



Seventy-eighth session
Quito, Ecuador, 27 and 28 June 2006
Provisional agenda item 4(d)

ADMINISTRATIVE, FINANCIAL AND STATUTORY MATTERS

**(d) Application of Article 34 of the Statutes
and paragraph 13 of the Financing Rules
attached to the Statutes**

Note of the Secretary-General

The Secretary-General informs the Executive Council in the following document of the application of Article 34 of the Statutes and paragraph 13 of the Financing Rules attached to the Statutes, in accordance with resolutions 482(XVI) and 483(XVI) adopted by the General Assembly at its Sixteenth session.

ADMINISTRATIVE, FINANCIAL AND STATUTORY MATTERS

**(d) Application of Article 34 of the Statutes
and paragraph 13 of the Financing Rules
attached to the Statutes**

1. At 15 April 2006, 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 29 Members listed below.

FULL MEMBERS MEMBRES EFFECTIFS MIEMBROS EFECTIVOS	PARAGR. 13 PARRAFO 13	ART. 34	ARREAR CONTRIBUTIONS ARRIÉRÉS DE CONTRIBUTIONS CONTRIBUCIONES ATRASADAS		
			YEARS/ ANNÉES/ AÑOS	TOTAL YEARS/ ANNÉES AÑOS	TOTAL EUR
AFGHANISTAN /AFGANISTÁN	X	X	81-87, 89-05	24	556.943,77
ARMENIA / ARMENIE	X		00,02	2	48.850,02
BAHRAIN / BAHREIN / BAHREÏN	X	X	77-84,02	9	311.042,35
BOLIVIA / BOLIVIE	X	X	76-87, 89-98	22	498.769,50
BURKINA FASO	X	X	89-90,92-97, 00,02-04	12	244.331,76
CAMBODIA/CAMBODGE/CAMBOYA	X	X	76-92,96-98	20	450.376,23
CAPE VERDE /CAP VERT /CABO VERDE	X	X	02-05	4	68.774,00
CONGO	X	X	87-00 02-05	18	458.180,26
CÔTE D'IVOIRE	X		04-05	2	52.893,00
CHAD / TCHAD	X	X	88-05	18	404.878,76
DEM. REPUBLIC OF THE CONGO / RÉPUBLIQUE DÉM. DU CONGO / REPÚBLICA DEM. DEL CONGO	X	X	91-96,98-00 02-05	13	240.227,26
DJIBOUTI	X		03-05	3	58.724,00
GAMBIA /GAMBIE	X	X	81-84, 86-05	24	486.468,00
GHANA	X	X	97,00,02-04	5	92.576,07
GUINEA / GUINÉE	X	X	94-96, 98-00	6	114.225,75
KYRGYZSTAN / KIRGHIZISTAN / KIRGUISTÁN	X	X	95-05	11	269.214,49
KUWAIT - KOWEÏT	X		95,97-98	3	301.698,97
LIBYAN ARAB JAMAHIRIYA / JAMAHIRIYA ARABE LIBYENNE / JAMAHIRIYA ARABE LIBIA	X		04-05	2	194.173,00
MALAWI	X	X	00,02-05	5	92.539,24
MAURITANIA / MAURITANIE	X	X	76-05	30	677.444,79
QATAR	X		84-86,02	4	197.879,72
SAO TOME AND PRINCIPE / SAO TOME ET PRINCIPE/ SANTO TOME Y PRINCIPE	X	X	86-05	20	423.603,65
SIERRA LEONE / SIERRA LEONA	X	X	79-00,03-05	25	539.615,94
SUDAN / SOUDAN	X	X	83-86, 89-03	19	427.679,06
TOGO	X	X	96,97,99-05	9	164.832,68
TURKMENISTAN / TURKMÉNISTAN / TURKMENISTÁN	X	X	95-98,00-05	10	299.035,40
UGANDA / OUGANDA	X	X	91,92,95-00, 02-05	12	257.894,76
ZAMBIA / ZAMBIE	X		03-05	3	45.245,25
ZIMBABWE	X	X	01-05	5	115.079,01
TOTAL:					8.093.196,69

2. In pursuance of Resolutions 482(XVI) and 498(XVI) 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.

TEMPORARY EXEMPTION FROM THE APPLICATION OF THE PROVISIONS OF ARTICLE 34 AND PARAGRAPH 13

3. At the request of the Members mentioned below, the General Assembly agreed, in its resolution 483(XVI), to grant them temporary exemption from the application of the aforementioned provisions, once an instalment payment plan of their arrear contributions was agreed upon.

"The General Assembly,

Having taken note of the recommendations made by the Executive Council at its 73rd, 75th and 76th sessions with respect to requests for temporary exemption from the application of paragraph 13 of the Financing Rules,

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

1. *Approves the Executive Council's recommendations;*
2. *Decides to renew the temporary exemption from the provisions of paragraph 13 of the Financing Rules as they apply to Costa Rica, El Salvador, Kazakhstan, Mali, and Rwanda which are complying with the agreed plans for the settlement of their contribution arrears;*
3. *Decides to renew the temporary exemption from the provisions of paragraph 13 of the Financing Rules of Full Members Bolivia, Georgia, Guinea, Democratic Republic of the Congo, Sudan and Yemen, albeit making it clear that these provisions will once again be applied to these Members if they are not up to date in their payment plans by 1 April 2006;*
4. *Entrusts the Secretary-General with informing Yemen that it should submit a new payment plan for the debt corresponding to the years 1979 to 1989, there being no provision in the existing regulations for exemption from contributions;*
5. *Decides to grant temporary exemption from the provisions of paragraph 13 to the Full Members Nicaragua, Lao People's Democratic Republic, Guinea Bissau, Mongolia, Peru and Uruguay, which submitted payment plans approved by the Council, and to Niger whose plan was submitted at the present session;*
6. *Takes note of the willingness of Full Members Cambodia, Mauritania and Sierra Leone to submit payment plans to settle their contribution arrears, and authorizes the Executive Council to approve at its 78th session payment plans submitted by these countries, if it deems them appropriate;*

7. *Takes note, following its decision to consider the date of entry of the Republic of Moldova as being 1st January 2002, that this Full Member is up-to-date with its contributions and no longer has any arrears;*

Noting that Full Member Iraq is no longer subject to United Nations sanctions, and that it is no longer prohibited, as it was before, from transferring funds to the World Tourism Organization,

8. *Adopts the recommendation made by the Executive Council at its 76th session to maintain Iraq's temporary exemption from the application of paragraph 13 of the Financing Rules until the 78th session of the Executive Council, by which date it must submit a payment plan;*
9. *Adopts the recommendations of the Executive Council and establishes 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;*
10. *Requests the Secretary-General to inform the Full Members concerned, that the decision just taken in their regard remains subject to strict compliance with the aforementioned conditions; and*

...”

4. As of the date of this document, out of the current seven Associate Members only the Netherlands Antilles is subject to the stipulations of Article 34 of the Statutes.

5. The table below shows the degree of compliance with the conditions laid down by the Assembly for Members with which instalment payment plans had been agreed 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 16th General Assembly.

**MEMBERS GRANTED TEMPORARY EXEMPTION FROM THE APPLICATION OF
PARAGRAPH 13 (RESOLUTION 483 (XVI))**

Compliance with the conditions laid down by the Assembly
Situation at 15 April 2006

		CONDITIONS LAID DOWN BY THE GENERAL ASSEMBLY				
		Payment of the year the G.A. approved the plan		Strict fulfilment of the agreed payment plan		
FULL MEMBERS:	Arrears payment plan	Payment made				
				Contribution for the year	Annual quota of arrears	
BURUNDI (1)		---	---	---	---	---
COSTA RICA (2)	in 15 years beginning in 1996	1995	YES	1996-2005 2006	YES YES	YES YES
EL SALVADOR	in 10 years beginning in 1999	1997	YES	1998-2005 2006	YES YES	YES YES
GEORGIA	in 4 years beginning in 2004	2003	NO	2004-2005 2006	YES YES	YES PART
GUINEA-BISSAU	in 20 years beginning in 2005	2005	NO	2005-2006	NO	NO
IRAQ (3)		---	----	---	---	----
KAZAKHSTAN	in 20 years beginning in 2000	1999	NO	2000-2005 2006	YES NO	YES NO
LAO PEOPLE'S DEM. REPUBLIC	in 25 years beginning in 2005	2005	YES	2005 2006	YES NO	YES NO
MALI	in 21 years beginning in 2002	2001	YES	2001-2005 2006	YES NO	YES NO
MONGOLIA	in 25 years beginning in 2005	2005	YES	2005-2006	YES	YES
NICARAGUA	in 20 years beginning in 2004	2004	YES	2004-2005 2006	YES NO	YES NO
NIGER	in 40 years beginning in 2007	2005	NO	2006	NO	--
PERU	in 15 years beginning in 2005	2005	YES	2005 2006	YES NO	YES NO
RWANDA	in 5 years beginning in 2003	2003	YES	2004-2005 2006	YES NO	YES NO
URUGUAY	in 10 years beginning in 2004	2004	PART	2004-2005 2006	YES NO	YES NO
YEMEN (4)	in 13 years beginning in 2001	1999	YES	2000-2004 2005 2006	YES PART NO	YES YES NO

OBSERVATIONS:

- (1) **Burundi:** By letter dated 1 March 2006 Mr. Deo Ngendahayo, Director of Burundi's Tourism Office assured the Secretary-General that proposals were being prepared by the Government to liquidate that country's UNWTO contribution arrears.
- (2) **Costa Rica:** Since the debt of Costa Rica is less than the amount of its assessed contributions for the past two years, the provisions of paragraph 13 are no longer applicable to it.
- (3) **Iraq:** It is now up to that country to present a payment plan for its arrear contributions at the latest by the Executive Council 78th session.
- (4) **Yemen:** The payment plan covers the arrears for the period 1990-1998. Once the present plan has been concluded, the payment of arrears pending (1979-1989), owed by the former People's Republic of Yemen, will be the subject of a new agreement.

ANNEX**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 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 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."

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."