



# **International Cotton Advisory Committee**

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**Attachment 6 to SC 559**

**Draft Budget 2019/20  
559<sup>th</sup> Meeting of the Standing Committee**

**4 April 2019  
The ICAC Secretariat's Office  
1629 K Street, NW, Suite 702, Washington DC 20006**



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## **REVIEW OF BUDGET AND ASSESSMENT FEES FOR 2019/20**

### **Purpose**

The purpose of today's agenda item is to reach consensus on the following;

1. To approve the budget for 2019/20.
2. To recommend that a Reward Management Policy be drawn up linked to performance under the Strategic Plan.
3. To approve the assessment fees for 2019/20
4. To approve the level of reserves for 2019/20

### **Introduction**

The Standing Committee will meet to consider the budget and assessment fees for 2019/20. The budget and assessment fees were reviewed by the Subcommittee on Budget and the following recommendations represent the deliberations of that meeting.

Agreed assessment fees for 2019/20 need to be circulated to ICAC members in June and therefore the proposed ICAC budget and the resulting assessments need to be agreed upon by the Standing Committee before 30 June each year. The ICAC fiscal year is from 1 July – 30 June.

There are two main aspects to the budget setting process:

- a. The setting of the operational budget which forms the base for the assessment fees.
- b. The business plan: Here, disbursements are proposed against a proposed income figure, which is derived from income from private sector sources and is used to pay for travel to non-member countries (membership development) as well as to fund projects. This is consistent with the Standing Committee recommendation in 2012-13 that all revenue from the Business Plan be devoted to special projects, which was consistent with the original recommendation from the PSAP in 2001.

In recent years there has been little expenditure under this item with profits serving to close the deficit between operational expenditure and actual income received from assessment fees. The attached documents provide the historical data of the budget and assessment fees.

At last year's Standing Committee meeting to approve the 2018/19 budget I made a commitment that there would not be any increase in the fixed contribution from members for 2019/20. This part of the assessment fee is directly linked to the amount of the budget. It represents 40% of the total amount divided by the number of Members. The other 60% is linked into the average amount of cotton traded by each Member over the previous 4 years. To achieve this, more of the burden of the



budget has been borne by the Business Plan, which accounts for activities involving and contributions from non-members. This of course means that more revenue needs to be generated by the Business Plan.

Despite the loss of two Members (Tanzania and Cameroon) for the period July 2018 to June 2019, we managed to reinstate Cameroon from July 2019 making an overall loss of one Member. The impact of dividing the budget by 28 members instead of 29 to reach the fixed contribution was lessened by the loss of one high paid member of staff who is being replaced by a part time member.

I further explained that it would take 3 budgets to instill the sort of budget oversight and understanding to ensure that forecasted budget lines remain within +/- 5% of their agreed amounts. This budget is the second under the system of zero-based budgeting and is more detailed and challenging than last year's and also provides maximum transparency on how each budget line is achieved.

### **Budget Methodology**

In setting the budget for 2019/20 I have continued to adopt an approach that allows for budget transparency and enforces budget discipline. By ensuring budget transparency, questions can be raised about whether efficiencies can be achieved and whether budget lines have been tested for 'value added', i.e. whether services can be provided cheaper. A budget must reflect the needs of the organisation and consideration must also be given to allow for the growth of the organisation as growth will provide more revenue through additional members. The needs of the organisation must also be linked into the Strategic Plan which was approved by the Steering Committee in Abidjan in December 2018.

The approach taken to this budget is called 'Zero Based Budgeting'. Zero-Based Budgeting (ZBB) is a method of budgeting in which all expenses must be justified for each new period. The process of zero-based budgeting starts from a "zero base," and every function within an organization is analysed for its needs and costs in line with the Strategic Plan. It does not mean zero growth. The key point to take away from this method is sometimes the budget will increase and sometimes it could decrease depending on the needs of the organisation and therefore there could be changes to the major cost lines each year.

The responsibility of the Subcommittee on Budget was to establish whether the costs have been tested thoroughly and are justified and in line with the Strategic Plan. The aim is NOT to be focused on a reduction of the budget year after year nor should it be focused on prohibiting increases but rather to ensure that the budget meets the needs of the organisation. ZBB needs to be part of a Balanced Scorecard approach and linked to the Key Performance Indicators (KPIs) that have been agreed arising out of the Strategic Plan.



The approach adopted ensures that every member of staff takes ownership for the budget and this is achieved by allocating budget line responsibilities to each member of staff. Staff were asked to produce their costs for the following financial year and were questioned as to whether those costs were necessary and whether there were options to reduce those costs. In producing their costs, what was not acceptable was a guess, 'finger in the air' etc. There had to be a method to how each cost was reached even if an average of the past 3 or 5 years was used.

When looking at the proposed operational budget for 2019/20 there are some key points that need to be taken into account;

- a. The ICAC budget has very few grey areas where costs cannot be estimated with some degree of certainty.
- b. Income is simple – the assessment fees. For the operational budget, income is only derived from assessment fees and the equation is simple; budget = assessment fees. The ICAC does however, receive other items of revenue derived from non-Member sources and these are detailed in the Business Plan.
- c. The approach to unbudgeted or unplanned costs is that they will need to be approved by the Executive Director and reported to the Subcommittee on Budget if minor, and costs over a certain amount need to be reported for approval to the Subcommittee on Budget and Standing Committee for approval.
- d. There are only two expense lines where real savings could be made; salaries (and the associated benefits) and travel which are covered in more detail below.
- e. All other budget lines associated with running the organisation are at the most cost efficient or, if further savings could be identified, those savings would be minimal and have no real impact on the overall budget.
- f. It is not possible to reduce the cost of occupancy as the organisation renewed its lease for a further 11 years in 2016.

## **Budget Overview**

### **Salaries and Benefits**

This cost centre is showing a decrease compared to the last agreed budget and compared to the expected outturn on June 30<sup>th</sup>. For the year beginning 1 July 2019 we will lose one Full Time member of staff and their associated benefits and she will be replaced by a Part Time member of staff who is not entitled to benefits.



The salaries reflect an increase of 2.2% equating to the average inflation rate over the past year in the Washington D.C. Metro area based upon the UN pay scales and local UN cost of living index figures. There have been no provisions for bonuses put into the operational budget and therefore salaries are only keeping pace with inflation. The Subcommittee on Budget has agreed the source of information and the methodology for determining the level of inflation over the past year. In future, inflationary uplifts and individual remuneration could be agreed separately by the Committee on Administrative Matters before the following year's budget is set.

All members of staff have benefits associated with their salaries such as pension (equating to 22% of gross salary) health, life and disability insurance. Health insurance in particular is expensive in the United States and the ICAC health provider has already informed the organisation to expect a 12% increase from July. Providers of life and disability insurance have locked their rates until February 2020.

Finally, there is a line titled 'taxes, net of USA reimbursement'. This line reflects the fact that the ICAC pays the federal and state taxes associated with its US citizens on the staff. The federal amounts of these taxes are reimbursed by the US government at a later stage. This can take many months and may not even occur in the budgeted year. The reimbursement equates to 60% of the amount of taxes paid by the organisation on behalf of US citizens on staff. The figure of \$43,332 in the budget is the accountant's assessment of the maximum risk to the organisation of the tax reimbursement not being paid back in that financial year. This figure could be substantially less if the tax reimbursement was received before 30 June 2020.

The budget for 2019/20 does not include a provision for staff bonuses. A system needs to be put in place that measures staff performance against KPIs as well as against personal performance. These levels of remuneration could be agreed, following a recommendation by the Executive Director and by the Committee on Administrative Matters before the budget for 2020/21 is agreed in order that these figures can be put into the proposed budget. Staff remuneration will be borne by the Business Plan and not via contributions from Members.

It is therefore proposed that the Executive Director produces a paper on reward management that matches personal performance and organizational performance against KPIs in the strategic plan for consideration by the Committee on Administrative Matters and the Standing Committee.

Any proposed system will be too late for this year's budget process and must also be made in conjunction with the approval of a Reward Management Policy. Therefore, on this occasion only, it is proposed that a certain amount of money be allocated to the Executive Director to reward staff whose performance is well above that expected for their position or whose performance has had a significant impact on the image, reputation and/or financial performance of the organisation. This money, if approved, will form part of the 2019/20 Business Plan.



## **Travel**

The travel budget is showing an increase from the previous year's budget from \$54,269 to \$61,540 due to the fact that there is increased travel especially in visiting Member and potential countries and also in developing relationships with UN bodies and government entities. Trips to non-member countries (\$20,918) have been placed in the Business Plan and all travel will be prioritised. Performance against the travel budget is now being constantly monitored and reported to the budget subcommittee. Any overspend, or unexpected trips, can then be compensated for by cancelling trips of a lesser priority.

