

June 2013



منظمة الأغذية  
والزراعة للأمم  
المتحدة

联合国  
粮食及  
农业组织

Food and  
Agriculture  
Organization  
of the  
United Nations

Organisation des  
Nations Unies  
pour  
l'alimentation  
et l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones Unidas  
para la  
Alimentación y la  
Agricultura

# CONFERENCE

## Thirty-eighth Session

Rome, 15-22 June 2013

## Third Report of the General Committee

### I. Voting Rights

1. At its first meeting (Saturday, 15 June 2013), the General Committee noted that 14 Member Nations had not paid sufficient amounts of their assessed contributions to retain their vote in the Conference. Since then the following changes outlined in paragraphs 2 to 7 have taken place.
2. One Member Nation (Djibouti) made a payment which was sufficient for it to regain its right to vote.
3. Six Member Nations (Antigua and Barbuda, Dominica, Grenada, Guinea-Bissau, Palau, Turkmenistan) had not requested special consideration and had not registered at the Conference.
4. Two Member Nations attending the Session (Niger and Sao Tome and Principe) have not requested restoration of voting rights nor advised that payment was in process. The Secretariat continues actively following-up with the delegations of these Member Nations to ensure that they are aware of their contribution position and its consequences on their right to vote.
5. Three Member Nations have requested special consideration under Article III.4 of the Constitution and permission to vote:
  - Dominican Republic - letter of 15 June citing difficult macro-economic circumstances (GC 2013/INF/8)
  - Somalia - letter dated 28 May citing the impact of civil war and constraints of a difficult economic situation (GC 2013/INF/2)
  - Tajikistan - letter received on 17 June 2013 citing natural disasters and post-war recovery difficulties (GC 2013/INF/5)
6. Two of the Member Nations currently with voting rights problems, Comoros and Liberia, propose to repay their arrears according to instalment plans. The Committee therefore recommends that the Conference restore their voting rights (see resolutions in *Appendix C and D*).
7. After using these criteria for a case-by-case evaluation of the five petitions, the General Committee recommends that voting rights should be restored to five Member Nations: Comoros and Liberia, which had submitted instalment plans, and Dominican Republic, Somalia and Tajikistan, which had requested special consideration under Article III.4 of the Constitution. The Conference called on Dominican Republic, Somalia and Tajikistan to endeavour to settle their arrears through an instalment plan.

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8. The General Committee recalled the recommendation of the Conference in 2005 and of the Finance Committee in March 2013 that in future requests for restoration of voting rights be referred to the Director-General for submission to the Spring Session of the Finance Committee in Conference years. The General Committee recommended to the Conference that the CCLM examine the legal aspects of implementation of the proposal, including whether changes to the Basic Texts of the Organization are required.

Appendix A List of Member Nations with potential voting rights problems as of 20 June 2013.

Appendix B Summary table of letters received from Member Nations requesting special consideration under Article III.4 of the Constitution.

## **II. Appointment of the Independent Chairperson of the Council**

9. The General Committee recommends that the Conference adopt the following resolution

### **Resolution .../2013**

#### ***Appointment of the Independent Chairperson of the Council***

**THE CONFERENCE,**

**Having proceeded** to a secret ballot, in accordance with Rule XII.10(a) of the General Rules of the Organization;

**Taking into account** Rule XXIII of the General Rules of the Organization regarding the Independent Chairperson of the Council and Resolution 9/2009 regarding the Independent Chairperson of the Council<sup>1</sup>;

**Having regard** to the need to safeguard the independence and accountability of the role of the Independent Chairperson of the Council:

1. **Declares** that \_\_\_\_\_ is appointed Independent Chairperson of the Council until the Thirty-ninth Session of the Conference (June 2015);
2. **Decides** that the conditions of appointment attached to the office of the Independent Chairperson of the Council will be as follows:
  - a) The Chairperson is required to be present in Rome for all sessions of the Council, the Conference, the Finance Committee and the Programme Committee and will normally be expected to spend at least six to eight months of the year in Rome;
  - b) An annual allowance equivalent to USD 23 800 will be paid to the Chairperson;
  - c) A per diem allowance equivalent to the applicable standard daily subsistence allowance (DSA) rate at 140% will be paid to the Chairperson while in Rome and when travelling in the performance of his functions;
  - d) The travel expenses of the Chairperson will be covered by the Organization when he travels in the performance of his functions;
  - e) In the performance of his functions, whether in Rome or while travelling, the Chairperson will receive health protection and medical insurance in accordance with Section 343 Part VII of the FAO Administrative Manual;
  - f) Secretariat services will be made available to the Chairperson to assist him in the performance of his functions;
  - g) Interpretation services will be made available to the Chairperson, at his request, depending on the availability of resources;
  - h) Office space, equipment and supplies required by the Chairperson in the performance of his functions will be made available to him;

<sup>1</sup> Basic Texts, Volume II, Section E

- i) Assistance will be provided to the Chairperson in carrying out the necessary administrative formalities for the acquisition of the documents required for his stay in Rome and for his travels in the performance of his functions.

3. **Decides** that the implementation modalities of this Resolution will be agreed between the Chairperson and FAO.

(Adopted on \_June 2013)

10. The General Committee recommends that the allowances and conditions associated with the office of the Independent Chairperson of the Council be reviewed by the Finance Committee at its 150<sup>th</sup> Session in November 2013, and that they be adjusted as may be recommended by that Committee.

### **III. Payment by the European Union to cover Administrative and Other Expenses Arising out of its Membership in the Organization**

11. Article XVIII, paragraph 6 of the Constitution provides that:

*A Member Organization shall not be required to contribute to the budget as specified in paragraph 2 of this Article, but shall pay to the Organization a sum to be determined by the Conference to cover administrative and other expenses arising out of its membership in the Organization (...).*

12. At its Twenty-seventh Session in 1993 the Conference requested the Finance Committee to examine the methodology for the calculation of the lump sum paid by the European Union. At its Seventy-eighth Session in April 1994 the Finance Committee recommended a methodology on the basis of which the Conference set the payment to be made by the European Union at various sessions.

13. The methodology was re-examined by the Finance Committee at its Hundred-and-eighth Session (September 2004) and Hundred-and-ninth Session (May 2005). The Committee examined a proposal for a revised methodology whereby the biennial adjustment to the European Union's contribution would reflect the official cost of living increases in the Euro area or in the host country. Under the revised methodology, the adjustment formula would be more in line with the system of split assessment and would not have a material impact on the biennial adjustment to the contribution of the European Union to the Organization. The Committee agreed with the proposed revision of the methodology whereby the higher rate of the official cost of living increase in the Euro area or in the host country would be used to adjust the European Union's contribution for any given biennium.

14. Applying the new methodology, the Thirty-seventh Session of the Conference in 2011 set the lump payment due by the European Union at Euro 550 414 for the 2012-13 biennium.

15. In accordance with the above, the methodology to be used for adjusting the lump sum is based on the higher rate of the official cost of living increase in the Euro area or in the host country. Using the Economist Intelligence Unit (EIU) figures, the consumer price inflation for the Euro Area for 2012 was 2.5% and for 2013 is forecast to be 1.8% which gives an average of 2.2%. The EIU figures for harmonized consumer price index for Italy are, for 2012, 3.3% and for 2013, forecast at 1.3%, which gives an average of 2.3%. Therefore the inflation figure which should be used in the calculation is 2.3%, being the higher of the two. Applying this rate to the previous contribution of Euro 550 414 gives the new figure of Euro 563 074.

16. Therefore, the General Committee recommends to the Conference that it set the lump-sum payment due by the European Union to cover administrative and other expenditures arising out of its membership in the Organization at Euro 563 074 for the 2014-15 biennium.

17. As in previous biennia, it is proposed that the sum due by the European Union be paid into a trust or special fund established by the Director-General under Financial Regulation 6.7.

