

IHO File No S1/6200/C-8

COUNCIL CIRCULAR LETTER
02/2024
29 April 2024

**IHO ANNUAL REPORT FOR 2023
AND APPROVAL OF THE FINANCE REPORT FOR 2023**

References:

- A. IHO Resolution 12/2002 as amended – *Planning Cycle*.
- B. IHO Resolution 2/2018 – *Procedure for considering the annual financial statement and recommendations and the forthcoming budget estimate and work programme*.
- C. Finance Committee Officers' hybrid meeting – 26 April 2024.

Dear Hydrographer,

1. In accordance with the revised procedures in force for the IHO Planning Cycle (See Reference A), and the consideration of financial statements for the previous year (See Reference B), this letter invites the Council Members:

- to take note of the draft IHO Annual Report for 2023 (Part 1 – General), and provide their comments if any, at their earliest convenience;
- to approve the draft IHO Annual Report for 2023 (Part 2 – Finance).

2. The draft IHO Annual Report for 2023 (Part 1 and Part 2) is available for consultation, as Publication P-7, on the IHO website [here](#) under the draft publications section.

3. The Finance Report for 2023 and the recommendations of the Secretary-General were reviewed and endorsed by the Chair of the Finance Committee and the Chair of the Council at the Finance Committee Officers' meeting held in a hybrid format in Monaco on 26 April 2024.

4. In accordance with Reference B (Paragraph 7), the report of this meeting, including the Finance Report for 2023, is now under circulation to the Members of the Finance Committee for comments. These comments, if any, will be considered and incorporated in the final version of the Part 2 of the IHO Annual Report at the final stage, before publication.

Result of the fiscal year 2023 and recommendations of the Secretary-General for the 2023 surplus

5. The audited financial statements present a positive balance for 2023 of 215,221.97 Euro (see Table 9 (English) and 10 (French)). This result comprises the budget loss of 253,000 Euro from the budget implementation, balanced by an underspend of 10,000 Euro in capital expenditure, 279,000 Euro of operating costs, and the inclusion of the amount paid for depreciable assets of 19,000 Euro.

6. When assessing the positive balance sheet, it should be noted that several Member States failed to pay their annual financial contributions in the fiscal year 2023. At the end of the year, 28 Member States had not paid their annual contributions in full. This amounted to 487,000 Euro, which is, in effect, income for 2023 yet to be received and represents 13.92% of the total value of the expected Member States' contributions. The 13.92% unpaid receivables of 2023 are as substantial as the 14.18% debts for 2022 and deviate heavily from 8.44% debts for the 5-year average! When these debts are cleared, they will be reflected in the relevant yearly accounts as extraordinary income. The Secretariat

undertakes every effort to remind Member States of their obligations to pay and is in contact with the local Bank to facilitate payments. It must be explicitly stated, however, that a missed clearance of these debts will leave the IHO Secretariat operations in a critical situation and will definitely affect its future performance.

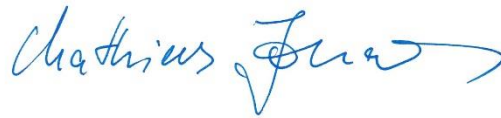
7. The Finance Committee Officers endorsed the proposals of the Secretary-General that the budget surplus for 2023 of 215k€ is to be distributed as follows:

- 50,000 Euro to the Assembly Fund,
- 15,000 Euro to the Special Project Fund,
- 40,000 Euro to the Capacity Building Fund,
- 10,000 Euro to the IBSC Fund,
- 40,000 Euro to the Renovation and Enhancement Fund,
- 60,000 Euro to the Relocation Fund.

Approval of the Finance Report for 2023

8. Council Members are requested to consider the Finance Report for 2023 as part 2 of the Annual Report together with the recommendations of the Secretary-General and to complete the IHO Online voting form by using the link below as soon as possible and **not later than 31 May 2024**: https://IHO.formstack.com/forms/ccl_02_24

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mathias Jonas', with a long horizontal flourish extending to the right.

Dr Mathias JONAS
Secretary-General

Distribution list: Council Members

Copy: Finance Committee Members,
Council Chair/Vice-Chair

Annex: Voting Form

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VOTING FORM
(to be returned to the IHO Secretariat **by 31 May 2024**)

Voting is to be submitted on the IHO Online form system:

https://IHO.formstack.com/forms/ccl_02_24

Member States who have difficulty in accessing the Online form system, please submit this form via E-mail: info@iho.int or Fax: +377 93 10 81 40

Council Member:	
Point of Contact:	
Contact E-mail:	

Approval of Part 2 – Finance of the IHO Annual Report for 2023.

Please tick the appropriate box.

YES	<input type="checkbox"/>
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NO	<input type="checkbox"/>
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Do you agree with the recommendations of the Secretary-General and the Finance Committee Officers regarding the application of the budget surplus accrued in 2023 in 2024?

Please tick the appropriate box.

YES	<input type="checkbox"/>
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NO	<input type="checkbox"/>
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Comments if any:

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Name/Signature: Date: