



**MEETING OF THE PARTIES TO THE PROTOCOL
TO ELIMINATE ILLICIT TRADE IN TOBACCO PRODUCTS**

**FCTC/MOP/3/10 Rev.1
8 August 2023**

**Third session
Panama City, Panama, 27–30 November 2023
Provisional agenda item 7.3**

Payment of Assessed Contributions and measures to reduce Parties in arrears

Report by the Convention Secretariat

Purpose of the document

The present document provides information to the Meeting of the Parties (MOP) to the Protocol to Eliminate Illicit Trade in Tobacco Products on the progress made in the payment of Assessed Contributions and the current status of Parties in arrears.

Action by the Meeting of the Parties

The MOP is invited to note the present report and consider adopting the annexed draft decision, as recommended by the Bureau.

Contribution to the Sustainable Development Goals (SDGs): All SDGs; in particular SDG3 and Target 3.a, as well as SDG 16.

Link to Workplan and Budget item: 5.2.1.

Additional financial implications if not included in the Workplan and Budget: None.

Related document(s): None.

BACKGROUND

1. In decision FCTC/MOP2(12), the Meeting of the Parties (MOP) to the Protocol to Eliminate Illicit Trade in Tobacco Products requested the Convention Secretariat to report at each session of the MOP on the status of the payment of Assessed Contributions (AC).
2. It is recalled that in decision FCTC/MOP1(18), the MOP decided to adopt the process and methodology established in operative paragraph 3 of decision FCTC/COP7(23). In decision FCTC/COP7(23), the Conference of the Parties (COP) to the WHO Framework Convention on Tobacco Control (WHO FCTC) established a process and methodology with respect to any Party that is in arrears in payment of its AC in an amount that equals or exceeds the amount of the contributions due from it for the preceding two full calendar years at the time of the opening of the COP in any future year.
3. The present report outlines the actions taken by the Convention Secretariat in line with the MOP decision and the status of payment of AC.

ACTIONS TAKEN BY THE CONVENTION SECRETARIAT

4. The Convention Secretariat communicated to all Parties decision FCTC/MOP2(12), as a stand-alone document and as part of the final report of the First session of the MOP (MOP1), and published it on the WHO FCTC website.¹
5. The Convention Secretariat sent a note verbale (CS/NV/21/20) on 16 December 2021 communicating the scale of assessment for the financial period 2022–2023, in accordance with decision FCTC/MOP2(13) and reminded Parties about the importance of prompt payment of AC.
6. In compliance with decision FCTC/MOP2(12), reaffirming decision FCTC/MOP1(18), the Bureau elected by the Second session of the MOP (MOP2), in consultation with the Convention Secretariat, adjusted the scale of AC for the financial period 2022–2023, reflecting the full membership of the Protocol as of 1 October 2022. The Convention Secretariat communicated the adjusted scale to all Parties on 15 November 2022 through a note verbale (CS/NV/22/19).
7. Further, the Convention Secretariat sent a note verbale (CS/NV/22/24) on 19 December 2022 to all Parties in arrears of their payment of AC, in accordance with decision FCTC/MOP1(18), which adopted the process and methodology established in operative paragraph 3 of decision FCTC/COP7(23), requesting them to make the payment or submit a plan for clearing their arrears by 31 March 2023.
8. In addition, the Convention Secretariat discussed the collection of AC whenever it interacted with government officials of the Parties in arrears and engaged with World Health Organization (WHO) regional and country offices to request their support in the collection of AC.
9. The Head of the Convention Secretariat reminded Parties at every opportunity about their commitments in respect of the payment of AC and had bilateral discussions with some of the concerned Parties, requesting them to settle their arrears.

¹ Available at <https://fctc.who.int/publications/m/item/mop2-12-assessed-contributions>.

10. In response to the actions taken by the Convention Secretariat, some Parties have paid their AC and cleared their arrears, and one Party has submitted a plan of payment to clear its arrears.

11. The Convention Secretariat will continue to exert all possible effort to follow up on the payment of AC by all Parties.

