

SECRETARIAT OF THE PACIFIC COMMUNITY

**FORTIETH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Noumea, New Caledonia 25–29 October 2010)

FINANCIAL MATTERS

AGENDA ITEM 11.1 – STATUS OF MEMBERS’ ASSESSED CONTRIBUTIONS

(Paper presented by the Secretariat)

Summary

1. In accordance with the Secretariat’s financial regulations, the status of members’ assessed contributions is submitted to CRGA for its information and to be noted.
2. As at 30 September 2010, outstanding members’ assessed contributions total 2,194,360 CFP units. Of this amount, a total 1,405,913 CFP units is for the current year, and the remaining 788,447 CFP units are debts older than one year. Eight members have arrears that are older than a year and two members are in credit.
3. The Secretariat has been in regular contact with members with arrears through a combination of regular written reminders and country visits.

Recommendations

4. CRGA is invited to:
 - i. note the status of members’ assessed contributions;
 - ii. further note the efforts by the Secretariat to encourage members with arrears to settle their outstanding contributions; and
 - iii. encourage members with arrears and current outstanding balances for 2010 to settle their outstanding contributions as soon as possible and / or agree a payment schedule with the Secretariat to settle their arrears over a number of years.
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STATUS OF MEMBERS' ASSESSED CONTRIBUTIONS

Purpose

1. In accordance with the Secretariat's financial regulations, this paper updates CRGA on the status of members' assessed contributions as at 30 September 2010. It also highlights efforts made by the Secretariat to encourage members with arrears to settle their outstanding contributions. A further update on the status of debts will be tabled at the CRGA meeting.

Background

2. As at 30 September 2010 the outstanding members' assessed contributions total 2,194,360 CFP units. Of this amount, a total of 1,405,913 CFP units are for the current year, and the remaining 788,447 CFP units are arrears that are older than one year. The total amount of contributions received between December 2009 and 30 September 2010, inclusive of arrears and amounts in credit, was 7,056,903 CFP units.
3. Annex 1 provides details on the status of members' assessed contributions. Eight members have arrears of more than one year, two members are in credit (Fiji Islands and Solomon Islands) and 16 members have yet to settle their 2010 assessed contributions.
4. Annex 2 is derived from the report by the consultant undertaking the analysis on a 'long-term sustainable financing strategy for SPC'. It extrapolates on the level of benefits derived by PICT members from SPC's regional services. While much more work is needed to further fine-tune the information in this annex, it provides an indication of the level of benefits PICT members derive from SPC relative to the amount of assessed contributions they pay.
5. The Secretariat has been very active in encouraging members to pay their assessed contributions through reminder letters and country visits. In particular, the Director-General and the Manager of the Regional Office, North Pacific discussed the issue of settling membership contributions with relevant governments and administrations throughout 2010.

Progress achieved in status of older outstanding contributions

6. Through consistent dialogue and follow-up discussions, the Secretariat is happy to advise CRGA that it has reached understanding with three members on settling their arrears:
 - i. The Government of Nauru has agreed to develop a schedule of payments to meet its current dues and to include a regular amount to service its arrears over a number of years. Nauru has advised it will provide an update to CRGA 40.
 - ii. The Office of the Governor of Guam has committed to making a payment to clear part of Guam's arrears soon. It has also directed the Secretariat to channel all future invoices for Guam's assessed contributions directly to the Governor's Office. Guam has also advised the Secretariat that it plans to establish a permanent allocation within the budget of the Office of the Governor to facilitate timely payment of its dues in the future.

- iii. The Government of the Commonwealth of the Northern Mariana Islands (CNMI) has confirmed that it is committed to settling its arrears, but noted that its current financial challenges do not leave it in a position to make payments soon. This item remains on the joint agenda for SPC and CNMI.
7. The Secretariat will be making extra efforts to encourage the payment of outstanding arrears by American Samoa, Marshall Islands and Palau.

Conclusion

8. The status of members' assessed contributions is presented to be noted by CRGA. However the Secretariat requests that members with outstanding arrears in assessed contributions please settle their arrears as soon as possible.
9. The Secretariat also requests that all 16 members with current outstanding balances for 2010, as identified in Annex 1, please settle their 2010 member contributions either before or at the CRGA meeting.

30 September 2010

Annex 1: Status of members' assessed contributions at 30 September 2010 (amounts shown in CFP units: 1 unit = 100 CFP francs)

