the scale of contributions applicable to the budget of the year of their accession. Advances were received from the Republic of Belarus amounting to £64. The advances from Members to the WCF, as at 31 August 2017, totalled £142,198, of which £29 remained unpaid by the Democratic Republic of Sao Tome and Principe.

Draft Assembly resolution

11 Annex 4 contains a draft Assembly resolution on Arrears of Contributions, which the Council is invited to consider and approve for onward transmission to the Assembly.

Action requested of the Council

12 The Council is invited to:

- .1 take note of the information contained in this document;
- .2 note that monthly updates will be provided as addenda to Assembly document A 30/16(a);
- .3 reiterate its firm stance on the strict enforcement of Article 61 of the IMO Convention;
- .4 urge all Members that have not yet done so to fully meet their financial obligations to the Organization as early as possible;
- .5 approve the draft resolution attached in annex 4, for submission to the thirtieth regular session of the Assembly for adoption; and
- .6 otherwise, decide as it may deem appropriate.

REPORT ON MEMBER STATES' CONTRIBUTION

ASSESSMENTS AND RECEIPTS AS AT 31 AUGUST 2017										
	ASSESSMENT			RECEIPTS			BALANCE DUE AS AT 31/08/2017			TOTAL
	2017	1988-16	EARLIER*	2017	1988-16	EARLIER*	2017	1988-16	EARLIER*	DUE
	£	£	\$	£	£	\$	£	£	\$	£
i Member States under Article 61 which were granted a waiver at the 29th session of the Assembly										
SOMALIA	5,133.00	105,732.56	0.00	0.00	0.00	0.00	5,133.00	105,732.56	0.00	110,865.56
1	5,133.00	105,732.56	0.00	0.00	0.00	0.00	5,133.00	105,732.56	0.00	110,865.56
ii Member States under Article 61 which were not granted a waiver at the 29th session of the Assembly										
CABO VERDE	5,133.00	10,896.68	0.00	0.00	0.00	0.00	5,133.00	10,896.68	0.00	16,029.68
COMOROS	15,086.00	80,593.71	0.00	0.00	17,351.51	0.00	15,086.00	63,242.20	0.00	78,328.20
DOMINICA	12,663.00	80,048.38	0.00	0.00	0.00	0.00	12,663.00	80,048.38	0.00	92,711.38
GUINEA-BISSAU*	5,133.00	109,813.00	13,721.00	0.00	0.00	0.00	5,133.00	109,813.00	13,721.00	125,511.17
MALAWI	5,133.00	44,111.00	0.00	0.00	0.00	0.00	5,133.00	44,111.00	0.00	49,244.00
SAO TOME AND PRINCIPE	5,133.00	120,181.00	0.00	0.00	0.00	0.00	5,133.00	120,181.00	0.00	125,314.00
SYRIAN ARAB REPUBLIC	5,133.00	16,108.25	0.00	0.00	0.00	0.00	5,133.00	16,108.25	0.00	21,241.25
YUGOSLAVIA**		355,063.51	0.00	0.00	0.00	0.00	0.00	355,063.51	0.00	355,063.51
7	53,414.00	816,815.53	13,721.00	0.00	17,351.51	0.00	53,414.00	799,464.02	13,721.00	863,443.19
iii Member States under Article 61 since the 29th session of the Assembly										
