RESOLUTION No. 721

PROPOSAL FOR PARTIALLY RECOVERING THE FINANCIAL CAPACITY OF MEMBER STATES' QUOTA CONTRIBUTIONS

The EXECUTIVE COMMITTEE, at its Forty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE Doc. DT 771, "Proposal for partially recovering the financial capacity of Member States' quota contributions, given the decrease in purchasing power due to inflation 1995-2023",

CONSIDERING:

That Article 8.b of the Convention on the Inter-American Institute for Cooperation on Agriculture (IICA) establishes that the Inter-American Board of Agriculture (IABA) is empowered to "approve the biennial Program Budget and to determine the annual quotas of the Member States" and Article 23 states that, "the Member States shall contribute to the maintenance of the Institute through annual quotas established by the Board, in accordance with the system for calculating quotas of the Organization of American States";

That the IABA, via Resolution IICA/JIA/Res. 552 (XXII-O/23), approved "the overall allocation of USD 33,074,100 per year from the Institute's Regular Fund for the 2024-2025 Program Budget, financed by: (i) USD 29,574,100 in annual quota contributions from the Member States, as indicated in the scale attached hereto as Annex A, which includes the assessed quotas computed in accordance with the percentages established in the quota scale approved by the General Assembly of the Organization of American States (OAS) for that year";

That any change in the amount of the budget and the quota scale could therefore not be applied until the 2026-2027 Program Budget is approved;

That the IABA, via Resolution IICA/JIA/Res. 553 (XXII-O/23), resolved to "advise the Director General to prepare a study on increasing Member State quotas to offset inflationary losses during the period 2016-2023";

That, pursuant to that resolution, the Director General presented the requested study to the Executive Committee, which concludes that "the freezing of the required quota contributions of the Institute's Member States as of 1995 had a negative impact on the financial capacity of cooperation actions" and that "despite the 6.57% increase in the level of quotas since 2016, the progressive loss of the purchasing power of these resources has reduced the real value of quota contributions to the Institute during the 1995-2023 period by 37.9%, a percentage similar to 38.4% in 2015, which was the reference year for the increase made"; and

That the same study indicates that "the accelerated increase in costs for staff and other objects of expenditure, essential for undertaking cooperation actions, has considerably limited the organization's operational and response capacity to address growing and diversified demands for cooperation services in the Member States in a timely manner",

RESOLVES:

- To accept the "Proposal for partially recovering the financial capacity of Member States' quota contributions, given the decrease in purchasing power due to inflation 1995-2023", which was presented by the Director General, pursuant to IABA Resolution IICA/JIA/Res. 553 (XXII-O/23).
- 2. To instruct the Director General to present the proposal for the consideration of the Special Advisory Commission on Management Issues (SACMI), the Forty-fifth Regular Meeting of the Executive Committee and the Twenty-third Regular Meeting of the IABA, for subsequent approval in the 2026-2027 Program Budget.