PLANS OF PAYMENT

12. Hungary has written to the Convention Secretariat communicating its plan to clear the arrears and pay its AC for the financial period 2022–2023 by 31 December 2023. In accordance with the process and methodology established in paragraph 3 of decision FCTC/COP7(23), adopted by the MOP in decision FCTC/MOP1(18), the Bureau elected by MOP2 considered the plan submitted by Hungary and decided to recommend to the MOP to accept the plan.

STATUS OF PAYMENT OF ASSESSED CONTRIBUTIONS (EXPRESSED IN US\$)

13. The status of payment of Assessed Contributions (AC)* as of 30 April 2023 is presented in the following table.

Parties	2018–2019		2020–2021		2022–2023		Total outstanding AC
	Approved AC ¹	Outstanding balance	Approved AC ²	Outstanding balance	Approved AC ³	Outstanding balance	
1 Austria	70 439	-	110 629	-	103 391	103 391	103 391
2 Belgium	-	-	134 176	-	125 398	61	61
3 Benin	293	19	490	490	458	458	967
4 Brazil	373 978	373 978	481 765	481 765	450 248	450 248	1 305 991
5 Burkina Faso	391	-	490	19	458	458	477
6 Cabo Verde	-	-	78	-	153	121	121
7 Chad	489	489	654	654	611	611	1 754
8 Comoros	98	98	163	163	153	153	414
9 Congo	587	587	980	980	917	917	2 484
10 Costa Rica	4 597	-	10 131	3 461	9 469	9 469	12 930
11 Côte d'Ivoire	880	-	2 124	-	1 985	927	927
12 Croatia	-	-	12 583	-	11 760	-	-
13 Cyprus	4 206	-	5 883	-	5 499	-	-
14 Czechia	-	-	24 189	-	47 496	40	40
15 Ecuador	6 554	-	13 073	-	12 218	12 218	12 218
16 Egypt	-	-	-	-	28 406	28 406	28 406
17 Eswatini	196	-	327	-	306	306	306
18 European Union	71 606	-	124 993	-	124 993	124 993	124 993
19 Fiji	-	-	490	-	458	-	-
20 France	475 317	475 317	723 465	723 465	676 135	676 135	1 874 917
21 Gabon	1 663	-	2 451	-	2 291	-	-
22 Gambia	98	98	163	163	153	153	414
23 Germany	624 979	-	995 232	-	930 122	-	-

	Parties	2018–2019		2020–2021		2022–2023		Total outstanding AC
		Approved AC ¹	Outstanding balance	Approved AC ²	Outstanding balance	Approved AC ³	Outstanding balance	
24	Ghana	-	-	-	-	2 291	-	-
25	Greece	-	-	-	-	55 896	27 961	27 961
26	Guinea	196	196	490	490	458	458	1 144
27	Hungary	-	-	16 023	16 023	31 460	31 460	47 483
28	India	72 092	-	136 300	-	127 384	127 384	127 384
29	Iran (Islamic Republic of)	46 072	46 072	65 037	65 037	60 782	60 782	171 891
30	Iraq	12 619	12 619	21 080	21 080	19 701	19 701	53 400
31	Kenya	-	-	1 867	1 334	3 666	3 666	5 000
32	Kuwait	-	-	41 179	41 179	38 485	38 485	79 664
33	Latvia	4 891	-	7 680	5 052	7 178	7 178	12 230
34	Lithuania	7 043	-	11 602	-	10 843	-	-
35	Luxembourg	-	-	5 211	97	10 233	10 233	10 330
36	Madagascar	293	293	654	654	611	611	1 558
37	Mali	293	293	654	654	611	611	1 558
38	Malta	1 565	-	2 778	-	2 596	-	-
39	Mauritius	1 174	-	1 798	-	1 681	-	-
40	Mongolia	489	-	817	-	764	764	764
41	Montenegro	391	123	654	654	611	611	1 388
42	Netherlands (Kingdom of the)	-	-	105 477	-	207 103	-	-
43	Nicaragua	391	-	817	-	764	764	764
44	Niger	196	196	327	327	306	306	829
45	Nigeria	-	-	40 852	40 852	38 181	38 181	79 033
46	Norway	83 057	-	123 211	-	115 151	14 596	14 596
47	Pakistan	9 097	9 097	18 792	18 792	17 563	17 563	45 452
48	Panama	3 326	-	7 353	-	6 873	-	-
49	Paraguay	-	-	-	-	1 984	1 984	1 984
50	Portugal	38 345	-	57 193	-	53 452	-	-
51	Qatar	26 313	-	46 082	-	43 067	-	-
52	Republic of Moldova	-	-	-	-	382	382	382
53	Samoa	98	98	163	163	153	153	414
54	Saudi Arabia	112 109	112 109	191 533	191 533	179 002	179 002	482 644
55	Senegal	489	-	1 144	204	1 068	1 068	1 272
56	Serbia	3 130	-	4 575	-	4 276	4 276	4 276
57	Seychelles	-	-	156	-	306	-	-
58	Slovakia	15 651	-	25 002	-	23 366	-	-
59	Spain	238 979	-	350 694	-	327 751	-	-
60	Sri Lanka	3 032	3 032	7 190	7 190	6 720	6 720	16 942
61	Sweden	-	-	70 476	-	138 380	-	-
62	Togo	98	-	327	327	306	306	633