However, it must be understood that the ICAC needs to raise its profile and engaging with potential partners and attending conferences and speaking at conferences is an ideal way to do this. All figures for each travel line are actual costs for economy class travel obtained via sky scanner and also include hotel and subsistence costs at \$150 a day. A figure of \$500 has been added to all international flights to account for an uplift in costs at the time of booking, which will be several months ahead of the date when the quotations for flights was obtained for this budget. These figures are being monitored to see whether an accurate formula can be produced to predict the uplift in future flight costs.

## **Assessment Fees**

The agreed budget figure forms the basis of the assessment fees payable by members. Assessments for each member are based on a formula contained in Article II of the Rules and Regulations. Assessments for individual members will vary by the amounts of imports and exports of cotton lint during 2014/15 through 2017/18.

As the assessment fees cover the operational costs of the organisation, income from assessment fees must equal the budgeted operational costs. Therefore, loss of members means that the share of the operational costs, and therefore the assessment fee, will increase for the remaining members. In addition, an increase in production of cotton resulting in increased exports will also result in an increase of the assessment fee.

Members who fail to pay their assessment fees or pay late, risk causing the organisation a cash flow problem as reserves are set at \$226,000, which equates to less than two months running costs. This is a significant risk to the organisation and needs to be addressed moving forward.

The current method of agreeing the assessment fees for the ensuing year does not take into account that some members may subsequently be suspended at the time when the new budget takes effect. This, along with non payment of assessment fees, can cause major cash flow problems for the organisation and poses a major financial risk as it means that is highly unlikely that agreed operational expenses





cannot be met by the agreed assessment fees and therefore this shortfall must be borne from other sources.

One method to mitigate that risk is to increase the level of financial reserves. Another is to make provision in the calculation of the assessment fees for non-payment by amending the Rules and regulations to suspend a Member for non payment after 21 months (the time when the budget is being considered). This will ensure that the Secretariat can produce a more credible and realistic proposed assessment fee structure.

Should outstanding assessment fees be subsequently received then this can be carried over as a surplus into the calculations for the following year or added to the reserves to meet the targeted reserve figure.

### **Reserve Fund**

The current level of reserves set at \$224,000 has not been altered since it was proposed to reduce the reserves from \$367,000 in 2011. At the time \$224,000 represented 11% of expenditure. The minutes also state "It will be necessary to rebuild the Reserve Fund in ensuing years". According to the Audit Statement, the amount of the Reserve Fund is set to cover the costs of liquidating the organisation which includes salaries based on a month's net pay per year of service up to a maximum of 12 months' pay, cost of repatriation and the rent liability. There is no provision therefore for exigencies and the 2011 minutes do not explain why the Reserve Fund was decreased or the significance of 11% of operating expenses. Using the above formula, the amount of money required to form a Reserve Fund should be \$288,538. This also includes provision for a deposit held by the Landlord amount to \$48,148.

It is therefore proposed that an amount be agreed to enable this figure to be set annually at the time of the budget review that covers liabilities to staff and obligations under the lease should the organisation be placed into liquidation but also provides a buffer for non payment of assessment fees. Other international commodity bodies typically hold reserves of about four months operational costs. The current level of reserves equates to less than two months operational costs and is not adequate to cover staff and lease liabilities let alone shortfalls caused by non-payments of assessment fees. It would therefore be prudent, in the first instance, to adopt a reserve figure covering staff and lease liabilities and then if possible add one month's operational costs each year up to a maximum of 6 months.

### **Historical Budgets**

Whilst it is not perhaps totally appropriate to compare this budget with previous budgets as the number of staff over the years has changed and as senior staff have retired, they are replaced with staff on a lower salary, the assessment fee table shows that this budget is easily comparable and, in many cases more favourable, to



many of the budgets over the last 10 to 20 years and that is without accounting for inflation year on year.

Members should also take into consideration that individual Members' assessment fees have been impacted by the loss of a number of members over the last 5 or so years. Therefore, the budget is divided up between less Members which equates to a larger Member share.

### **Recommendations**

It is recommended that the ICAC Rules and Regulations are reviewed to ensure that members who are in arrears for a period of less than two years, say 21 months, should not be included in the budget for the following year thus allowing a credible assessment fee to be put forward which reduces the cash flow risk to the organisation.

