

Provisional Record

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Second item on the agenda: Programme and Budget proposals for 2018–19 and other questions

First report of the Finance Committee of Government Representatives

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1. The Finance Committee of Government Representatives met on 6 June 2017 with Mr Wiebren van Dijk (Netherlands) as Chairperson and Reporter and Dr Sammy Thumbi Nyambari (Kenya) as Vice-Chairperson.

**Request of the Government of Kyrgyzstan,
under paragraph 4 of article 13 of the
Constitution of the International Labour
Organisation, for permission to vote**

2. The Committee had before it a request (document C.F./D.2) from the Government of Kyrgyzstan for permission to vote at the Conference. This request was referred to the Finance Committee as a matter of urgency in accordance with paragraph 1 of article 31 of the Standing Orders of the Conference. The text of the request, received on 23 March 2017, is as follows:

Ministry of Labour and Social
Development of the Kyrgyz Republic,
Bishkek,
Kyrgyz Republic

23 March 2017

Ref. No. 17/1835

Mr Guy Ryder
The Director-General,
International Labour Office
Geneva,
Switzerland

Dear Mr Ryder,

I have the honour to inform you that the Government of the Kyrgyz Republic intends to settle the issue of arrears of contributions to the International Labour Organization (ILO) and reinstatement of the right to vote so as to participate actively in the work of the Organization.

The failure of the Kyrgyz Republic to pay the contributions was due to the following reasons and conditions beyond its control:

- the economic crisis caused by the collapse of the former Union of Soviet Socialist Republics (USSR);
- the global financial crises of 1997–98 and 2007–08;
- the budget of Kyrgyz Republic is oriented towards social issues and approximately 50 per cent of expenses are devoted to the social sector;

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- the extremely restricted nature of budgetary resources and the budget deficit which has existed for many years.

In this regard, we request you to put forward to the competent ILO authorities the proposals of the Government of the Kyrgyz Republic to settle the arrears of contributions:

1. In order to demonstrate its commitment to cooperation with the ILO, in January 2017 the Kyrgyz Republic paid in full the assessed contribution for 2017, a sum of CHF7,575.
2. The Kyrgyz Republic proposes settling the issue of arrears of contributions, which have accumulated since 1992 to an overall amount of CHF1,166,323, by paying in equal shares the sum of CHF58,316.15, for a 20-year period, beginning in 2018 (see table below).
3. The Kyrgyz Republic will also pay the assessed contributions for subsequent years on time.

On the above basis, we request you to include in the agenda of the 106th Session of the International Labour Conference (ILC) the proposal by the Government of the Kyrgyz Republic for the country to be granted the right to vote and other rights, from the date of approval at the 106th Session of the ILC, of which the Organization's member States avail themselves, in accordance with article 13(4) of the ILO Constitution.

Yours sincerely,

(Signed) Isakunova T.V.
Minister

Schedule for settling the arrears of member contributions of the Kyrgyz Republic to the International Labour Organization

Period covered: 1992–2017

Total amount due: CHF1,166,323

Planned payment of arrears (20 years)

No.	Year of payment	Annuity (in CHF)
1	2018	58 316
2	2019	58 316
3	2020	58 316
4	2021	58 316
5	2022	58 316
6	2023	58 316
7	2024	58 316
8	2025	58 316
9	2026	58 316
10	2027	58 316
11	2028	58 316

No.	Year of payment	Annuity (in CHF)
12	2029	58 316
13	2030	58 316
14	2031	58 316
15	2032	58 316
16	2033	58 316
17	2034	58 316
18	2035	58 316
19	2036	58 316
20	2037	58 319
Total		1 166 323

3. The Committee noted the provisions of paragraph 4 of article 13 of the Constitution of the ILO, also articles 31 and 32 of the Standing Orders of the Conference, the texts of which appear in the appendix to this report.
4. In examining the financial relations between Kyrgyzstan and the ILO, the Committee noted that Kyrgyzstan became a Member of the ILO on 31 March 1992 and, during its membership, the following payments had been made in respect of its assessed contributions:

Date of payment	Amount (in CHF)	Details of payment
4 September 2009	3 421	Part 1992 contribution
22 December 2010	3 655	Part 1992 contribution
30 June 2011	3 888	Part 1992 contribution
21 December 2016	7 474	Part 1992 contribution
29 December 2016	219	Part 1992 contribution
23 January 2017	7 575	Part 1992 contribution

5. In accordance with paragraph 6 of article 10 of the Financial Regulations, the payment of CHF7,575 made by the Government of Kyrgyzstan on 23 January 2017, referred to in the letter above, was applied against its 1992 contribution arrears.
6. Contributions outstanding at 16 May 2017 amounted to CHF1,166,323, covering the assessed contributions from 1992 to 2017. Therefore, under paragraph 4 of article 13 of the Constitution, Kyrgyzstan was not entitled to vote unless the Conference should decide, in accordance with that article, to grant permission to vote.
7. *The Committee, being satisfied that the failure of Kyrgyzstan to pay its arrears was due to conditions beyond its control, in accordance with the provisions of paragraph 4 of article 31 of the Standing Orders of the Conference, reports to the Conference as follows:*
- (a) *that the failure of Kyrgyzstan to pay in full the amounts owing is due to conditions beyond its control; these conditions are summarized in the letter appearing in paragraph 2 above;*
- (b) *the financial relations between Kyrgyzstan and the Organization have been set out in paragraphs 4 to 6 above;*

