

Executive Council

Ninety-fourth session
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CE/94/3(III)(b)
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Report of the Secretary-General

Part III: Administrative and statutory matters

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

I. Introduction

1. At 31 July 2012, 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 20 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 |
| BAHRAIN / BAHREÏN / BAHREIN | X | X | 77-84,02,10-11 | 11 | 396.048,35 |
| BURUNDI | X | X | 77-07, 11 | 32 | 704.996,61 |
| BURKINA FASO | X | X | 02-04,11 | 4 | 77.281,46 |
| CAPE VERDE /CAP-VERT /CABO VERDE | X | X | 02-11 | 10 | 185.588,00 |
| CÔTE D'IVOIRE | X | X | 04-07,11 | 5 | 109.302,34 |
| CHAD / TCHAD | X | X | 07,08,10,11 | 4 | 98.158,00 |
| DJIBOUTI | X | X | 03-11 | 9 | 190.141,00 |
| DEM. REPUBLIC OF THE CONGO / RÉP. DÉMOCRATIQUE DU CONGO / REP. DEMOCRÁTICA DEL CONGO | X | X | 91-96,98-00, 02- 06, 08-11 | 18 | 362.250,26 |
| GUINEA BISSAU / GUINÉE-BISSAU | X | X | 92-96,99-11 | 18 | 373.793,55 |
| KYRGYZSTAN / KIRGHIZISTAN / KIRGUISTÁN | X | X | 95-10 | 16 | 369.619,89 |
| MALAWI | X | X | 00,02,04-11 | 10 | 224.385,24 |
| NIGER / NÍGER | X | X | 82-87,90- 07,10,11 | 26 | 589.878,14 |
| PAPUA NEW GUINEA / PAPOUASIE- NOUVELLE-GUINÉE / PAPUA NUEVA GUINEA | X | X | 08-11 | 4 | 93.605,00 |



| | | | | | |
|---|---|---|------------------------|----|---------------------|
| SAO TOME AND PRINCIPE / SAO TOME-ET-PRINCIPE/ SANTO TOME Y PRÍNCIPE | X | X | 86-11 | 26 | 540.417,65 |
| SIERRA LEONE / SIERRA LEONA | X | X | 79-00,03-11 | 31 | 677.661,39 |
| SUDAN / SOUDAN / SUDÁN | X | X | 84-86,89-03 06-08 | 21 | 457.439,92 |
| TURKMENISTAN / TURKMÉNISTAN / TURKMENISTÁN | X | X | 95-98,00-11 | 16 | 474.255,40 |
| UGANDA / OUGANDA | X | X | 95-00, 02-04, 10-11 | 11 | 221.384,76 |
| VANUATU | X | | 10-11 | 2 | 39.748,00 |
| TOTAL: | | | | | 6.839.050,73 |

2. In pursuance of resolution A/RES/588(XIX) 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.

II. 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 A/RES/588(XIX), 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 89th, 90th and 91st 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,

6. *Decides, in view of their compliance with the agreed payment plans, to renew the temporary exemption from the provisions of paragraph 13 of the Financing Rules of Full Members Cambodia, Congo, Lao People's Democratic Republic, Togo and Yemen and grants temporary exemption from the provisions of paragraph 13 of the Financing Rules to Full Members Central African Republic, Gambia, Guinea, Iraq, Mauritania, Mongolia, Nicaragua and to the Affiliate Members Centro Italiano di Studi Superiori sul Turismo e sulla Promozione Turistica di Assisi (CST) and Souv Club Cameroon;*
7. *Also decides to maintain the temporary exemption of Bolivia, Burkina Faso, El Salvador, Niger, Peru, and Uruguay, as well as that of Affiliate Members Confederación de Organizaciones Turísticas de la América Latina (COTAL) and University of Tourism Economics and Law (KUTEL) 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 2012;*
8. *Requests the Secretary-General to inform Yemen that it must submit a new payment plan for its debt corresponding to the years 1979 to 1989, given that the regulations in force do not contain any provisions for exemption from the payment of contributions;*

9. *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;*
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. In accordance with paragraph 7 of the above-mentioned resolution, 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 2012 to Burkina Faso and Niger which are now included in the table on pages 1 and 2 of this document).

5. As of the date of this document, out of the current seven Associate Members only Puerto Rico is subject to the provisions of paragraph 13 of the Financing Rules.