It is recommended that the Executive Director produce a paper on Reward Management for approval by the Standing Committee and that the Committee on Administrative Matters annually considers and recommends to the Standing Committee the level of staff remuneration and any inflationary uplift for inclusion in the ensuing year's budget.

### **Draft Resolutions**

The following resolutions are proposed:

- It is resolved that authorized expenditures for the twelve months beginning July 1, 2019 are \$1,752,699 and that additional expenditures from Business Plan initiatives are authorized totaling \$96,918.
- It is resolved that the Reserve Fund should be increased from \$224,000 to \$288,538 as of July 1, 2019.
- It is resolved that assessments for members are those shown in Table 4 of the Proposed Budget.

**Kai Hughes**  
**Executive Director**

**28 March 2019**



28-Mar-2019

ICAC PROJECTED TRAVEL FOR FISCAL YEAR 2019-2020						
STAFF MEMBER	DESTINATION	DATES	Number of Hotel Nights	PURPOSE	ESTIMATED COST	BUDGET SOURCE
<b>JULY</b>						
Kai Hughes - Keshav Kranthi	Malawi, Tanzania, Mozambique, South A		12	Members and potential member countries visit	\$10,340	Regular Travel
Andrei Guitchounts (Director of Trade), Keshav Kranthi (Head of TIS)	Uzbekistan		3	ACRDN - Asian Network Meeting	\$5,748	Regular Travel
<b>AUGUST</b>						
Lorena Ruiz (Economist)	Lubbock, Texas		2	International Cotton School	\$668	BP - ITCS pays for hotel+food
Kai Hughes (ED), Keshav Kranthi (Head of TIS), Lorena Ruiz (Economist)	Goiania, Brazil		5	Brazilian Cotton Congress - Member Country Visit		
Kai Hughes (Executive Director)	Lima, Peru		3	ALIDA - Latin American Networking Meeting	\$11,200	Regular Travel
	Australia		4	Meeting with the Organizing Committee	\$2,797	Regular Travel
<b>SEPTEMBER</b>						
Kai Hughes (Executive Director)	Deauville, France	Sep 30 - 1 Oct	2	AFCOT	\$1,300	BP
Kai Hughes (Executive Director)	Iran		3	Membership Development	\$2,050	BP
<b>OCTOBER</b>						
Kai Hughes (Executive Director)	Liverpool, London	9-10 October	2	ICA Trade Event	\$1,900	Regular Travel
Kai Hughes - Lorena Ruiz	Porto, Portugal		4	ITMF Annual Conference 2019	\$3,970	Regular Travel
Lorena Ruiz (Economist)	Berlin, Germany		4	European Polyester Industry Conference	\$2,700	BP
<b>NOVEMBER</b>						
Kai Hughes (Executive Director)	Geneva, Switzerland	Nov 20-21	2	WTO	\$2,700	Regular Travel
<b>DECEMBER</b>						
ICAC STAFF	Brisbane, Australia		1	Plenary Meeting	\$40,000	Plenary Meeting
<b>JANUARY</b>						
Keshav Kranthi (Head of TIS), Lihan Wei (Statistician)	Austin, Texas		2	Beltwide Cotton Conference	\$3,000	BP
<b>FEBRUARY</b>						
Cotton team (AG, LW, LR)	Arlington, VA		2	USDA Agricultural Outlook Forum	\$500	Regular Travel
<b>MARCH</b>						
Lorena Ruiz (Economist)/Keshav Kranthi	Bremen, Germany		2	Bremen Cotton Conference/SEEP Meeting	\$2,870	Regular Travel
Lorena Ruiz (Economist)	Paris, France		2	OECD/FAO Agricultural Outlook	\$2,300	Regular Travel
Lihan Wei (Statistician)	West Africa	20-Mar	5	African Cotton Association (ACA)	\$3,250	BP
<b>APRIL</b>						
Lorena Ruiz + Keshav Kranthi	Argentina		5	Member Countries Visit	\$3,180	Travel (Hotel+food expenses paid by
Lihan Wei (Statistician)	West Africa	20-Apr	5	Programme Regional de Production Integree du Coton en Af	\$3,250	BP
<b>MAY</b>						
Lorena Ruiz (Economist)			4	Planet Textile Conference, Sustainable Apparel Coalition	\$2,745	Regular Travel
Kai Hughes (Executive Director)			2	ACSA	\$1,200	BP
<b>JUNE</b>						
Lihan Wei (Statistician)	ACSA International Cotton Insitute - Mem		2	ACSA Cotton Institute - Present to the delegates about the r	\$1,300	BP
Kai Hughes (Executive Director)	London, UK		2	Meeting of the Executive Directors of the 7 ICBs		
Kai Hughes (Executive Director)	Berlin, Germany		3	BCI Global Cotton Conference		
Kai Hughes (Executive Director)	Geneva, Switzerland		2	WTO "Cotton Day"	\$4,890	Regular Travel
Lihan Wei (Statistician)	China	20-Jun	6	CCIC	\$3,400	BP
<b>Other trips</b>						
Trips to the office	Mike McCue			6 SC Meetings, Away Day and Christman Party (\$800 each)	\$6,400	Travel