CAMBODIA	12,972.00	189.77	0.00	0.00	0.00	0.00	12,972.00	189.77	0.00	13,161.77
CAMEROON	8,589.00	14,874.28	0.00	0.00	0.00	0.00	8,589.00	14,874.28	0.00	23,463.28
DEMOCRATIC REPUBLIC OF THE CONGO	7,466.00	5,133.00	0.00	0.00	0.00	0.00	7,466.00	5,133.00	0.00	12,599.00
DOMINICAN REPUBLIC	5,133.00	5,105.33	0.00	0.00	0.00	0.00	5,133.00	5,105.33	0.00	10,238.33
ERITREA	5,133.00	27.94	0.00	0.00	0.00	0.00	5,133.00	27.94	0.00	5,160.94
NEPAL	5,133.00	5,156.38	0.00	0.00	5,085.63	0.00	5,133.00	70.75	0.00	5,203.75
SAMOA	5,133.00	9.54	0.00	0.00	0.00	0.00	5,133.00	9.54	0.00	5,142.54
SOLOMON ISLANDS	5,133.00	5,123.29	0.00	0.00	0.00	0.00	5,133.00	5,123.29	0.00	10,256.29
ZAMBIA	5,133.00	11,156.00	0.00	0.00	4,860.68	0.00	5,133.00	6,295.32	0.00	11,428.32
9	59,825.00	46,775.53	0.00	0.00	9,946.31	0.00	59,825.00	36,829.22	0.00	96,654.22
iv Member States not under Article 61										
ALBANIA	5,133.00	0.00	0.00	16.73	0.00	0.00	5,116.27	0.00	0.00	5,116.27
ALGERIA	25,503.00	0.00	0.00	25,503.00	0.00	0.00	0.00	0.00	0.00	0.00
ANGOLA	6,783.00	0.00	0.00	19.74	0.00	0.00	6,763.26	0.00	0.00	6,763.26
ANTIGUA AND BARBUDA	185,842.00	0.00	0.00	185,842.00	0.00	0.00	0.00	0.00	0.00	0.00
ARGENTINA	38,618.00	0.00	0.00	38,618.00	0.00	0.00	0.00	0.00	0.00	0.00
AUSTRALIA	163,117.00	0.00	0.00	163,117.00	0.00	0.00	0.00	0.00	0.00	0.00
AUSTRIA	28,200.00	0.00	0.00	28,200.00	0.00	0.00	0.00	0.00	0.00	0.00
AZERBAIJAN	28,961.00	0.00	0.00	28,961.00	0.00	0.00	0.00	0.00	0.00	0.00
BAHAMAS	1,322,304.00	0.00	0.00	1,322,304.00	0.00	0.00	0.00	0.00	0.00	0.00
BAHRAIN	14,844.00	0.00	0.00	14,844.00	0.00	0.00	0.00	0.00	0.00	0.00
BANGLADESH	22,222.00	0.00	0.00	22,222.00	0.00	0.00	0.00	0.00	0.00	0.00
BARBADOS	22,310.00	0.00	0.00	22,310.00	0.00	0.00	0.00	0.00	0.00	0.00
BELGIUM	139,446.00	0.00	0.00	139,446.00	0.00	0.00	0.00	0.00	0.00	0.00
BELIZE	46,140.00	0.00	0.00	46,140.00	0.00	0.00	0.00	0.00	0.00	0.00
BENIN	5,133.00	0.00	0.00	6.15	0.00	0.00	5,126.85	0.00	0.00	5,126.85
BOLIVIA (PLURINATIONAL STATE OF)	5,133.00	95.14	0.00	5,133.00	95.14	0.00	0.00	0.00	0.00	0.00
BOSNIA AND HERZEGOVINA	5,133.00	0.00	0.00	5,133.00	0.00	0.00	0.00	0.00	0.00	0.00
BRAZIL	201,307.00	0.00	0.00	201,307.00	0.00	0.00	0.00	0.00	0.00	0.00
BRUNEI DARUSSALAM	19,799.00	0.00	0.00	0.00	0.00	0.00	19,799.00	0.00	0.00	19,799.00
BULGARIA	7,620.00	0.00	0.00	7,620.00	0.00	0.00	0.00	0.00	0.00	0.00
CANADA	197,035.00	0.00	0.00	197,035.00	0.00	0.00	0.00	0.00	0.00	0.00
CHILE	47,934.00	0.00	0.00	47,934.00	0.00	0.00	0.00	0.00	0.00	0.00
CHINA	1,236,270.00	0.00	0.00	1,236,270.00	0.00	0.00	0.00	0.00	0.00	0.00
COLOMBIA	28,618.00	0.00	0.00	9,729.34	0.00	0.00	18,888.66	0.00	0.00	18,888.66
CONGO	5,133.00	4,405.61	0.00	5,133.00	4,405.61	0.00	0.00	0.00	0.00	0.00

