



**SEVENTH REGULAR SESSION  
FINANCE AND ADMINISTRATION COMMITTEE  
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**REPORT ON GENERAL ACCOUNT FUND CONTRIBUTIONS  
AND OTHER INCOME FOR 2010**

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**WCPFC7-2010-FAC4/05  
04 November 2010**

**Introduction**

1. The Commission's Financial Regulation 5.7 requires, in regard to the General Account Fund, a report to each Regular Session on the collection of annual assessed contributions, any voluntary contributions, any investment income and other income received, as well as any advances made from the Working Capital Fund. A report on the Commission's other funds is provided in paper WCPFC7-2010-FAC4/06.

2. 2010 contributions have been received slightly slower than in previous years and one Member is at the point where it is two full years in arrears. French Polynesia has made a voluntary contribution. There have been no advances from the Working Capital Fund, nevertheless the Commission's cash flow remains vulnerable if sufficient contributions are not paid by their due date. Miscellaneous income is broadly in line with the budget estimate and previous years' collections.

**Assessed Contributions**

*Due date*

3. Annual contributions shall be considered as due and payable in full within 60 days of either a communication from the Executive Director about the amount due or 01 January of the year to which they relate, whichever is the later. The initial contribution advice letters were sent by courier in late December 2009 so all 2010 contributions would have been due for payment in March 2010. In the instances where contributions remained unpaid reminder action has been taken with several broadcast messages sent during the year and in some cases there has been direct representations by the Interim Executive Director. In accordance with the Commission's collection policy Members have been offered progressive payment options but no Member has formally taken up that offer although some Members have made part payments during the year.

*Contributions due and contributions outstanding in 2010*

4. Assessed contributions for 2010 set at WCPFC6 (Papeete, 07-11 December 2009) totalled USD5,377,599. In addition prior years' contributions of USD87,460 were due at the end of 2009 (USD24,776 in respect of 2008 from one member and USD62,684 in respect of 2009 from five Members).

5. As at 03 November nine members had outstanding 2010 contributions and the total amount was USD500,219, however two of those outstanding amounts are small. At the same time last year outstanding contributions were USD215,184 (7 Members). The outstanding 2008 contribution of USD24,775 remains unpaid and USD57,786 is outstanding from 2009 (three Members). A summary table of the status of 2008, 2009 and 2010 contributions is attached for reference. Any subsequent changes to the status of contributions will be reported at FAC4.

*Budget contributions - arrears for two full years*

6. Article 18 paragraph 3 of the Commission's Convention provides as follows: "If a contributor (to the budget of the Commission) is in arrears in the payment of its financial contributions to the Commission it shall not participate in the taking of decisions by the Commission if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. Interest shall be payable on such unpaid contributions at such rate as may be determined by the Commission in its financial regulations. The Commission may, nevertheless, waive such interest payments and permit such a member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the member."

7. The Commission's Financial Regulation 5.5 provides that unpaid contributions are considered one year in arrears as of 01 January the calendar year following the year to which they relate. Currently one member has overdue contributions in respect of all its 2008 and 2009 assessments and is therefore two full years in arrears. It may be recalled the Commission has determined, on the recommendation of the FAC, that the interest rate to be applied to contributions in arrears is zero.

*Contributions payment pattern*

8. Six members paid their 2010 contributions in full in the March quarter and two part paid (2009: eight); by the end of the June quarter 11 Members had fully paid and one had part paid (2009: 10) and by the end of the September quarter 16 Members had fully or substantially paid their contributions and one had part paid (2009: 17) a further two Members paid their contributions in October for a current total of 18 fully or substantially paid and one part paid.

9. The Secretariat was obliged to undertake a contingent exercise to prioritise payments in April as a cash flow problem seemed imminent. Following a plea from the Interim Executive Director to members a large contribution was received and any problem was averted.

**Voluntary Contributions**

9. A voluntary contribution of USD11,065 received from French Polynesia has been included in General Account Fund income for 2010 and the Interim Executive Director has sent a letter of appreciation.

**Investment and other income**

10. Miscellaneous Income of USD42,953 has been credited to the General Account Fund as at the date of this paper; this figure includes USD6,258 in interest, USD883 from the Government of the Federated States of Micronesia as reimbursement of State Taxes and USD30,837 from Japanese Trust Fund administration fees. For the same period in 2009 Miscellaneous Income was

USD40,797. No further substantial miscellaneous income is anticipated for the remainder of 2010 and the Commission has no investments.

**Working Capital Fund Advances**

11. There have been no advances from the Working Capital Fund in 2010 and its balance stands at USD362,010, which is the equivalent of 3 weeks average expenditure. The nominal ceiling for this fund is USD500,000.

**Recommendation**

12. The Committee is invited to;
- i) Note the report; and
  - ii) Urge all Members of the Commission to pay their assessed contributions in full and on time.

**Attachment to WCPFC7-2010-FAC4/05:**

**General Account Fund**

**Contributions Table as at 30 October 2010**

Member Country	Assessed Contributions			Payments received			Outstanding		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Australia	60,941	81,996	104,996	60,941	81,996	104,996	0	0	0
Canada	56,697	77,718	99,324	56,697	77,718	99,324	0	0	0
China	116,725	181,352	250,089	116,725	181,352	250,089	0	0	0
Cook Islands	17,966	23,903	36,780	17,966	23,903	36,780	0	0	0
European Community	151,603	222,374	324,421	151,603	222,374	324,421	0	0	0
Federated States of Micronesia	49,630	47,988	55,036	49,630	47,988	16,000	0	0	39,036
Fiji	30,690	38,290	46,317	30,690	37,365		0	925	46,317
France	72,902	97,379	122,530	72,902	97,379	122,530	0	0	0
Japan	759,786	1,013,145	1,197,498	759,786	1,013,145	1,197,498	0	0	0
Kiribati	22,747	32,925	35,559	22,747	32,925		0	0	35,559
Korea	388,949	548,805	717,131	388,949	548,805	717,131	0	0	0
Marshall Islands	81,140	112,270	127,641	81,140	112,270		0	0	127,641
Nauru	13,266	17,895	24,039	13,266	17,895	24,039	0	0	0
New Zealand	79,744	110,243	145,304	79,744	110,243	145,304	0	0	0
Niue	13,297	19,098	25,836	13,297	19,098	25,817	0	0	19
Palau	20,670	27,552	34,630	20,670			0	27,552	34,630
Papua New Guinea	184,220	250,209	294,065	184,220	250,209	294,065	0	0	0
Philippines	95,350	130,745	183,902	95,350	130,745	183,902	0	0	0
Samoa	15,978	22,099	28,612	15,978	22,099	28,587	0	0	25
Solomon Islands	24,775	29,309	36,429				24,775	29,309	36,429
Chinese Taipei	421,225	551,088	687,259	421,225	551,088	687,259	0	0	0
Tonga	15,144	20,551	26,016	15,144	20,551	26,016	0	0	0
Tuvalu	13,455	17,956	23,918	13,455	17,956	23,918	0	0	0
USA	299,669	387,456	569,704	299,669	387,456	569,704	0	0	0
Vanuatu	128,695	166,807	180,563	128,695	166,807		0	0	180,563
<b>Total</b>	<b>3,135,264</b>	<b>4,229,153</b>	<b>5,377,599</b>	<b>3,110,488</b>	<b>4,171,367</b>	<b>4,877,380</b>	<b>24,776</b>	<b>57,786</b>	<b>500,219</b>