Key:

Red - Top Priority (Some red priority trips numbers oing can be reduced from two to one)  
Amber - Can postpone to the fiollowing year  
Green - Can postpone with minimum impact

<b>TOTAL (minus Plenary)</b>	<b>\$78,768</b>
Regular Travel Budget Total	\$61,540
Business Plan Travel Budget Total	\$22,118
Plenary Meeting Travel Budget Total	\$40,000



### ICAC Business Plan Projections (US\$)

Income	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Forecast
1. Subscription Sales, Regular Publications	69,304	41,564	32,963	39,532	33,000	25,791	25,000
2. Publication Sales, special	0	0	0	0	0	0	0
China National Cotton Info centre	0	0	0	0	0	13,035	0
3. Plenary Registration Fees	20,800	46,239	36,600	4,830	14,300	36,224	27,898
Advance Plenary Registration Fees	3,850	0	0	0	1,300	0	0
4. Travel Cost Recovery	n/a	n/a	n/a	n/a	0	736	0
5. CFC Travel Cost Recovery	n/a	n/a	n/a	n/a	0	0	0
6. Trade Booths/Sponship revenue from Plenary Meeting	0	0	0	0	0	0	50,000
7. Research Services	0	0	0	0	0	0	0
8. Project: GIZ - Traceability and Overview of Cotton	0	0	0	0	0	43,407	0
Project: CI - Soil Health App	0	0	0	0	0	30,000	15000
Project - IFCP - Cotton Fact Sheets	0	0	0	0	0	5,000	0
Project - GIZ - Virtual Reality Training	0	0	0	0	0	0	30000
9. Seminar and other revenue		20290	29386	0	0	0	0
10. Speaker sponsorship revenue	0	0	0	0	0	20,000	0
<b>Total Revenue</b>	<b>93,954</b>	<b>108,093</b>	<b>98,949</b>	<b>44,362</b>	<b>48,600</b>	<b>174,193</b>	<b>147,898</b>
Plus carryover from previous year	52,977	125,122	219,028	258,068	271,930	294,030	404,012
<b>Amount Available for Allocation</b>	<b>146,931</b>	<b>233,215</b>	<b>317,977</b>	<b>302,430</b>	<b>320,530</b>	<b>468,223</b>	<b>551,910</b>

### Expenditures Linked to Business Plan Initiatives

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Forecast
Consultant, Economic Studies	0	0	0	21,000	15,000	5,500	0
World Cotton Research Conferences	0	0	28,500	0	0	0	0
Regional Networks & ISSCRI	0	3,187	15,000	0	10,000	10,000	20,000
Membership Development	0	0	0	0	0	2,505	20,918
Education Programs, conferences, workshops	9,809	0	0	0	0	13,468	0
Expanded Recorder	2,000	0	0	0	0	0	0
Consultant, Cotton Promotion Activities / Support IFCP	10,000	10,000	15,632	8,500	500	895	0
Consultant, History of ICAC	0	1,000	0	0	0	0	0
PSAP Meetings, teleconference & refreshments	0	0	777	1,000	1,000	1,000	1,000
Payment to speakers at Plenary meeting	0	0	0	0	0	8,423	0
New Statistical Database	0	0	0	0	0	0	40,000
Project: Soil Health App						12,420	15,000
Staff Bonus	0	0	0	0	0	10,000	0
<b>Total Expenditures</b>	<b>21,809</b>	<b>14,187</b>	<b>59,909</b>	<b>30,500</b>	<b>26,500</b>	<b>64,211</b>	<b>96,918</b>
Carryover to next year	125,122	219,028	258,068	271,930	294,030	404,012	454,992