	Parties	2018–2019		2020–2021		2022–2023		Total outstanding AC
		Approved AC ¹	Outstanding balance	Approved AC ²	Outstanding balance	Approved AC ³	Outstanding balance	
63	Türkiye	99 588	-	224 051	-	209 394	-	-
64	Turkmenistan	2 543	2 543	5 393	5 393	5 040	5 040	12 976
65	United Kingdom of Great Britain and Northern Ireland	436 581	-	746 342	-	697 515	348 928	348 928
66	Uruguay	7 728	-	14 217	-	13 287	-	-
	Total	2 864 240	1 037 257	4 999 720	1 628 195	4 999 719	2 358 239	5 023 691

* Figures are rounded up to the nearest US dollar.

¹ In accordance with the scale of assessment adopted at the First session of the MOP (decision FCTC/MOP1(16)).

² In accordance with the scale of assessment adopted at the First session of the MOP (decision FCTC/MOP1(17)).

³ In accordance with the scale of assessment adopted at the Second session of the MOP (decision FCTC/MOP2(13)).

CURRENT STATUS OF ARREARS (EXPRESSED IN US\$)

14. In accordance with decisions FCTC/COP7(23) and FCTC/MOP1(18), it is reported that 23 Parties were in arrears as of 30 April 2023. The following table provides the figures for each Party in respect of the amount accrued through each scale of assessment for the indicated biennia, including the total amount as of 30 April 2023 (US\$ 2 655 285). The following table also provides the combined outstanding total of the Parties through each scale of assessment for the indicated biennia.

	Parties	2018–2019		2020–2021		Total outstanding AC
		Approved AC ¹	Outstanding balance	Approved AC ²	Outstanding balance	
1	Benin	293	19	490	490	509
2	Brazil	373 978	373 978	481 765	481 765	855 743
3	Chad	489	489	654	654	1 143
4	Comoros	98	98	163	163	261
5	Congo	587	587	980	980	1 567
6	France	475 317	475 317	723 465	723 465	1 198 782
7	Gambia	98	98	163	163	261
8	Guinea	196	196	490	490	686
9	Hungary	0	0	16 023	16 023	16 023
10	Iran (Islamic Republic of)	46 072	46 072	65 037	65 037	111 109
11	Iraq	12 619	12 619	21 080	21 080	33 699
12	Kuwait	0	0	41 179	41 179	41 179
13	Madagascar	293	293	654	654	947
14	Mali	293	293	654	654	947
15	Montenegro	391	123	654	654	777
16	Niger	196	196	327	327	523
17	Nigeria	0	0	40 852	40 852	40 852
18	Pakistan	9 097	9 097	18 792	18 792	27 889
19	Samoa	98	98	163	163	261

Parties	2018–2019		2020–2021		Total outstanding AC
	Approved AC ¹	Outstanding balance	Approved AC ²	Outstanding balance	
20 Saudi Arabia	112 109	112 109	191 533	191 533	303 642
21 Sri Lanka	3 032	3 032	7 190	7 190	10 222
22 Togo	98	0	327	327	327
23 Turkmenistan	2 543	2 543	5 393	5 393	7 936
Total	1 037 897	1 037 257	1 618 028	1 618 028	2 655 285

* Figures are rounded up to the nearest US dollar.

