

## Executive Council

108th session  
San Sebastián, Spain, 23-25 May 2018  
Provisional agenda item 7(c)

CE/108/7(c)  
Madrid, 24 April 2018  
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### Report of the Secretary-General

#### Part II: Administrative and statutory matters

#### (c) Application of Article 34 of the Statutes and paragraph 13 of the Financing Rules

##### I. Introduction

1. At 31 March 2018, the provisions of Article 34 of the Statutes and/or paragraph 13 of the Financing Rules attached to the Statutes, the texts of which are contained in the Annex to this document, are applied to the 19 Members listed below.

FULL MEMBERS MEMBRES EFFECTIFS MIEMBROS EFECTIVOS	PARAGR. 13 PÁRRAFO 13	ART. 34	ARREAR CONTRIBUTIONS ARRIÉRÉS DE CONTRIBUTIONS CONTRIBUCIONES ATRASADAS		
			YEARS/ ANNÉES/ AÑOS	TOTAL YEARS/ ANNÉES AÑOS	TOTAL EUR
AFGHANISTAN /AFGANISTAN/ AFGANISTÁN	X	X	81-87, 89- 08,10,12,14	30	703,988.77
BURKINA FASO	X		12,16-17	3	78,401.00
BURUNDI	X	X	77-07,11-13, 15-17	37	786.702.78
CENTRAL AFRICAN REPUBLIC / RÉPUBLIQUE CENTRAFRICAINE / REPÚBLICA CENTROAFRICANA	X	X	07-17	11	253,685.20
CHAD / TCHAD	X	X	12-17	6	156.563.56
DEMOCRATIC REPUBLIC OF THE CONGO / RÉPUBLIQUE DEMOCRATIQUE DU CONGO / REPÚBLICA DEMOCRÁTICA DEL CONGO	X	X	98-00,02-06, 08-12,16-17	15	312,954.26
GABON	X		15-17	3	160,311.56
GHANA	X		15-17	3	66,402.00
LIBERIA	X	X	12-17	6	156,570.00
MALAWI	X	X	11-17	7	179,344.99
NIGERIA	X		15-17	3	80,907.74
RWANDA	X	X	12,15-17	4	82,860.04



SIERRA LEONE / SIERRA LEONA	X	X	80-00,03-17	36	824,927.12
TOGO	X		05-06,17	3	66,752.83
TURKMENISTAN / TURKMÉNISTAN / TURKMENISTÁN	X	X	95-98,00-12, 16-17	19	582,449.40
UGANDA / OUGANDA	X	X	96-00,02-04, 10-12, 15-17	14	301,491.05
UNITED REPUBLIC OF TANZANIA / RÉPUBLIQUE-UNIE DE TANZANIE / REPÚBLICA UNIDA DE TANZANIA	X	X	13-17	5	154.938.31
UNITED ARAB EMIRATES / ÉMIRATES ARABS UNIS / EMIRATOS ÁRABES UNIDOS	X	X	81-87	7	518,247.76
VANUATU	X	X	10-17	8	164,998.00
TOTAL:					5,632,496.37

2. In pursuance of resolutions A/RES/690(XXII) and A/RES/682(XXII) here below and as per documents A/22/8(b) and addendum, CE/105/7(c) and CE/106/2(c) and its addendum, the Secretary-General has written to all these Members, urging them to discharge their debts or propose plans for their payment in instalments over a period of years according to their circumstances.