(c) *measures would be taken to settle the arrears along the lines set out in the letter appearing in paragraph 2 above.*

8. *The Committee accordingly recommends the adoption by the Conference of the resolution concerning the granting to Kyrgyzstan of permission to vote under paragraph 4 of article 13 of the Constitution of the International Labour Organisation, the text of which appears at the end of this report.*

9. The Minister of Labour and Social Development of Kyrgyzstan expressed her appreciation for the positive consideration of the request and stated that, in the context of implementing the 2030 Sustainable Development Agenda, her country was placing much greater emphasis on labour matters. Further collaboration with the ILO was essential to establishing a basis for social progress and well-being in the young republic.

Appendix

10. The provisions of paragraph 4 of article 13 of the Constitution of the ILO, also articles 31 and 32 of the Standing Orders of the Conference, are reproduced in the appendix to this report.

Geneva, 6 June 2017

(Signed) W. van Dijk
Chairperson and Reporter

Resolution submitted to the Conference

Resolution concerning the arrears of contributions of Kyrgyzstan

The General Conference of the International Labour Organization,

Having regard to paragraph 6 of article 10 of the Financial Regulations,

Accepts the arrangement proposed by the Government of Kyrgyzstan for the settlement of its arrears of contributions corresponding to the periods 1992–2016 plus its 2017 contribution to the effect that:

- (a) in order to demonstrate its commitment to cooperation with the ILO, in January 2017 the Government of Kyrgyzstan paid 7,575 Swiss francs (CHF), the 2017 assessment amount, which was applied as a payment against its 1992 contribution arrears;
- (b) the Government of Kyrgyzstan, starting from 2018, will pay its current contribution in full in the year for which it is due;
- (c) the Government of Kyrgyzstan will settle its arrears that have accumulated up to 31 December 2016 and including the 2017 contribution, amounting to CHF1,166,323, by payment, beginning in 2018, of 20 annual instalments in accordance with the following schedule:

Years	Amount (in CHF)
2018	58 316
2019	58 316
2020	58 316
2021	58 316
2022	58 316
2023	58 316
2024	58 316
2025	58 316
2026	58 316
2027	58 316
2028	58 316
2029	58 316
2030	58 316
2031	58 316
2032	58 316
2033	58 316
2034	58 316
2035	58 316
2036	58 316
2037	58 319
Total	1 166 323

Decides that Kyrgyzstan shall be permitted to vote, in accordance with paragraph 4 of article 13 of the Constitution of the International Labour Organisation, after the conclusion of the present business.

Appendix

Relevant provisions of the Constitution of the International Labour Organisation and the Standing Orders of the International Labour Conference

1. Paragraph 4 of article 13 of the Constitution of the Organisation provides as follows:

4. A Member of the Organization which is in arrears in the payment of its financial contribution to the Organization shall have no vote in the Conference, in the Governing Body, in any committee, or in the elections of members of the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years: Provided that the Conference may by a two-thirds majority of the votes cast by the delegates present 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.

2. Articles 31 and 32 of the Standing Orders of the Conference provide as follows:

ARTICLE 31

Procedure where proposal is made to permit Member in arrears to vote

1. Any request or proposal that the Conference should nevertheless permit a Member which is in arrears in the payment of its contributions to vote in accordance with article 13, paragraph 4, of the Constitution shall be referred in the first instance to the Finance Committee of the Conference, which shall report thereon as a matter of urgency.

2. Pending a decision on the request or proposal by the Conference, the Member shall not be entitled to vote.

3. The Finance Committee shall submit to the Conference a report giving its opinion on the request or proposal.

4. If the Finance Committee, having found that the failure to pay is due to conditions beyond the control of the Member, thinks fit to propose to the Conference that the Member should nevertheless be permitted to vote in accordance with article 13, paragraph 4, of the Constitution, it shall in its report:

- (a) explain the nature of the conditions beyond the Member's control;
 - (b) give an analysis of the financial relations between the Member and the Organisation during the preceding ten years; and
 - (c) indicate the measures which should be taken in order to settle the arrears.

5. Any decision which may be taken by the Conference to permit a Member which is in arrears in the payment of its contributions to vote notwithstanding such arrears may be made conditional upon the Member complying with any recommendations for settling the arrears which may be made by the Conference.

ARTICLE 32

Period of validity of a decision to permit Member in arrears to vote

1. Any decision by the Conference permitting a Member which is in arrears in the payment of its contributions to vote shall be valid for the session of the Conference at which the decision is taken. Any such decision shall be operative in regard to the Governing Body and committees until the opening of the general session of the Conference next following that at which it was taken.

2. Notwithstanding the provisions of paragraph 1 of this article, after the Conference has approved an arrangement under which the arrears of a Member are consolidated and are payable in annual instalments over a period of years, the Member shall be permitted to vote provided that, at the time of the vote concerned, the Member has fully paid all instalments under the arrangement, as well as all financial contributions under article 13 of the Constitution that were due before the end of the previous year. For any Member which, at the close of the session of the Conference, has not fully paid all such instalments and contributions due before the end of the previous year, the permission to vote shall lapse.