REPORT ON MEMBER STATES' CONTRIBUTION

ASSESSMENTS AND RECEIPTS AS AT 31 AUGUST 2017										
	ASSESSMENT			RECEIPTS			BALANCE DUE AS AT 31/08/2017			TOTAL
	2017	1988-16	EARLIER*	2017	1988-16	EARLIER	2017	1988-16	EARLIER*	DUE
	£	£	\$	£	£	\$	£	£	\$	£
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	5,133.00	5,058.51	0.00	0.00	5,058.51	0.00	5,133.00	0.00	0.00	5,133.00
TIMOR-LESTE	5,133.00	4,533.96	0.00	5,059.00	4,533.96	0.00	74.00	0.00	0.00	74.00
TOGO	34,379.00	0.00	0.00	28,321.38	0.00	0.00	6,057.62	0.00	0.00	6,057.62
TONGA	5,133.00	0.00	0.00	5,123.00	0.00	0.00	10.00	0.00	0.00	10.00
TRINIDAD AND TOBAGO	5,133.00	0.00	0.00	5,133.00	0.00	0.00	0.00	0.00	0.00	0.00
TUNISIA	10,593.00	0.00	0.00	10,593.00	0.00	0.00	0.00	0.00	0.00	0.00
TURKEY	180,181.00	0.00	0.00	180,181.00	0.00	0.00	0.00	0.00	0.00	0.00
TURKMENISTAN	7,796.00	7,518.52	0.00	7,796.00	7,518.52	0.00	0.00	0.00	0.00	0.00
TUVALU	19,293.00	0.00	0.00	19,278.00	0.00	0.00	15.00	0.00	0.00	15.00
UGANDA	5,133.00	0.00	0.00	5,132.87	0.00	0.00	0.13	0.00	0.00	0.13
UKRAINE	23,565.00	0.00	0.00	23,565.00	0.00	0.00	0.00	0.00	0.00	0.00
UNITED ARAB EMIRATES	43,859.00	0.00	0.00	43,859.00	0.00	0.00	0.00	0.00	0.00	0.00
UNITED KINGDOM	1,237,591.00	0.00	0.00	1,237,591.00	0.00	0.00	0.00	0.00	0.00	0.00
UNITED REPUBLIC OF TANZANIA	18,742.00	0.00	0.00	18,742.00	0.00	0.00	0.00	0.00	0.00	0.00
UNITED STATES OF AMERICA	831,412.00	0.00	0.00	396,941.94	0.00	0.00	434,470.06	0.00	0.00	434,470.06
URUGUAY	17,156.00	8,263.01	0.00	3.99	8,263.01	0.00	17,152.01	0.00	0.00	17,152.01
VANUATU	49,070.00	0.00	0.00	49,067.60	0.00	0.00	2.40	0.00	0.00	2.40
VENEZUELA (BOLIVARIAN REPUBLIC OF)	67,492.00	0.00	0.00	67,492.00	0.00	0.00	0.00	0.00	0.00	0.00
VIET NAM	103,382.00	0.00	0.00	0.00	0.00	0.00	103,382.00	0.00	0.00	103,382.00
YEMEN	5,133.00	36.18	0.00	0.00	36.18	0.00	5,133.00	0.00	0.00	5,133.00
ZIMBABWE	5,133.00	15.00	0.00	5,118.00	15.00	0.00	15.00	0.00	0.00	15.00
154	28,840,826.00	430,453.73	0.00	27,490,400.77	430,453.73	0.00	1,350,425.23	0.00	0.00	1,350,425.23
ASSOCIATE MEMBERS										
FAROEES	2,566.00	0.00	0.00	21.31	0.00	0.00	2,544.69	0.00	0.00	2,544.69
HONG KONG, CHINA	1,151,670.00	0.00	0.00	1,151,670.00	0.00	0.00	0.00	0.00	0.00	0.00
MACAO, CHINA	2,566.00	0.00	0.00	2,566.00	0.00	0.00	0.00	0.00	0.00	0.00
3	1,156,802.00	0.00	0.00	1,154,257.31	0.00	0.00	2,544.69	0.00	0.00	2,544.69
TOTAL	30,116,000.00	1,399,777.35	13,721.00	28,644,658.08	457,751.55	0.00	1,471,341.92	942,025.80	13,721.00	2,423,932.89
174										
NEW MEMBER										
BELARUS	14,359.00	1,134.00	0.00	14,359.00	1,134.00	0.00	0.00	0.00	0.00	0.00
1										
Note:	* Arrears due in US dollars have been converted to sterling at the August 2017 UN rate of exchange of \$1.00 = £0.77									
	**The former SFRY pre-dissolution arrears due from the five successor States is not included in the above count pending a decision by the United Nations General Assembly.									
	* * *									