*“The General Assembly,*

*(...)*

*Having taken note of the recommendations made by the Executive Council at its 103rd, 104th, 105th and 106th sessions with respect to requests made by various Full and Affiliate Members for temporary exemption from the application of paragraph 13 of the Financing Rules,*

*Considering the documents submitted by the Secretary-General regarding this matter,*

8. *Decides in view of their compliance with the agreed payment plans, to renew the temporary exemption from provisions of paragraph 13 of the Financing Rules of Full Members Bolivia, Cambodia, Gambia, Iraq, Lao People’s Democratic Republic, Nicaragua and Sao Tome and Principe and to grant temporary exemption from the provisions of paragraph 13 of the Financing Rules to Full Members Bahrain, Djibouti, Equatorial Guinea, Guinea, Guinea-Bissau, Kyrgyzstan, Libya, Mauritania, Niger, Pakistan, Papua New Guinea, Syrian Arab Republic and Yemen as well as to ratify Uruguay’s payment plan revision and likewise grants temporary exemption to the Affiliate Member Russian Travel Guide RTG in view of its two year-long payment plan for the settlement of its arrears;*

9. *Also decides to maintain the temporary exemption of Burkina Faso, Burundi, Democratic Republic of the Congo, Madagascar, Sudan and Uruguay, as well as that of Affiliate Members Camara de Turismo de Cabo Verde and Instituto de Turismo Responsable from the provisions of paragraph 13, albeit making it clear that these provisions will be reapplied to these Members if they are not up to date with their payment plans by 1 April 2018;*

10. *Adopts the recommendation of the Executive Council establishing the following conditions for the Members requesting temporary exemption from the provisions of paragraph 13 of the Financing Rules and which propose payment plans to settle their arrears in instalments:*

(a) to discharge the contribution corresponding to the present year before the General Assembly session at which their case is reviewed,

(b) strict observance of the plan agreed for the settlement of arrears;

11. Requests the Secretary-General to inform the Full Members concerned, that the decision just taken in their regards remains subject to strict compliance with the aforementioned conditions; and

(...)

3. In accordance with paragraph 9 of the above-mentioned resolution and as advised in document CE/106/2(c), the stipulations of Article 34 of the Statutes and/or of paragraph 13 of the Financing Rules attached to the Statutes are once again applicable as of 1 April 2018 to the Full Members Burkina Faso, Burundi, and Democratic Republic of the Congo, which are now included in the table on pages 1 and 2 of this document, as well as to the Affiliate Members Camara de Turismo de Cabo Verde and Instituto de Turismo Responsable.

4. Affiliate Member Pacific Area Travel Writers Association submits to the present session of the Executive Council, for approval, a two-year payment plan to cover its arrears for an amount of 12,000 euros starting in 2018.

## II. Temporary exemption from the applications of the provisions of Article 34 and paragraph 13

5. The table below shows the degree of compliance with the conditions laid down by the Assembly for Members with agreed payment plans for the settlement of their outstanding balance, and which have been granted a temporary exemption from the application of the stipulations of paragraph 13 by the General Assembly at its 22nd session.

6. At the request of the Members mentioned below, the General Assembly agreed, in its resolution A/RES/682(XXII), to grant them temporary exemption from the application of the aforementioned provisions, once an instalment payment plan of their arrear contributions was agreed upon.

<b>MEMBERS GRANTED TEMPORARY EXEMPTION FROM THE APPLICATION OF PARAGRAPH 13 (RESOLUTION A/RES/682(XXII))</b>						
Compliance with the conditions laid down by the Assembly Situation at 31 March 2018						
		<b>CONDITIONS LAID DOWN BY THE GENERAL ASSEMBLY</b>				
		Payment of the year the G.A./ E.C. approved the plan		Strict fulfilment of the agreed payment plan		
FULL MEMBERS	Arrears Payment plan	Payment made				
				Contribution for the year	Annual payment of arrears	
BAHRAIN	in 15 years beginning in 2018	2017	YES	2018	YES	YES
BOLIVIA	in 11 years beginning in 2008	2007	YES	2008-2017 2018	YES NO	YES NO

