

**REPORT OF THE FINANCE COMMITTEE TO THE 2nd IHO ASSEMBLY
16 – 18 November 2020**

References:

- a. A2_2020_F_01_EN – Finance Report 2017-2019
- b. A2_2020_F_01_EN – Finance Report 2019
- c. PRO-1.7 3-Year Work Programme and Budget 2021 -2023
- d. C4-05.3A Proposed IHO Budget for 2021

Introduction

1. The Finance Committee met on Thursday 12 November 2020 from 13:30 to 14:45 under the vice chairmanship of Mr Andrew Millard (UK) to determine its recommendations on the financial statements, budget estimates and reports on administrative matters that had been prepared by the Secretary-General for presentation to the Assembly.

2. The following Member States were represented:

Australia, Brazil, Cameroon, Canada, China, Chile, Colombia, Cyprus, Finland, France, Germany, Italy, Japan, Latvia, Malta, Mauritius, Mexico, Monaco, Netherlands, Norway, Peru, Poland, Portugal, Republic of Korea, Saudi Arabia, South Africa, Sri Lanka, Thailand, Tunisia, Ukraine, United Kingdom, United States of America.

Observations and Recommendations

3. Secretary-General Dr Mathias Jonas in his role as Finance Committee Secretary presented the Financial Statements for 2017-2019 (Reference a and b). He explained that substantial savings were achieved in travel, partly because of the Secretariat's commitment to do so, and thanks to the increased local participation of Member States representing IHO's position at activities and meetings which would otherwise require extensive travel of Secretariat's staff.

4. Republic of Korea commented that they would like to see the allocation of the surplus, expected in 2020, to the Capacity Building Fund and to the Special Projects Fund.

5. Noting that the annual accounts for 2017 to 2019 had been endorsed by the Council and approved by correspondence in accordance with Resolution 02/2018, the Committee

agreed to recommend that the Assembly approves the financial report for the three-year intersessional period 2017-2019.

Implementation of the budget for 2020

6. Secretary-General informed about the current financial situation and the impact of the Covid pandemic. So far there is no measurable effect of the pandemic on the receipt of contributions, which are in line with previous years. But important savings were achieved in operational expenses and travel expenditure, as effectively, all travel stopped in March 2020.

The 3 years' budget 2021 – 2023

7. Secretary-General in his role as Secretary of the Council introduced Assembly proposal PRO 1.7 for the three-year-intersessional period 2021-2023 (Reference c).

8. Secretary-General explained the Council proposal of the option for a consecutive increase of Member States fees in 2021, 2022 and 2023 by 1% subject to the advance approval of the Council. Comments in support of the annual increase were received from USA and Norway. Latvia commented that a higher one off increase would be more practical than a yearly increase. Chile was not in support of the increase because of the pandemic situation.

9. As a result, the Committee agreed to recommend that the Assembly adopts the proposed budget for 2021-2023 as submitted in Assembly Proposal 1.7 and approve the option of the consecutive increase of Member States fees subject to the advance approval of the Council.

[Post scriptum from the Secretary-General: The share value increase of 1% will not be possible for 2021 since budget acquisition for the forthcoming year has already closed in numerous Member States]

The annual budget for 2021

10. Secretary-General in his role as Secretary of the Council introduced his proposal for the annual budget submitted to the forthcoming Council (Reference d). He explained his intention to propose to the Council to invest the anticipated increased income into the retirement fund, and in the provision for bad debts induced by economic effects of the pandemic to Member States.

11. The Finance Committee took note of the proposed Budget for 2021 and indicated support for the investment proposals of the anticipated increased income.

Action required of the Assembly

12. The Assembly is invited to:

- a) approve the financial report for the three-year intersessional period 2017-2019;
- b) take note of the actual and assumed impact of the COVID pandemic and preventive measures proposed by the Secretary-General;
- c) approve the option for a consecutive increase of Member Ship fees in 2021, 2022 and 2023 subject to the advance approval of the Council;
- d) adopt the proposed budget for 2021-2023 as submitted in Assembly Proposal 1.7;
- e) take note of the election of Ms Isabelle Rosabrunetto (Monaco) as Chair of the Finance Committee and Mr Andrew Millard (United Kingdom) as Vice Chair of the Finance Committee for the Assembly intermediate period commencing after A-2 (2020) until the end of A-3 (2023).