# INTERNATIONAL COTTON ADVISORY COMMITTEE

28-Mar-19

1629 K Street NW, Suite 702,  
Washington, DC 20006, USA

## ICAC Expenditures

	2014-15 Final	2015-16 Final	2016-17 Final	2017-18 Final	2018-19 Jul-Jun Budget	2018-19 Jul-Dec Expense	2018-19 Jul-Jun Estimate	2019-20 Budget Proposed	Proposed- Budget % chng.	Proposed- Projected % chng.	Monetary Change
<b>Disbursements</b>											
1 Total Salaries & Bonuses	760,095	689,470	695,717	681,710	774,936	388,871	777,271	751,845	-3.0%	-3.3%	-23,091
2 Severance Pay and Relocation, retirement	0	0	31,895	0	0	0	0	0	---	---	0
3 New Employee Search and Relocation	988	0	21,915	38,862	0	0	0	0	---	---	0
4 Consultant			44,790	98,054	10,000	3,333	6,666	5,000	-50.0%	-25.0%	-5,000
5 Health Ins.	96,367	114,180	127,027	132,214	150,000	65,358	149,800	139,587	-6.9%	-6.8%	-10,413
6 Life Ins.	5,973	6,606	5,171	5,563	7,552	2,809	6,538	5,810	-23.1%	-11.1%	-1,742
7 Disability Ins.	1,700	5,939	6,402	4,748	5,895	2,109	5,087	4,749	-19.4%	-6.6%	-1,146
8 Retirement	156,126	152,636	149,132	156,956	182,212	93,344	185,078	174,181	-4.4%	-5.9%	-8,031
9 Retirement Plan Administrators	25	0	0	3,038	8,500	0	2,832	8,500	0.0%	200.1%	0
10 Taxes, net of USA reimbursement	97,667	76,090	40,914	104,664	75,000	46,902	71,902	43,332	-42.2%	-39.7%	-31,668
<b>Total Salaries and Benefits</b>	<b>1,118,941</b>	<b>1,044,921</b>	<b>1,122,963</b>	<b>1,225,809</b>	<b>1,214,095</b>	<b>602,726</b>	<b>1,205,174</b>	<b>1,133,004</b>	<b>-6.7%</b>	<b>-6.0%</b>	<b>-81,091</b>
11 Travel, regular	42,594	56,515	54,180	146,079	54,269	29,652	53,613	61,540	13.4%	14.8%	7,271
12 Travel, Plenary	38,451	40,495	38,433	45,381	40,000	45,362	44,314	40,000	0.0%	-9.7%	0
<b>Total Travel</b>	<b>81,045</b>	<b>97,010</b>	<b>92,613</b>	<b>191,460</b>	<b>94,269</b>	<b>75,014</b>	<b>97,927</b>	<b>101,540</b>	<b>7.7%</b>	<b>3.7%</b>	<b>7,271</b>
13 Research Associate Program	29,167	6,975	25,093	7,000	35,000	34,414	34,414	35,000	0.0%	1.7%	0
14 World Cotton Research Conf./Regional Tech. Seminar	0	21,200	0	13,578	0	0	0	20,000	---	---	20,000
15 Review Article	0	6,000	0	0	0	0	0	0	---	---	0
16 Other	0	0	0	0	0	0	0	0	---	---	0
17 Secretariat Training	405	2,799	2,054	2,698	4,500	0	5,055	5,000	11.1%	-1.1%	500
<b>Training and Support</b>	<b>29,572</b>	<b>36,974</b>	<b>27,147</b>	<b>23,276</b>	<b>39,500</b>	<b>34,414</b>	<b>39,469</b>	<b>60,000</b>	<b>51.9%</b>	<b>52.0%</b>	<b>20,500</b>
18 Data Services	5,210	2,690	4,136	3	5,500	506	2,344	7,339	33.4%	1234.4%	1,839
19 Courier	593	547	689	778	1,500	50	550	690	-54.0%	-51.8%	-810
20 Mailing the Review	2,240	1,261	307	2,431	1,710	451	1,432	1,200	-29.8%	57.9%	-510
21 Mailing SCM documents	1,033	1,465	0	1,460	0	732	760	0	---	-100.0%	0
22 Postage Meter	1,530	2,335	1,210	1,743	1,532	1,360	2,156	1,532	0.0%	30.2%	0
23 Mailing the Recorder	1,297	903	0	811	1,200	551	1,177	1,000	-16.7%	9.9%	-200
24 Mailing Plenary documents	6,277	7,518	11,567	5,814.00	5,291	2,940	910	2,200	-58.4%	-78.0%	-3,091
25 Telephone	13,386	19,264	15,566	15,752	14,440	4,299	10,019	4,360	-69.8%	-77.5%	-10,080
<b>Total Communications</b>	<b>31,566</b>	<b>35,983</b>	<b>33,475</b>	<b>28,792</b>	<b>31,173</b>	<b>10,889</b>	<b>19,348</b>	<b>18,321</b>	<b>-5.3%</b>	<b>-12.852</b>	<b>0</b>
