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FINANCE COMMITTEE

Hundred and Ninety-fifth Session

Rome, 13-17 March 2023

Restoration by the Conference of the voting rights of Member Nations in arrears in the payment of their financial contributions to the Organization

Extract from the Report of CCLM 118

Queries on the substantive content of this document may be addressed to:

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[...]

8. The Committee considered document CCLM 118/2 “Restoration by the Conference of the voting rights of Member Nations in arrears in the payment of their financial contributions to the Organization” and the draft Conference Resolution in Annex to the document, within the context of its mandate.

9. In line with the recommendations contained in document CCLM 118/2, the Committee made a number of technical adjustments to the text as reflected in **Annex I** to this Report. The Committee observed inconsistencies between the various language versions of the text and recommended that they be reviewed and checked for consistency with the English version of the draft Resolution, as revised, in **Annex I** to this Report.

10. The Committee confirmed to the Council that the draft Conference Resolution, as revised and set out in **Annex I** to this Report, is consistent with the Basic Texts and, from the perspective of its mandate, is ready for Finance Committee and Council consideration and for Conference decision.

11. In this regard, the Committee requested the Secretariat to ensure that the Finance Committee (FC) at its 195th Session be provided with the revised version of the draft Resolution set out in **Annex I** to this Report, for its consideration.

[...]

Annex I

[Deletions are indicated using strikethrough text and insertions are indicated using underlined italics.]

Draft Conference Resolution

Procedures for the restoration by the Conference of the voting rights of Member Nations in arrears in the payment of their financial contributions to the Organization

THE CONFERENCE,

Reaffirming Article III, paragraph 4 and Article XVIII of the Constitution and the obligation of each Member Nation and Associate Member to contribute annually to the Organization its share of the budget, as apportioned by the Conference, and ~~urging~~ urging all Member Nations and Associate Members to pay their assessed contributions in full, on time and without conditions;

Noting the critical liquidity situation of the Regular Programme ~~in 2018~~ as a result of delays in the payment of contributions and the continued high level of contributions that remained unpaid from prior years, in particular by major contributors;

Noting that Member Nations are quarterly informed about Member Nations in arrears and that every Member in arrears will be notified two months in advance of the Conference, in accordance with Rule XXXVIII, paragraph 2(j) of the General Rules of the Organization;

Acknowledging the necessity of maintaining sufficient cash flow to cover obligations and ensure implementation of the approved Programme of Work;

Acknowledging the need for a more specific procedure for the ~~payment of arrears in relation to~~ restoration of voting rights of Member Nations in arrears in the payment of their financial contributions to the Organization in accordance with Article III, paragraph 4, of the Constitution;

Recalling ~~that the Committee on Constitutional and Legal Matters, at its 115th Session, and the Finance Committee, at its 191st Session, convened in March and May 2022, respectively, examined and recommended to the Council at its Hundred and Seventieth Session, to endorse the proposal to complement the General Rules of the Organization in order to strengthen the measures imposed for the non-payment of contributions;~~

1. **Decides** to adopt the procedures as outlined in this Resolution for the restoration of voting rights under Article III, paragraph 4 of the ~~FAO~~ Constitution:-

~~a)2.~~ Member Nations in arrears requesting the restoration of voting rights under Article III, paragraph 4 of the ~~FAO~~ Constitution should provide an explanation of the nature of the conditions beyond the Member Nation's control leading to the failure to pay, and are encouraged to provide:

~~i.a)~~ the fullest possible supporting information, which may include, where possible, information on economic aggregates, government revenues, and expenditure, foreign exchange resources, indebtedness, difficulties in meeting domestic or international financial obligations;

~~ii.b)~~ an indication of the measures which will be taken in order to settle the arrears; and

~~iii.e)~~ any other information that might support the claim that failure to make necessary payments had been attributable to conditions beyond the control of the Member Nations.

~~b)3-~~ **Requests** *applications* for the restoration of voting rights under Article III, ~~paragraph 4~~ of the Constitution to be submitted by Member Nations *in writing* to the Secretary-General of the Conference preferably two weeks ahead of the session of the Conference concerned, to ensure a complete review of the requests by the General Committee.

~~c)4-~~ **Requests** *applications* for the restoration of voting rights under Article III, ~~paragraph 4~~ of the Constitution to be submitted in writing by the Permanent Representative of the Member Nation, *or* the designated *chargé d'affaires*, or the responsible minister of the government of the Member Nation *as defined by Rule III, paragraph 2 of the General Rules of the Organization*.

~~d)5-~~ Member Nations in arrears who wish to reschedule the payment of their arrears as part of an arrangement to have their voting rights restored should submit with ~~its~~ *their* request in writing to the Director-General a written payment plan.

~~e)6-~~ The payment plan as referred to in *sub-paragraph 51, d)* should include the following information:

~~i.a)~~ the total amount due, including the current year's assessment;

~~ii.b)~~ the period over which payment is proposed;

~~iii.e)~~ the minimum amount of payment that the Member Nation intends to make each year;

~~iv.d)~~ the date and the amount of the first payment;

~~v.e)~~ an indication of whether the Member Nation expects to request approval from the Director-General to make the payment in local currency, in accordance with the Financial Regulations and rules, and with relevant resolutions of the Conference; and

~~vi.f)~~ a commitment from the Member Nation to pay its future assessed contributions in full and on time and in accordance with the Financial Regulations.

27. **Requests** FAO to ~~establish and~~ *continue to* maintain a publicly accessible, exhaustive and up-to-date information section on the FAO website reflecting the status of payment of assessed contributions.

38. **Requests** the Director-General to include the present Resolution in the notification which is sent to Member Nations in arrears two months in advance of the Conference, *as well as* published *it* on the ~~relevant~~ website of FAO and in an Information Note for the Conference.