

Forty-third Regular Meeting of the Executive Committee

Report on the collection of quota contributions

IICA/CE/Doc. 748 (23) Original: Spanish

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.537 (XXI-O/21) "2022-2023 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 2022-2026 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 2022 and the collection of quotas in 2022, including the current situation of the Member States and the status of outstanding quotas as at June 15, 2023. 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 2022, the total amount of quotas pending collection was USD 44.6 million, of which USD 29.6 million were quotas corresponding to 2022 and USD 15.0 million quotas owed from previous years.

During 2022 the Institute received USD 22.2 million in quota contributions from twenty-eight Member States, 75.1% of the annual quota budget. The quota arrearages at the end of the year were USD 22.4 million, an increase of USD 7.4 million compared to year-end 2021.

As shown in chart 1, twenty Member States ended the year 2022 in "Up-to-date Status", with quotas paid in full, and eleven in "Regular Status," owing two years or less. Three Member States ended the year in "In Arrears Status", one owing four quotas, one owing six quotas and one owing quotas for twelve years.

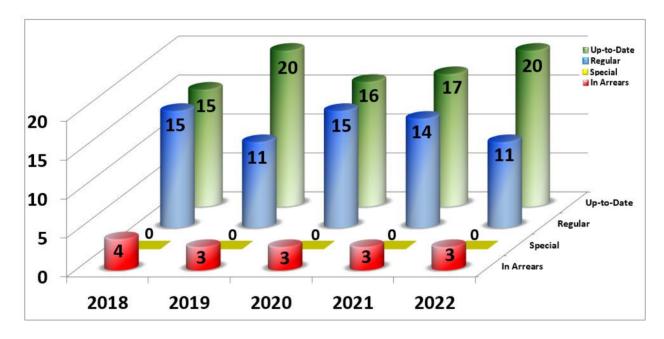


Chart 1. Progress in the status of the Member States' quotas (2018-2022)

III. STATUS OF QUOTA COLLECTION IN 2023

As at January 1, 2023 the total amount of quotas pending collection was USD 52.0 million, of which USD 29.6 million were quotas for 2023 and USD 22.4 million from previous years.

The amount collected as at June 15, 2023 was USD 19.9 million, corresponding to 67.22% of the quota resolution for financing the 2023 Program Budget, and contributions have been received from twenty-two Member States. The total amount owing is USD 32.1 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 JUNE 15, 2023

	UNCOLLECT	ED BEGINNIN		CURRENT			
COUNTRY	DUE FROM PREVIOUS YEARS QUOTA 2023		TOTAL DUE AT JANUARY 1, 2023	COLLECTED	BALANCE AMOUNT DUE		
ANTIGUA AND BARBUDA	0	14,000	14,000	0	14,000		
ARGENTINA	1,261,500	1,329,100	2,590,600	1,261,500	1,329,100		
BAHAMAS	0	24,000	24,000	24,000	0		
BARBADOS	13,100	18,400	31,500	18,400	13,100		
BELIZE	0	14,000	14,000	0	14,000		
BOLIVIA	24,400	25,800	50,200	0	50,200		
BRAZIL	8,144,900	4,493,000	12,637,900	8,144,900	4,493,000		
CANADA	0	3,535,100	3,535,100	3,535,100	0		
CHILE	376,580	525,000	901,580	342,861	558,719		
COLOMBIA	2,896,000	590,800	3,486,800	0	3,486,800		
COSTA RICA	64,281	94,900	159,181	6,856	152,325		
DOMINICA	0	14,000	14,000	0	14,000		
DOMINICAN REPUBLIC	748	100,100	100,848	0	100,848		
ECUADOR	0	148,500	148,500	0	148,500		
EL SALVADOR	109,600	39,800	149,400	0	149,400		
GRENADA	0	14,000	14,000	14,000	0		
GUATEMALA	0	75,400	75,400	75,400	0		
GUYANA	0	14,600	14,600	14,600	0		
HAITI	0	17,100	17,100	17,100	0		
HONDURAS	0	18,800	18,800	18,000	800		
JAMAICA	0	24,200	24,200	24,200	0		
MEXICO	2,187,900	2,333,500	4,521,400	2,187,900	2,333,500		
NICARAGUA	0	15,700	15,700	15,700	0		
PANAMA	0	75,000	75,000	75,000	0		
PARAGUAY	39,112	40,200	79,312	39,160	40,152		
PERU	55,752	371,900	427,652	353,575	74,077		
SAINT LUCIA	0	14,000	14,000	14,000	0		
SAINT KITTS AND NEVIS	0	14,000	14,000	14,000	0		
SAINT VINCENT AND THE GRENADINES	15,889	14,000	29,889	15,889	14,000		
SURINAME	0	17,100	17,100	0	17,100		
TRINIDAD AND TOBAGO	0	61,700	61,700	0	61,700		
UNITED STATES OF AMERICA	0	14,671,400	14,671,400	3,667,850	11,003,550		
URUGUAY	0	115,300			115,300		
VENEZUELA	7,203,879	699,700	7,903,579	0	7,903,579		
TOTAL	22,393,641	29,574,100	51,967,741	19,879,992	32,087,749		
% COLLECTION / OUTSTANDING BALANCES 38.25% 61 % BUDGET PROGRAM 67.22%							
% BUDGET PROGRAM 67.22%							