26 Audit and legal services	20,626	18,500	19,060	13,085	15,000	0	12,000	18,000	20.0%	50.0%	3,000
27 IT Purchases & Software	9,983	2,740	5,866	18,074	13,063	9,854	27,822	10,540	-19.3%	-62.1%	-2,523
28 IT Programming Assistance & Web Site	12,831	13,178	15,129	17,805	6,450	3,200	5,352	8,500	31.8%	58.8%	2,050
29 IT Infrastructure Support	38,854	33,914	33,929	30,170	40,500	29,330	41,167	43,600	7.7%	5.9%	3,100
30 Accounting / Banking Fees	0	41,378	43,678	39,789	46,500	21,228	43,247	39,789	-14.4%	-8.0%	-6,711
31 Furniture	1,223	2,429	1,424	0	1,000	0	332	5,000	400.0%	1406.0%	4,000
32 Insurance-worker's comp.	3,850	12,623	12,964	2,889	8,676	90	2,982	3,812	-56.1%	27.8%	-4,864
33 Representation	1,555	2,217	705	616	3,000	4,048	5,991	3,000	0.0%	-49.9%	0
34 Subscriptions	8,827	5,159	4,327	7,230	3,656	5,055	7,275	3,667	0.3%	-49.6%	11
35 Copying	4,536	4,606	6,172	5,607	2,622	1,471	2,845	3,312	26.3%	16.4%	690
36 Supplies	4,929	5,106	3,149	6,210	2,923	2,756	4,412	3,700	26.6%	-16.1%	777
37 Plenary Meeting Supplies	14,320	3,627	19,703	0	7,000	3,777	3,953	3,340	-52.3%	-15.5%	-3,660
<b>Total Office</b>	<b>121,534</b>	<b>145,477</b>	<b>166,106</b>	<b>141,475</b>	<b>150,390</b>	<b>80,809</b>	<b>157,378</b>	<b>146,260</b>	<b>-2.7%</b>	<b>-7.1%</b>	<b>-4,130</b>
38 Printing the Review	7,271	2,650	2,809	1,098	2,540	688	2,335	1,730	-31.9%	-25.9%	-810
39 Printing Other Statistical Reports	1,658	1,026	2,023	0	0	0	0	0	---	---	0
40 Printing the Recorder	1,611	2,617	1,287	1,978	2,200	3,108	3,547	2,200	0.0%	-38.0%	0
41 Printing SCM Docs.	78	1,620	310	547	0	0	0	0	---	---	0
42 Printing Plenary Docs.	10,403	11,243	5,582	10,144.00	3,650	0	865.00	3,960	8.5%	357.8%	310
43 Printing Proceedings	337	0	62	0	320	0	0	320	0.0%	---	0
<b>Total Printing</b>	<b>21,358</b>	<b>19,156</b>	<b>12,073</b>	<b>13,767</b>	<b>8,710</b>	<b>3,796</b>	<b>6,747</b>	<b>8,210</b>	<b>-5.7%</b>	<b>21.7%</b>	<b>-500</b>
44 Language Services	61,359	71,540	54,440	70,963	67,800	19,551	61,988	62,700	-7.5%	1.1%	-5,100
45 Language Services Proceedings	11,711	10,051	12,222	1,088	8,978	0	8,215	8,200	-8.7%	-0.2%	-778
46 Plenary Mtg. Interpreters	62,340	56,182	54,692	63,129	54,650	67,126	68,648	62,144	13.7%	-9.5%	7,494
<b>Total Language Services</b>	<b>135,410</b>	<b>137,773</b>	<b>121,354</b>	<b>135,180</b>	<b>131,428</b>	<b>86,677</b>	<b>138,851</b>	<b>133,044</b>	<b>1.2%</b>	<b>-4.2%</b>	<b>1,616</b>
47 <b>Occupancy</b>	<b>163,481</b>	<b>156,327</b>	<b>97,326</b>	<b>130,351</b>	<b>146,217</b>	<b>64,140</b>	<b>148,401</b>	<b>152,320</b>	<b>4.2%</b>	<b>2.6%</b>	<b>6,103</b>
<b>Disbursements from Established Sources</b>	<b>1,702,907</b>	<b>1,673,621</b>	<b>1,673,057</b>	<b>1,890,110</b>	<b>1,815,782</b>	<b>958,465</b>	<b>1,813,295</b>	<b>1,752,699</b>	<b>-3.5%</b>	<b>-3.3%</b>	<b>-63,083</b>
<b>Expenditures under the Bus. Plan</b>	<b>9,863</b>	<b>51,777</b>	<b>8,919</b>	<b>21,731</b>	<b>87,970</b>	<b>28,108</b>	<b>64,211</b>	<b>96,918</b>	<b>10.2%</b>	<b>50.9%</b>	<b>0</b>
<b>Total Disbursements</b>	<b>1,712,770</b>	<b>1,725,398</b>	<b>1,681,976</b>	<b>1,911,841</b>	<b>1,903,752</b>	<b>986,573</b>	<b>1,877,506</b>	<b>1,849,617</b>	<b>-2.8%</b>	<b>-1.5%</b>	<b>0</b>
Disbursements less Retirement	1,712,770	1,725,398	1,650,081	1,911,841	1,903,752	986,573	1,877,506	1,849,617	-2.8%	-1.5%	0



