



WORKING PAPER

ASSEMBLY — 40TH SESSION

ADMINISTRATIVE COMMISSION

Agenda Item 44: Contributions in arrears

INCENTIVE SCHEME FOR THE SETTLEMENT OF LONG-OUTSTANDING ARREARS

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

This paper reports to the Assembly the action taken pursuant to Assembly Resolutions A34-1 and A38-25 with respect to the distribution of funds in the special account wherein receipts of long-outstanding arrears are retained in accordance with Resolving Clause 3 of Assembly Resolution A38-25 and utilized to finance expenditure on aviation security activities, and new and unforeseen projects related to aviation safety, and/or to the enhancement of the efficient delivery of ICAO programmes, as approved by the Council.

There is no unreserved surplus as of 31 December 2018 and no accrual to unreserved surplus in the fund is foreseen to the end of 2019.

Action: The Assembly is invited to note the action taken pursuant to Assembly Resolution A39-37 to transfer CAD 1.0 million funds to finance Regular Budget 2017, 2018 and 2019.

<i>Strategic Objectives:</i>	This working paper relates to Supporting Implementation Strategy – Budget and Financial Management.
<i>Financial implications:</i>	Not applicable at this time.
<i>References:</i>	A39-WP/68 A38-WP/44 A37-WP/56 A36-WP/43 Doc 10075, <i>Assembly Resolutions in Force</i> (as of 6 October 2016)

1. INTRODUCTION

1.1 Resolving Clause 1 of Assembly Resolution A34-1 agreed to apply, on a non-recurring basis, the funds presently held pursuant to Resolving Clause 3 of Assembly Resolution A38-25, to finance specific activities of the Organization.

1.2 Resolving Clause 3 of Assembly Resolution A38-25 stipulates that with effect from 1 January 2005, subject to cash surplus availability, only that portion of a payment from a Member State that is in excess of the sum of the three preceding years' assessments and all instalments due under agreements entered into under Resolving Clause 4 of Assembly Resolution A39-31 shall be retained in a separate "special account" to finance expenditure on aviation security activities, and new and unforeseen projects related to aviation safety, and/or to the enhancement of the efficient delivery of ICAO programmes, such action to be under the control of the Council and reported to the next ordinary session of the Assembly.

1.3 Pursuant to Assembly Resolution A39-37, an unreserved surplus of CAD 1.0 million existing in the fund as of December 2015 was approved to finance Regular Budget 2017, 2018 and 2019.

1.4 This paper reports on the application of funds in the special account during the current triennium.

2. APPLICATION OF FUNDS

2.1 The total balance held in the special account as at 31 December 2015 amounted to CAD 1.3 million of which CAD 1.0 million was in unreserved surplus. The unreserved surplus was approved, as stated above, to finance the Regular Budget for 2017, 2018 and 2019. During the years 2017 and 2018, pursuant to the Assembly resolution, an amount of CAD 0.7 million was transferred into the Regular Budget being the proportionate amount of CAD 1.0 million. That left CAD \$0.3 million at the end of December 2018 to finance the Regular Budget in 2019. No additional contributions were received from 2016 to 2018. Therefore, the ending balance in the special account as at 31 December 2018 amounts to CAD 0.6 million which represents:

- a) CAD 0.1 million for use as approved by the Council in C-DEC 160/3 for safety oversight audits;
- b) CAD 0.2 million reserved for the enhancement of the efficient delivery of ICAO Programmes; and
- c) CAD 0.3 million reserved to finance 2019 Regular Budget.

3. FINANCIAL IMPACT

3.1 There is no future financial impact as the paper only reports on action already completed by the Council.

4. ACTION BY THE ASSEMBLY

4.1 The Assembly is invited to note the actions taken pursuant to Assembly Resolution A39-37.