



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A35-WP/269
EX/110
29/9/04

ASSEMBLY — 35TH SESSION

EXECUTIVE COMMITTEE

DRAFT TEXT FOR THE REPORT ON AGENDA ITEM 12.1

The attached material on Agenda Item 12.1 is submitted for consideration by the Executive Committee.

Agenda Item 12: Discharge by Contracting States of their financial obligations to the Organization
12.1: Report on arrangements to settle contributions in arrears

12.1:1 At its first meeting, the Executive Committee examined the question of contributions in arrears. For this purpose it considered A35-WP/21, EX/5, AD/3, Revision No. 1, which provided information as of 17 September 2004 on the status of contributions in arrears and dealt with measures and incentives for improving the payment of arrears. Information was also provided concerning States that had their voting power suspended in accordance with Assembly Resolution A31-26, and updated by Addendum No. 1.

12.1:2 In introducing the paper, the Secretary General noted that contributions account for 91% of the cash required to finance the Regular Programme budget. In the past few years, the accumulated surplus served as an alternative source of funds when there were delays in the receipt of contributions; however, the balance of cash surplus would be exhausted by the end of 2004. Accordingly, the Organization would have to rely on the Working Capital Fund as an alternative source of cash. Delays in receipt of contributions in the next triennium would have an impact on the ability to implement the work programme, and could result in a need to increase the level of the Working Capital Fund, which would, unfortunately, affect all Contracting States. It was further noted that the current level of the Working Capital Fund is sufficient to cover the expenditure for approximately one month.

12.1:3 The Secretary General also noted that, as at 17 September 2004, the voting power of 24 States had been suspended. He further noted that, as at 28 September 2004, the number of States whose voting power had been suspended was reduced to 19, as reported in Addendum No. 1.

12.1:4 The Committee decided to refer, to the Administrative Commission for examination and to report to the Plenary, the resolutions in Appendices D, E and F and the related parts of the paper dealing with the measures in dealing with contributions in arrears.

12.1:5 The Executive Committee expressed appreciation to Afghanistan for the payment received on 28 September 2004, which settled the arrears in full and re-instated the voting privilege of Afghanistan.

12.1:6 Having examined the working paper, the Executive Committee invited the Plenary to note the status of contributions as shown in Appendix A to the working paper and the list of States that had their voting privilege suspended, as shown in Appendix C and as updated by Addendum No. 1, reflecting the position as at 28 September 2004. The Committee also recommends that the Plenary express its thanks to those States that have paid their annual contributions promptly and on time, and also to those States that have entered into agreements to settle their arrears, and to urge those States that have not yet done so to enter into such agreements or to pay their arrears in full at the earliest possible date.