## Appendix A

## Member Nations with Potential Voting Rights Problems at 20 June 2013

	Member Nation	Amount in Arrears USD	Amount in Arrears Euro	Minimum Payment required to Ensure Vote in USD
1	Antigua and Barbuda	\$ 313,289.01	€ 37,214.41	\$ 340,896.42
2	Comoros	\$ 258,584.29	€ -	\$ 248,475.97
3	Dominica	\$ 6,766.72	€ 6,083.69	\$ 5,036.63
4	Dominican Republic	\$ 156,266.28	€ 305,857.32	\$ 234,601.46
5	Grenada	\$ 8,936.21	€ 7,740.46	\$ 9,459.33
6	Guinea-Bissau	\$ 113,678.46	€ 16,821.97	\$ 125,358.23
7	Liberia	\$ 121,619.85	€ 14,733.60	\$ 130,407.23
8	Niger	\$ 10,451.19	€ 9,847.40	\$ 8,766.07
9	Palau	\$ 17,424.34	€ 16,821.97	\$ 29,104.11
10	Sao Tome and Principe	\$ 119,845.97	€ 10,408.64	\$ 123,945.61
11	Somalia	\$ 359,092.46	€ 16,821.97	\$ 370,772.23
12	Tajikistan	\$ 73,788.03	€ 3,813.89	\$ 63,792.92
13	Turkmenistan	\$ 560,652.97	€ 125,102.59	\$ 564,499.65
		<b>\$2,120,395.78</b>	<b>€ 571,267.91</b>	<b>\$2,255,115.86</b>

## Appendix B

Summary Table of Letters from Member Nations with Potential Voting Rights Problems							
	Member Nation	Criteria of "Conditions beyond the control of a Member Nation"				Instalment Plan	
		Adverse Climatic Conditions	Natural Disasters	Wars, Conflicts or International Sanctions	Financial Crisis of Limited Foreign Exchange	Members Proposing an Instalment Plan	No Formal Request Received
1	Antigua and Barbuda						X
2	Comoros					X	
3	Dominica						X
4	Dominican Republic				X		
5	Grenada						X
6	Guinea-Bissau						X
7	Liberia					X	
8	Niger						X
9	Palau						X
10	Sao Tome and Principe						X
11	Somalia			X	X		
12	Tajikistan	X	X	X			
13	Turkmenistan						X

**Appendix C****Resolution .../2013*****Payment of Contributions - Comoros*****THE CONFERENCE,**

**Noting** that the Government of Comoros had made a proposal that it liquidate its arrears of contributions over a period of four years commencing in 2014 in addition to paying each current contribution in the calendar year of assessment,

**Decides** that:

- 1) Notwithstanding Financial Regulation 5.5 the arrears of contributions of Comoros totalling USD 258,584.29 shall be settled through the payment of four annual instalments of USD 64,646.07 each from 2014 to 2017.
- 2) The first instalment shall be payable in 1 January 2014.
- 3) The annual payment of the instalments referred to above, together with the payment of each current contribution in the calendar year of assessment and any advances to the Working Capital Fund, shall be considered as fulfilment of the financial obligations of Comoros to the Organization.
- 4) Instalments shall be payable in accordance with Financial Regulation 5.5.
- 5) Default in payment of two instalments shall render this instalment plan null and void.

(Adopted ... June 2013)

**Appendix D****Resolution .../2013*****Payment of Contributions - Liberia*****THE CONFERENCE,**

**Noting** that the Government of Liberia had made a proposal that it liquidate its arrears of contributions over a period of ten years commencing in 2014 in addition to paying each current contribution in the calendar year of assessment,

**Decides** that:

- 1) Notwithstanding Financial Regulation 5.5 the arrears of contributions of Liberia totalling USD 121,619.85 and EUR 14,733.60 shall be settled through the payment of ten annual instalments of USD 12,161.98 and EUR 1,473.36 each from 2014 to 2023.
- 2) The first instalment shall be payable in 1 January 2014.
- 3) The annual payment of the instalments referred to above, together with the payment of each current contribution in the calendar year of assessment and any advances to the Working Capital Fund, shall be considered as fulfilment of the financial obligations of Liberia to the Organization.
- 4) Instalments shall be payable in accordance with Financial Regulation 5.5.
- 5) Default in payment of two instalments shall render this instalment plan null and void.

(Adopted ... June 2013)