6. 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 19th General Assembly.

| MEMBERS GRANTED TEMPORARY EXEMPTION FROM THE APPLICATION OF PARAGRAPH 13 (RESOLUTION A/RES/588(XIX)) | | | | | | |
|---|-------------------------------------|---|-----|---|--|-----------|
| Compliance with the conditions laid down by the Assembly Situation at 31 July 2012 | | | | | | |
| | | CONDITIONS LAID DOWN BY THE GENERAL ASSEMBLY | | | | |
| | | 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 | |
| BOLIVIA | in 10 years beginning in 2008 | 2007 | YES | 2008-2012 | YES | YES |
| CAMBODIA | in 30 years beginning in 2006 | 2006 | YES | 2006-2012 | YES | YES |
| CENTRAL AFRICAN REPUBLIC | in 4 years beginning in 2011 | 2011 | NO | 2011-2012 | NO | NO |
| CONGO | in 30 years beginning in 2009 | 2009 | NO | 2009-2011 2012 | YES NO | YES NO |

| | | | | | | |
|-------------------------------|----------------------------------|------|-----|---------------------------|-------------------|-----------------|
| EL SALVADOR (1) | in 10 years beginning in 1999 | 1997 | YES | 1998-2010 2011 2012 | YES YES YES | YES NO NO |
| IRAQ (2) | -- | -- | -- | -- | -- | -- |
| GAMBIA | in 20 years beginning in 2011 | 2011 | NO | 2011 2012 | YES NO | YES NO |
| GUINEA | in 15 years beginning in 2012 | 2011 | YES | 2012 | NO | NO |
| LAO PEOPLE'S DEM. REPUBLIC | in 25 years beginning in 2005 | 2005 | YES | 2005-2011 2012 | YES NO | YES NO |
| MAURITANIA | in 30 years beginning in 2011 | 2011 | NO | 2011 2012 | YES NO | YES NO |
| NICARAGUA | in 12 years Beginning in 2010 | 2010 | YES | 2010-2011 2012 | YES NO | YES YES |
| TOGO | in 10 years beginning in 2009 | 2009 | YES | 2009-2012 | YES | YES |
| URUGUAY | in 15 years beginning in 2007 | 2007 | YES | 2007-2011 2012 | YES NO | YES NO |
| YEMEN (3) | in 13 years beginning in 2001 | 1999 | YES | 2000-2012 2012 | YES SI | YES PART |

OBSERVATIONS:

- (1) **El Salvador:** Since the debt of El Salvador is less than the amount of its assessed contributions for the past two years, the provisions of paragraph 13 are no longer applicable to this Member.
- (2) **Iraq:** Grace period extended until the 20th session of the General Assembly pending the entry into force of its payment plan on 1 January 2014.
- (3) **Yemen:** The Minister of Tourism of Yemen, confirmed in his letter dated 13 May 2006 that the necessary measures will be taken to agree on a new payment plan upon the conclusion of the current one, which would cover contributions corresponding to the years 1979-1989 owed by the former People's Republic of Yemen.

7. The Executive Council at its ninety-third session [CE/DEC/4(XCIII)] welcomed with satisfaction the return of the Full Member Myanmar to UNWTO, effective 1 June 2012. The Secretariat is pleased to inform that it is currently in negotiations with Myanmar to reach an agreement for a payment plan for the settlement of its arrear contributions.

III. Updates from previous statement contained in document CE/93/5(d) add.1

8. When compared with the information contained in the above-mentioned document as of 31 May 2012 submitted to the previous session of the Executive Council, the following updates can be observed:

- (a) Countries in Article 34 of the Statutes: No change

Countries in paragraph 13 of the Financing Rules:

Provisions in paragraph 13 of the Financial Rules are no longer applicable to Pakistan since it reduced its arrears to less than two years' contributions.

- (b) Amount due by these Members as of 31 May 2012 6,900,422.97 euros
Amount due by these Members as of 31 July 2012 6,839,050.73 euros
Updated balance during the period: 61,372.24 euros (*)

- (*) The amount received from Pakistan represents 29,811 euros of the updated balance during the period. The outstanding balance of arrears for an amount of 31,561.24 euros is not mentioned in this report since this Full Member is no longer included among the Members under the provisions of Article 34 of the Statutes and/or paragraph 13 of the Financing Rules attached to the Statutes listed on page 1 of this document.

IV. Actions to be taken by the Executive Council

9. The Executive Council is requested:
- (a) To thank the Members that have made the necessary efforts in order to fulfil their financial obligations despite their internal constraints;
 - (b) To note that Pakistan has partially settled its contribution arrears and is no longer liable to the provisions of Paragraph 13 of the Financing Rules, welcoming with satisfaction the significant effort undertaken by this country;
 - (c) To note that Togo has respected its agreed payment plan up to 2012 while El Salvador partially;
 - (d) To note that Myanmar and the Secretariat are currently in negotiations to establish a payment plan for the settlement of its arrear contributions;
 - (e) To request 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 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; and
 - (f) To further note that Iraq continues to benefit from an extended temporary exemption of the application of the provisions of paragraph 13 of the Financing Rules attached to the Statutes and Article 34 of the Statutes until the twentieth session of the General Assembly pending the entry into force of its payment plan beginning 1 January 2014.

Annex

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."