



# conference

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS - ROME

E

Twenty-seventh Session  
Rome, 6-25 November 1993

## SIXTH REPORT OF THE GENERAL COMMITTEE

### Payment by the European Economic Community to cover administrative and other expenses arising out of its membership in the Organization<sup>1</sup>

1. The General Committee recalled that Article XVIII.6 of the Constitution provides that a Member Organization shall not be required to contribute to the budget, but shall be required to "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". Prior to the admission of the EEC to membership in the Organization at the Twenty-sixth Session of the Conference in November 1991, the Conference on the recommendation of the General Committee, set the sum payable for administrative expenses at the level of US\$500 000 for the 1992-93 biennium. The General Committee recommended, and the Conference accepted, that this sum should be paid into the General Fund of the Organization. The Conference, again on the recommendation of the General Committee, realized, however, that other expenses would be likely to arise out of the membership of the European Economic Community in the Organization which could not be quantified at the time. The Conference therefore requested the Director-General to quantify such other expenses, in consultation with the Member Organization concerned, and to report on this matter to the Finance Committee. The General Committee further recommended, and the Conference accepted, that this sum payable in respect of other expenses, should be paid into a Trust Fund that could be used to defray the cost of these other expenses.

2. The General Committee further recalled that the Finance Committee had recommended the adoption of a methodology for the calculation of "administrative expenses" that would base the calculation of "administrative expenses" on an extrapolation from the administrative costs payable by the other Members of the Organization that are required to contribute regularly to the budget. Under the methodology recommended by the Finance Committee, then, "administrative expenses" payable by Member Organizations would be calculated on the basis of the total budget for Chapters 1 and 5.1 divided by the total number of Member Nations contributing to the budget. At its Hundred and Fourth Session in November 1993, several members of the Council considered it difficult to endorse the

---

<sup>1</sup> C 93/LIM/24

For reasons of economy this document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies unless strictly indispensable.

recommended methodology because they felt that the recommended new formula would be inconsistent with Article XVIII.6 of the Constitution. The matter had therefore been referred to the General Committee to permit the Conference to take such action as it would see fit.

3. The General Committee makes the following recommendations to the Conference on this matter:

**a) The methodology for the calculation of the payments to be made**

4. Noting that the methodology for the determination of "administrative expenses" recommended by the Finance Committee had been challenged on legal grounds by several delegations at the Council session, the General Committee recommends that the Conference invites the Director-General to refer the matter of the compatibility of the proposed methodology with Article XVIII.6 of the Constitution to the Committee on Constitutional and Legal Matters for its consideration.

**b) "Other expenses" to be paid for the 1992-93 biennium**

5. Recalling that it was the Conference itself at its Twenty-sixth session in November 1991, acting on the recommendation of the General Committee, that called for the Director-General to quantify these "other expenses" for the 1992-93 biennium in consultation with the EEC, the General Committee recommends that the Conference call for these consultations between the Secretariat and the ECC on this matter, to be concluded as a matter of urgency and reported to the Seventy-eighth Session of the Finance Committee. Such consultations should be restricted to the expenses arising out of the 1992-93 biennium, without prejudice to the approach to be adopted to the determination of administrative and other expenses for the 1994-95 and ensuing biennia.

**c) The sum to be paid by the EEC for the 1994-95 biennium**

6. Noting that consensus has not yet been reached on a methodology for the calculation of "administrative expenses" for the 1993-94 biennium, the General Committee recommends, as it did for the 1992-93 biennium, a lump-sum to cover the administrative expenses for the 1994-95 biennium.

7. In view of the difficulties that have arisen during the present biennium in quantifying the "other expenses" that have arisen out of the membership of the ECC in the Organization, the General Committee recommends that the lump-sum should in principle cover all administrative and others services arising out of that membership, with the exception of services not normally granted to FAO Members without special payment, such as the expenses of courier delivery of documents, as requested by the EEC.

8. Taking into account on the one hand cost increases and on the other hand the substantial rise in the value of the dollar against the Italian lira, the General Committee recommends that the amount of the lump-sum payment to be made by the EEC to cover administrative and other expenses arising out of its membership in the Organization be set at US\$ 500 000 for the 1994-95 biennium.

**d) The destination of sums paid by the EEC to cover "administrative and other expenses"**

9. In view of its recommendation to cease to differentiate between "administrative" and "other" expenses, the General Committee further recommends to the Conference that for the 1994-95 biennium the sums paid by the EEC in respect of administrative and other expenses should be paid into a trust or special fund to be established by the Director-General under Regulation 6.7 of the Financial Regulations.



**Right to vote<sup>2</sup>**

10. At its first meeting on Saturday 6 November 1993, the General Committee noted that twenty-two Member Nations had not paid sufficient amounts of their assessed contributions to retain their vote in the Conference.

11. Three Member Nations, Burkina Faso, Equatorial Guinea and Sao Tome and Principe had advised the Organization that a payment had already been made to regularize their contributions position. These payments were subsequently received, although the amount paid by Sao Tome and Principe was insufficient by one dollar to assure the right to vote in accordance with Article III.4 of the Constitution. The Committee recalled that in paragraph 32 of its first report (C 93/LIM/6) it had recommended that these three Member Nations be granted the right to vote at the Conference. This recommendation had been approved by the Conference at its second plenary meeting on 6 November 1993.

12. The following Member Nations had requested special consideration under Article III.4 of the Constitution and permission to vote:

Antigua and Barbuda  
Comoros  
Dominican Republic  
Haiti  
Iraq

Liberia  
Paraguay  
Sierra Leone  
Somalia  
Suriname

13. The Committee recalled that in paragraph 35 of its first report (C 93/LIM/6) it had recommended that these ten Member Nations be granted the right to vote at the Conference. This recommendation had been approved by the Conference at its second plenary meeting on 6 November 1993.

14. The Committee noted that four of the above Member Nations, Antigua and Barbuda, Comoros, Dominican Republic and Liberia had requested the Conference to authorize the payment of their arrears by instalments.

15. A further eight Member Nations:

Bolivia  
Cambodia  
Chad  
Gabon

Gambia  
Guatemala  
Niger  
Seychelles

had advised that payments were forthcoming. The Committee recalled that these eight Member Nations had been granted the right to vote only on Item 25 (Applications for Membership in the Organization) and Item 27.1 (Appointment of the Director-General). The Committee noted that to date payments had been received from the Gambia, whose voting rights situation has been regularized, and from the Seychelles, who still needed to pay an additional US\$11 569.54, to assure their right to vote.

16. The Committee noted that four of the above Member Nations (Cambodia, Chad, Gabon and Niger) had requested special consideration under Article III.4 of the Constitution and the right to vote on the remaining items at the Conference. In addition, Chad has requested the Conference to authorize payment of its arrears by instalments.

17. Requests for special consideration had not been received from the remaining three Member Nations:

Bolivia  
Guatemala  
Seychelles

18. The General Committee recommends to the Conference that the seven above-mentioned Member Nations (Bolivia, Cambodia, Chad, Gabon, Guatemala, Niger, Seychelles) be authorized to vote at the Conference pending guidance of the Conference to the Council and the Finance Committee on the means that could be taken to alleviate the problems associated to the right to vote.