



INTERNATIONAL COTTON ADVISORY COMMITTEE

1629 K Street NW, Suite 702, Washington, DC 20006 USA
Telephone (202) 463-6660 • Fax (202) 463-6950 • e-mail secretariat@icac.org

Aide Memoire

To: Delegates to the Standing Committee, Coordinating Agencies, and Members of the Private Sector Advisory Panel

From: Head Economist

Subject: Meeting of the Subcommittee on Budget

Date: May 28, 2003

Members of the Subcommittee on Budget from Spain and the USA and the head economist (the executive director is on travel in Africa) met today in the office of the Secretariat. The Subcommittee on Budget met previously on March 27 to discuss the proposed budget for fiscal year 2003/04. Mr. James Johnson of the USA serves as Chair of the Subcommittee on Budget.

Delegates noted that during the 466th SCM several delegates opposed the proposal to adjust upward the assessments of countries that are in arrears by 1% a month, as it would discourage membership in ICAC. However, countries expressed willingness to discuss the proposal to reduce from 18 to 12 months the period of arrears before publications and other services are discontinued.

Concern was expressed that increased unpaid assessments discourage former member countries from coming back to the ICAC. Similarly, a one-year period in government affairs is a very short period of time and would probably impact membership of ICAC. Delegates expressed the need to find a balance between ensuring timely payment of assessments and encouraging membership. It was agreed that it was preferable to promote increased membership in ICAC than to make more difficult to maintain membership of countries in arrears.

Delegates considered several options for encouraging new and continued membership, while promoting timely payment of assessments. A first proposal is to maintain the current two-year period in which full membership is maintained, adding an additional one-year period in which a country in arrears would be allowed to participate in ICAC activities as an observer, without having to increase its debt to ICAC. This additional one-year period would allow a country to make a more informed decision regarding membership to the Committee. A second proposal is to inform the private industry of assessments in arrears during the two-year period in which a country's assessment can be in arrears before action is taken. Private industry can be very effective in raising the issue of timely payment to ICAC to proper government officials. One way of informing the private sector and making government officials aware of arrears is to distribute the most current list of countries in arrears and discuss the issue at plenary meetings. Delegates expressed that involving the private sector could be a more effective procedure for encouraging timely payment of assessments than suspending publications and other services. Another way of promoting timely payment of assessments is having delegates at standing committee meetings and plenary meetings share with delegates of countries in arrears the importance of membership in ICAC.