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منظمة
الغذية والزراعة
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COUNCIL

Hundred and Seventy-first Session

Rome, 5-9 December 2022

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

Executive summary

The 42nd Session of the Conference “requested the conduct of a comprehensive review on the process for reinstating voting rights for Member Nations in arrears for consideration by the relevant Governing Bodies, including the Committee on Constitutional and Legal Matters, supported by a process of informal consultation led by the Independent Chairperson of the Council with the Chairpersons and Vice-Chairpersons of the Regional Groups”. Since this request, the matter has gone through a two-pronged review process with formal consideration by Sessions of the Committee on Constitutional and Legal Matters, the Finance Committee and the Council, as well as informal consultations led by the Independent Chairperson of the Council (ICC).

A draft Conference Resolution was submitted to the 170th Session of the Council in June 2022, which requested that the ICC continue the informal consultations to achieve consensus before submitting a revised version of the draft Resolution for review by the Council, through the CCLM and the Finance Committee, with a view for submission to the Conference at its 43rd Session. The ICC held further informal consultations on 16 September, 25 October and 3 November 2022, at which informal consensus was achieved on a draft Conference Resolution text which is included in *Annex I* of this document.

Suggested action by the Council

The Council is invited to review the draft Conference Resolution contained in *Annex I* of this document and provide guidance, as deemed appropriate, and recommend the submission of the draft Conference Resolution to the 43rd Session of the Conference for approval.

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

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I. Introduction

1. The 42nd Session of the Conference “requested the conduct of a comprehensive review on the process for reinstating voting rights for Member Nations in arrears for consideration by the relevant Governing Bodies, including the Committee on Constitutional and Legal Matters, supported by a process of informal consultation led by the Independent Chairperson of the Council with the Chairpersons and Vice-Chairpersons of the Regional Groups”.¹ The 167th Session of the Council reiterated this request and the matter has since gone through a process of both formal consideration by relevant Governing Bodies as well as informal consultation led by the Independent Chairperson of the Council (ICC).

2. The matter has been considered at the 113th, 115th, 116th and 117th Sessions of the Committee on Constitutional and Legal Matters (CCLM), the 188th and 191st Sessions of the Finance Committee and the 168th and 170th Sessions of the Council.

3. The 113th Session of the CCLM noted the practice developed by FAO was consistent with the approach of most other UN System organizations, and was of the view that a blanket waiver of the rules regarding voting rights established by the Basic Texts should be avoided. The 168th Session of the Council considered this Report of the CCLM and encouraged the ICC to hold consultations with Members taking into account existing rules, the CCLM’s findings and relevant United Nations General Assembly (UNGA) resolutions.²

4. Subsequently, the ICC held transparent and inclusive consultations open to the full Membership on 4 March and 20 April 2022, through which a draft Conference Resolution was developed with procedures and criteria related to the restoration of voting rights for Member Nations in arrears. This Resolution was submitted to the 116th Session of the CCLM on 8 June 2022, ahead of the 170th Session of the Council (13-17 June 2022).

5. The 116th Session of the CCLM recommended amendments to the draft Resolution in order to align with the Report of the 191st Session of the Finance Committee, and with these adjustments considered the draft Resolution consistent with the Basic Texts of the Organization. The Council at its 170th Session considered this draft Resolution and requested that the ICC continue the informal consultations to achieve consensus before submitting a revised version of the draft Resolution for review by the Council, through the CCLM and the Finance Committee, with a view for submission to the Conference at its 43rd Session.³

6. Following this request of the 170th Session of the Council, the ICC held informal consultations with the membership on 16 September, 25 October and 3 November 2022 to further review the draft text of the Resolution, and informal consensus was achieved on the text included in *Annex 1*. The Council is invited to consider the draft text and to submit the Resolution to the Conference at its 43rd Session in July 2023 for adoption.

¹ C 2021/REP, para 25.

² CL 168/REP, para 30(c).

³ CL 170/REP, para 41(b).

Annex 1**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 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 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;

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 voting rights;

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.4 of the FAO Constitution.
2. Member Nations in arrears requesting the restoration of voting rights under Article III.4 of the FAO Constitution should provide an explanation of the nature of the conditions beyond the Member Nation's control, and are encouraged to provide:
 - 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;
 - b) an indication of the measures which will be taken in order to settle the arrears; and
 - c) 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.
3. **Requests** for the restoration of voting rights under Article III.4 of the Constitution to be submitted by Member Nations 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.
4. **Requests** for the restoration of voting rights under Article III.4 of the Constitution to be submitted in writing by the Permanent Representative of the Member Nation, the designated *chargé d'affaires*, or the responsible minister of the government of the Member Nation.

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 request in writing to the Director-General a written payment plan.
6. The payment plan as referred to in paragraph 5 should include the following information:
 - a) the total amount due, including the current year's assessment;
 - b) the period over which payment is proposed;
 - c) the minimum amount of payment that the Member Nation intends to make each year;
 - d) the date and the amount of the first payment;
 - 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
 - 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.
7. **Requests** FAO to establish and maintain a publicly accessible, exhaustive and up-to-date information section on the FAO website reflecting the status of payment of assessed contributions.
8. **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, published on the relevant website of FAO and in an Information Note for the Conference.