CAMBODIA	in 30 years beginning in 2006	2006	YES	2006-2017 2018	YES NO	YES NO
DJIBOUTI	in 15 years beginning in 2017	2017	NO	2018	NO	NO
EQUATORIAL GUINEA	in 8 years beginning in 2018	2018	NO	2018	NO	NO
GAMBIA REPUBLIC OF	in 15 years beginning in 2016	2015	YES	2016-2017 2018	YES NO	YES NO
GUINEA	in 10 years beginning in 2017	2017	NO	2017-2018	NO	NO
GUINEA-BISSAU	in 30 years beginning in 2016	2016	NO	2016-2017 2018	NO NO	NO NO
IRAQ	in 25 years beginning in 2014	2010	YES	2014-2017 2018	YES NO	YES NO
KYRGYZSTAN	in 21 years beginning in 2016	2016	YES	2017-2018	YES	YES
LAO PEOPLE'S DEM. REPUBLIC	in 26 years beginning in 2005	2005	YES	2005-2017 2018	YES NO	YES NO
LIBYA	in 10 years beginning in 2018	2018	NO	2018	NO	NO
MADAGASCAR	in 3 years beginning in 2014	2014	PART	2014-2015 2016 2017-2018	YES PART NO	YES YES NO
MAURITANIA	In 31 years beginning in 2015	2015	NO	2015 2016-2017 2018	NO NO NO	PART NO NO
NICARAGUA	in 12 years beginning in 2010	2010	YES	2010-2018	YES	YES
NIGER	in 30 years beginning in 2017	2017	NO	2018	NO	NO
PAKISTAN	in 10 years beginning in 2018	2017	PART	2018	NO	NO
PAPUA NEW GUINEA	in 15 years beginning in 2017	2017	YES	2018	NO	NO
SAO TOME AND PRINCIPE	in 34 years beginning in 2015	2015	YES	2016-2017 2018	YES NO	YES NO
SUDAN	in 25 years beginning in 2016	2015	YES	2016-2017 2018	YES NO	PART NO
SYRIAN ARAB REPUBLIC	in 20 years beginning in 2018	2017	NO	2018	NO	NO
URUGUAY	in 13 years beginning in 2017	2017	NO	2007-2017 2018	YES NO	YES NO
YEMEN	in 20 years beginning in 2018	2017	NO	2018	NO	NO

### III. Updates from previous statement contained in document A/22/8(b)

7. When compared with the information contained in this document submitted to the previous session of the Executive Council as of 31 August 2017, the following updates can be observed:

(a) Full Members in Article 34 of the Statutes:

- (i) Full Members Bahrain, Djibouti, Niger, Papua New Guinea, Syrian Arab Republic and Yemen are no longer under the provisions of Article 34 of the Statutes since they submitted payment plans for the settlement of their arrears to the previous session of the General Assembly.
- (ii) The Full Member Rwanda fell under these provisions on 1 January 2018.
- (b) Full Members in paragraph 13 of the Financing Rules:
- (i) Full Members Equatorial Guinea and Libya are no longer under these provisions since they submitted payment plans for the settlement of their arrears to the previous session of the General Assembly.
- (ii) The Full Members Nigeria and Togo fell under these provisions on 1 January 2018.
- (c) Amount due by Members under the above-mentioned provisions  
at 31 August 2017: ..... 5,906,559.65 euros
- Amount due by Members under the above-mentioned provisions  
at 31 March 2018:..... 5,632,496.37 euros
- Total balance during the period: ..... 274,063.28 euros

#### IV. Action to be taken by the Executive Council

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##### DRAFT DECISION<sup>1</sup>

*The Executive Council,*

*Having examined the report,*

1. *Thanks* the Members that have made the necessary efforts in order to fulfil their financial obligations despite their internal constraints;
2. *Notes* that Bahrain, Kyrgyzstan and Nicaragua have respected their agreed payment plans up to 2018;
3. *Approves* the payment plan submitted by Pacific Area Travel Writers Association for the settlement of its arrears;
4. *Exceptionally maintains* the temporary exemption from the provisions of paragraph 13 of the Financing Rules to the Full Member Madagascar until the 109th session of the Executive Council in view of its efforts to keep up to date with its payment plan;
5. *Reminds* Members to pay their contributions to the budget within the time period stipulated by regulation 7(2) of the Financial Regulations; and
6. *Requests* the Secretary-General to inform it, at its next session, about the Members' compliance with the agreements made with a view, as the case may be, to maintaining the temporary exemption

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<sup>1</sup> This is a draft decision. For the final decision adopted by the Council, please refer to the Decisions document issued at the end of the session.

from the provisions of paragraph 13 that they were granted by the General Assembly or reapplying those provisions to them if they have not fulfilled their commitments.