¹ In accordance with the scale of assessment adopted at the First session of the MOP (decision FCTC/MOP1(16)).

² In accordance with the scale of assessment adopted at the First session of the MOP (decision FCTC/MOP1(17)).

15. When compared with the status contained in report FCTC/MOP/2/9 prepared by the Convention Secretariat for MOP2, the status of arrears as of 30 April 2023 shows that five Parties have settled their arrears and 17 Parties have not paid their arrears. In addition, six Parties that were not in arrears as outlined in the report for MOP2 are included in the above table since these Parties have not yet paid their AC for the 2020–2021 biennium.

16. In light of the above, the Bureau recommends that measures be applied to incentivize Parties that have failed to meet their financial obligations to comply without delay with their treaty obligations thereby holding Parties accountable for their commitments, improving compliance and strengthening commitment to the Convention.

ACTION TO BE TAKEN BY THE MEETING OF THE PARTIES

17. The MOP is invited to note the present report and consider adopting the annexed draft decision, as recommended by the Bureau.

ANNEX

**DRAFT DECISION:
ASSESSED CONTRIBUTIONS**

The Meeting of the Parties (MOP),

Reaffirming decision FCTC/COP7(23) and FCTC/MOP1(18), and noting the report by the Convention Secretariat contained in document FCTC/MOP/3/10/Rev.1;

Noting with concern that 23 Parties to the Protocol to Eliminate Illicit Trade in Tobacco Products were in arrears as of 30 April 2023, including some Parties registering arrears for one biennium or more;

Welcoming with appreciation the overall spirit of commitment by Parties to meet their financial obligations to support the implementation of the Protocol;

Emphasizing that Assessed Contributions are the mandatory financial contribution of each Party to the Protocol in accordance with the agreed scale of assessments;

Noting the Convention Secretariat's note verbale CS/NV/22/24 through which, in accordance with decision FCTC/COP7(23), Parties in arrears of payment of Assessed Contributions were invited to pay their Assessed Contributions or to submit their plan for making payments to clear their arrears,

1. URGES the Parties to pay their Assessed Contributions in full, at the beginning of the biennium, in order to ensure adequate resources to implement the Workplan and Budget adopted by the MOP;
2. DECIDES, in accordance with decision FCTC/COP7(23) and FCTC/MOP1(18), and following the recommendation of the Bureau of the MOP, to apply the following measures, with immediate effect to the Parties in arrears that have failed to submit, within the deadline established by the Head of the Convention Secretariat and communicated to the relevant Parties, their plan for making payments to clear their arrears:
 - (a) the Party shall not be eligible to become or nominate a member of the Bureau of the MOP; and
 - (b) the Party shall not be eligible to chair any subsidiary body or working group;
3. DECIDES, in accordance with decision FCTC/COP/7(23), to apply paragraph 3(d) of the said decision, with effect at the close of the Third session of the MOP, to those Parties that are in the situation described in the aforementioned paragraph;
4. DECIDES, in accordance with decision FCTC/COP7(23), that the measures imposed under paragraphs 2 and 3 shall immediately lapse for any Party once that Party pays its arrears in full;
5. REQUESTS the Convention Secretariat:
 - (a) to communicate this decision to all Parties in arrears in the payment of their Assessed Contributions, as shown in the table of document FCTC/MOP/3/10/Rev.1;

(b) to report at each MOP session the status of Assessed Contributions and to the Fourth session of the MOP on actions in accordance with the measures adopted in paragraphs 2 and 3 above;

(c) to continue to actively engage Parties in finding ways to make payments, including providing individual invoices and receipts for each Party, as well as clear payment information on the WHO FCTC website, and in enhancing coordination with regional and country offices of World Health Organization, as well as assisting in the formulation of plans of payment.

(XXX plenary meeting, XX November 2023)

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