Financial Management

IV. STATUS OF OUTSTANDING QUOTAS

As at June 15, 2023, the status of each Member State with regard to quota payments is shown in the table below: twenty-seven are in "Up-to-date Status," four are in "Regular Status" and three Member States are in "In arrears Status". In accordance with resolution IICA/JIA/Res.414 (XIIIO/05), until July 1 of the current year, a Member State retains the status it had as at December 31, 2022. 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.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE REPORT OF UNCOLLECTED QUOTAS BY COUNTRY AND BY YEAR AS OF JUNE 15, 2023

CONTINUE		S OF JUNI		***	****	****		TOT.1	
COUNTRY	2011-2017	2018	2019	2020	2021	2022	2023	TOTAL	
UP-TO-DATE STATUS									
ANTIGUA AND BARBUDA	0	0	0	_	0	0	14,000	14,000	
ARGENTINA	0	0	0	0	0	0	1,329,100	1,329,100	
BAHAMAS	0	0	0	0	0	0	0	0	
BARBADOS	0	0	0	0	0	0	13,100	13,100	
BELIZE	0	0	0	0	0	0	14,000	14,000	
BRAZIL	0	0	0	0	0	0	4,493,000	4,493,000	
CANADA	0	0	0	0	0	0	0	0	
DOMINICA	0	0	0	0	0	0	14,000	14,000	
ECUADOR	0	0	0	0	0	0	148,500	148,500	
GRENADA	0	0	0	0	0	0	0	0	
GUATEMALA	0	0	0	0	0	0	0	0	
GUYANA	0	0	0	0	0	0	0	0	
HAITI	0	0	0	0	0	0	0	0	
HONDURAS	0	0	0	0	0	0	800	800	
JAMAICA	0	0	0	0	0	0	0	0	
MEXICO	0	0	0	0	0	0	2,333,500	2,333,500	
NICARAGUA	0	0	0	0	0	0	0	0	
PANAMA	0	0	0	0	0	0	0	0	
PARAGUAY	0	0	0	0	0	0	40,152	40,152	
PERU	0	0	0	0	0	0	74,077	74,077	
SAINT KITTS AND NEVIS	0	0	0	0	0	0	0	0	
SAINT LUCIA	0	0	0	0	0	0	0	0	
SAINT VINCENT AND THE GRENADINES	0	0	0	0	0	0	14,000	14,000	
SURINAME	0	0	0	0	0	0	17,100	17,100	
TRINIDAD AND TOBAGO	0	0	0	0	0	0	61,700	61,700	
UNITED STATES OF AMERICA	0	0	0	0	0	0	11,003,550	-	
URUGUAY	0	0	0	0	0	0	115,300	115,300	
		REGULAR	STATUS				110,200	222,200	
CHILE	0	0	0	0	0	24,400 33,719			
	•	_	_	_	_	,	-		
COSTA RICA	0	0	0	0	0	57,425	94,900	152,325	
DOMINICAN REPUBLIC	0	0	0	0	0	748	100,100	100,848	
IN ARREARS STATUS:									
COUNTRIES OWING 3 or MORE QUOTAS		^	^	24.000	26 500	20 200	20.000	140 400	
EL SALVADOR COUNTRIES OWING 5 or MORE QUOTAS	0	0	0	34,800	36,500	38,300	39,800	149,400	
COLOMBIA	384,400	480,200	480,200	480,200	517,100	553,900	590,800	3,486,800	
VENEZUELA			,	*	-	-	-		
	4,229,079	568,800	568,800	568,800	612,400	656,000	699,700		
TOTAL	4,613,479	1,049,000	1,049,000	1,083,800	1,166,000	1,364,491	21,761,979	32,087,749	

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 only 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.
- d. The right to hiring preferences for their nationals;

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.

- 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 INSTITUTE 2

- 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, <u>inter alia</u>, the status of each Member State under these measures and the number of years, if any, that it is in arrears.