MEMBER COUNTRIES	2009 Arrears/ (advance)	2010 Invoice	2010 Receipts	Balance after application of 2010 receipts					2010	Comments
				1997 to 2006	2007	2008	2009	2010		
American Samoa	51,788	31,737	(3,166)		6,048	10,836	31,737	31,737	80,358	Approx. 2.5 years old
Australia		2,737,985	(2,737,985)							
Cook Islands		27,145						27,145	27,145	
Federated States of Micronesia	(25,091)	31,737				(11,277)	(13,813)	31,737	6,647	
Fiji Islands	119,171	101,442	(222,307)					(1,694)	(1,694)	in credit
France		1,620,920	(1,620,920)							
French Polynesia		69,454	(69,454)							
Guam	93,020	31,737			29,546	31,737	31,737	31,737	124,757	Approx. 4 years old
Kiribati	54,403	27,145	(36,644)					17,759	27,145	44,904
Marshall Islands	71,171	27,145			16,881	27,145	27,145	27,145	98,316	Approx. 2 years old
Nauru	234,026	22,131	(22,745)	187,186		1,964	22,131	22,131	233,412	Approx. 10.5 years old
New Caledonia		123,921	(123,921)							
New Zealand		1,604,097	(1,604,097)							
Niue	26,702	22,131	(26,702)					22,131	22,131	
Northern Mariana Islands	234,067	31,737		138,856	31,737	31,737	31,737	31,737	265,804	Approx. 8 years old
Palau	81,435	27,145			27,145	27,145	27,145	27,145	108,580	Approx. 4 years old
Papua New Guinea	56,183	69,454					56,183	69,454	125,637	Approx. 1.8 years old
Pitcairn Islands		22,131	(22,131)							
Samoa		27,145	(27,145)							
Solomon Islands	32,555	27,145	(92,255)					(32,555)	(32,555)	in credit
Tokelau		22,131						22,131	22,131	
Tonga		27,145						27,145	27,145	
Tuvalu		22,131						22,131	22,131	
United States of America		1,417,665	(425,300)					992,366	992,366	
Vanuatu		27,145						27,145	27,145	
Wallis and Futuna		22,131	(22,131)							
	1,029,431	8,221,832	(7,056,903)	326,042	111,357	119,287	231,761	1,405,913	2,194,360	
				14.9%	5.1%	5.4%	10.6%	64.1%	100.0%	

note - figures rounded to nearest whole CFP unit

Annex 2: PICTs' assessed contributions and financial rate of return

	Total financial benefits (in CFP)	Members' SPC assessed contribution (in CFP)		Revised contributions (in CFP)					
	Base year (2009)	Base year (2010)	Rate of return	15%	Rate of return	20%	Rate of return	25%	Rate of return
AMERICAN SAMOA	7,869,392	3,173,700	148%	3,649,755	116%	3,808,440	107%	3,967,125	98%
COOK ISLANDS	48,358,132	2,714,500	1681%	3,121,675	1449%	3,257,400	1385%	3,393,125	1325%
FEDERATED STATES OF MICRONESIA	68,878,779	3,173,700	2070%	3,649,755	1787%	3,808,440	1709%	3,967,125	1636%
FIJI ISLANDS	85,855,563	10,144,200	746%	11,665,830	636%	12,173,040	605%	12,680,250	577%
FRENCH POLYNESIA	27,791,110	6,945,400	300%	7,987,210	248%	8,334,480	233%	8,681,750	220%
GUAM	7,717,365	3,173,700	143%	3,649,755	111%	3,808,440	103%	3,967,125	95%
KIRIBATI	143,113,272	2,714,500	5172%	3,121,675	4485%	3,257,400	4293%	3,393,125	4118%
MARSHALL ISLANDS	54,393,535	2,714,500	1904%	3,121,675	1642%	3,257,400	1570%	3,393,125	1503%
NAURU	54,942,070	2,213,100	2383%	2,545,065	2059%	2,655,720	1969%	2,766,375	1886%
NEW CALEDONIA	31,341,599	12,392,100	153%	14,250,915	120%	14,870,520	111%	15,490,125	102%
NIUE	29,452,025	2,213,100	1231%	2,545,065	1057%	2,655,720	1009%	2,766,375	965%
NORTHERN MARIANA ISLANDS	10,281,979	3,173,700	224%	3,649,755	182%	3,808,440	170%	3,967,125	159%
PALAU	38,317,836	2,714,500	1312%	3,121,675	1127%	3,257,400	1076%	3,393,125	1029%
PAPUA NEW GUINEA	80,260,060	6,945,400	1056%	7,987,210	905%	8,334,480	863%	8,681,750	824%
PITCAIRN ISLANDS	1,028,000	2,213,100	-54%	2,545,065	-60%	2,655,720	-61%	2,766,375	-63%
SAMOA	55,081,254	2,714,500	1929%	3,121,675	1664%	3,257,400	1591%	3,393,125	1523%
SOLOMON ISLANDS	110,114,522	2,714,500	3957%	3,121,675	3427%	3,257,400	3280%	3,393,125	3145%
TOKELAU	5,160,156	2,213,100	133%	2,545,065	103%	2,655,720	94%	2,766,375	87%
TONGA	77,754,512	2,714,500	2764%	3,121,675	2391%	3,257,400	2287%	3,393,125	2192%
TUVALU	36,047,586	2,213,100	1529%	2,545,065	1316%	2,655,720	1257%	2,766,375	1203%
VANUATU	66,616,830	2,714,500	2354%	3,121,675	2034%	3,257,400	1945%	3,393,125	1863%
WALLIS AND FUTUNA	12,695,538	2,213,100	474%	2,545,065	399%	2,655,720	378%	2,766,375	359%
TOTALS		84,116,200		96,733,975		100,939,800		105,145,625	