ANNEX 4

DRAFT ASSEMBLY RESOLUTION

ARREARS OF CONTRIBUTIONS

THE ASSEMBLY,

RECALLING Article 60(b) of the Convention on the International Maritime Organization, which provides that "The Assembly shall apportion the expenses among the Members in accordance with a scale to be fixed by it after consideration of the proposals of the Council thereon.",

RECALLING ALSO Article 61 of the Convention stating that "Any Member which fails to discharge its financial obligation to the Organization within one year from the date on which it is due shall have no vote in the Assembly, the Council, the Maritime Safety Committee, the Legal Committee, the Marine Environment Protection Committee, the Technical Cooperation Committee or the Facilitation Committee unless the Assembly, at its discretion, waives this provision.",

RECALLING FURTHER the provision of rule 56*bis*(ii) of the Rules of Procedure of the Assembly, under which "Any Member wishing to request a waiver of the provision of Article 61 in respect of itself shall submit a written application to the Secretary-General at least one month before the Assembly giving reasons therefor, with a payment schedule indicating the timescale over which arrears will be paid.",

ALSO RECALLING the provision of rule 56*ter* of the Rules of Procedure of the Assembly, which states that "Any Member seeking election to the Council shall have discharged its obligations to the Organization or shall have committed itself at least one month before the Assembly to a schedule of payment submitted to the Secretary-General to do so ...",

FURTHER RECALLING regulation 5.4 of the Financial Regulations of the Organization, under which contributions and advances shall be considered as due and payable in full within thirty days of receipt of the communications of the Secretary-General, or as of the first day of the calendar year to which they relate, whichever is the later,

FURTHER RECALLING the introduction of the Contributions Incentive Scheme established in 1988 by resolution A.629(15), as amended by resolution A.1066(28), to encourage early payment of contributions in accordance with the Financial Regulations, by providing for the Organization's interest earnings on contributions to be distributed to Member States in accordance with an agreed formula,

WELCOMING the Secretary-General's continuous efforts to secure timely payment from Member States,

RECALLING WITH CONCERN that the level of arrears of contributions had, in the past, caused serious difficulties in the financial management of the Organization and in the execution of its work programme,

WELCOMING the efforts which a number of Member States have made to pay off their arrears and to settle the current year's contribution,

EMPHASIZING that timely payment of contributions by all Member States is essential in enabling the Organization to deliver its work programme,

1. INVITES the attention of Member States to resolution A.629(15), as amended by resolution A.1066(28), introducing a Contributions Incentive Scheme aiming at encouraging early payment of contributions;
2. URGES all Member States to make payment of any arrears at the earliest possible date;
3. ALSO URGES Member States, which have not yet done so, to pay their contribution for the current year in accordance with regulation 5.4 of the Financial Regulations;
4. ENCOURAGES all Council Members to set an example by promptly paying their contribution;
5. REQUESTS the Council to continue to treat the issue of arrears of contributions as a matter of high priority;
6. REQUESTS the Secretary-General to bring this resolution to the attention of all Member States; and to continue to take all possible measures to ensure prompt payment by Members of their contributions and of arrears of contributions.