**Annex: Article 34 of the Statutes and Paragraph 13 of the Financing Rules attached to the Statutes****A. Article 34 of the Statutes**

1. Article 34 of the Statutes concerning the suspension of Members provides as follows:

"1. If any Member is found by the Assembly to persist in a policy that is contrary to the fundamental aim of the Organization as mentioned in Article 3 of these Statutes, the Assembly may, by a resolution adopted by a majority of two-thirds of Full Members present and voting, suspend such Member from exercising the rights and enjoying the privileges of membership.

"2. The suspension shall remain in force until a change of such policy is recognized by the Assembly."

2. At its seventh session the General Assembly adopted the following resolution A/RES/217(VII) concerning the application of these provisions:

**A/RES/217(VII)****Suspension of Members in arrears in the payment of statutory contributions: Article 34 of the Statutes**

"The General Assembly,

"Considering decision CE/DEC/2(XXX) by which the Executive Council recommended the Assembly to apply Article 34 of the Statutes and consequently to suspend the Members of the Organization whose contribution arrears are equal to or exceed the contributions owed by such Members for four financial years and who have not, within six months, agreed with the Secretary-General on a payment plan for reimbursing these arrears,

"Considering document A/7/10(j) prepared by the Secretary-General pursuant to the above Executive Council decision,

"Recognizing that Article 34 of the Statutes, which provides the sanction of suspension when a Member persists in a policy that is contrary to the fundamental aim of the Organization as mentioned in Article 3 of the Statutes, becomes applicable in the case of prolonged non-payment of obligatory contributions to the Organization's budget, such an attitude clearly constituting a policy contrary to the aims of WTO,

"1. Decides to apply henceforward the measure of suspension provided for in Article 34 of the Statutes:

(a) when a Member of the Organization has accumulated contribution arrears in respect of any four financial years, which need not be consecutive, partial payment of contributions not preventing the measure of suspension being applied, and;

(b) when the aforementioned Member has not agreed a payment plan for the contribution arrears with the Secretary-General within a period of one year from the date of the resolution by which the Assembly noted that the measure of suspension was applicable to the Member pursuant to Article 34 of the Statutes;

.....

3. Requests the Secretary-General to apply the present resolution and to inform each session of the Executive Council concerning its application."

**B. Paragraph 13 of the Financing Rules attached to the Statutes**

3. The provisions of paragraph 13 of the Financing Rules attached to the Statutes read as follows:

"13. A Member which is in arrears in the payment of its financial contributions to the Organization's expenditure shall be deprived of the privileges enjoyed by the Members in the form of services and the right to vote in the Assembly and the Council if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two financial years. At the request of the Council, the Assembly may, however, permit such a Member to vote and to enjoy the services of the Organization if it is satisfied that the failure to pay is due to conditions beyond the control of the Members."

4. In this regard, at its sixth session the Assembly adopted the following resolution:

**A/RES/162(VI)**

"The General Assembly,

.....

"Confirms the following provisions;

"When a Full Member becomes subject to the provisions of paragraph 13 of the Financing Rules and Regulation 8(7) of the Financial Regulations, the Assembly may restore that Member's right to vote and to enjoy the services of the Organization, only on an exceptional basis, when:

"1. the Member has explained the reasons for its failure to pay in writing and has requested the restoration of its rights in writing;

"2. the Council finds that the circumstances are beyond the Member's control;

"3. the Council and the country concerned have agreed to the measures which should be taken in order to settle the arrears."