**Remarks**

- 1 KH: Loss of one FT member of staff. Includes one additional PT member of staff. Pay rise in line with inflation at 0.02% from UN pay scales  
2 KH: No planned retirements or redundancies  
3 KH: No planned retirements or redundancies from July 2019  
4 KH: Consultant for Strategic Away Day. Include provision for Strategic Away Day  
5 KH: Loss of one FT member of staff = monthly payment of \$10,386 and projected increase of 12%  
6 KH: reduction of one member of staff and no increase until Feb 2020  
7 KH: Includes reduction of one FT member of staff and locked in until Feb 2020. Includes accidental death  
8 KH: Includes reduction of one member of staff and projected increase of 2.2% in salary  
9 KH: Annual bill of \$3500 for Kati Nonce the plan administrator, \$5000 for Mary Anne Whitaker the pension advisor, \$2500 payable every 6 months (march and September)  
10 KH: US Government reimburses federal tax pay outs but not State and may not be in this fiscal year. Reimbursement figure is 60% of tax paid out. Figure represents maximum exposure (\$108,322) and included 2.2% pay increase
- 11 KH: Figures include actual flight details as at April 2019, uber costs to airport, hotel costs at \$100 a day and subsistence costs at \$50 a day. An additional uplift of 1/3 has been added to account for fare changes. Also includes local Uber trips to embassies at \$750 from now to time  
12 KH: Costs to cover direct costs associated with the Plenary Meeting including flights, hotels and admin costs but not interpreters.
- 13 KH: Research Associate Programme to be held in September. Costs based on 2018 costs  
14 KH: Regional Technical Seminars planned for July (Uzbekistan) and August (Peru). Regional seminars held every two years  
15 KH: No article planned  
16  
17 KH: Training allowing for \$500 per person based on 10 persons (recruiting additional member of staff later in 2019)
- 18 KH: Research data TDM (\$3,500) & (\$3000), Oanda (\$750), Geopolitical futures (\$89)  
19 KH: QMS (Quick Messenger Service) and general mailing based on last year  
20 CT: Based on 3 issues with 20 pages each and a 32 page issue for the PM issue (20% more for the languages). No postage increase projected.  
21 KH: We don't mail SCM papers out anymore unless specifically asked to do so.  
22 KH: Lease \$283 per quarter. Need to add usage per quarter up to \$100 The lease is lock for 3 years starting 2018  
23 CT: Based on 4 issues of the Recorder of 24 pages each for english (20% more for the languages). No postage increase projected.  
24 CT: Shipping of boxes for PM to Australia  
25 CT: Saving made by introducing Skype for business for 10 stations = \$3960 pa; \$400 pa for International calls
- 26 KH: Audit fees \$7K. Out turn includes projected legal fees of \$5000 to renew our tax free status.  
27 CT: Tableau data analytical and visualisation tool (\$840), 1 laptop (new docking system) at \$2100 (ICAC is moving toward a docking system with laptops for full desktop experience). 2 tablets for PM (2 X \$250), 2 X HGM1 Cables (\$40) + 3 X HGM1 adapters (\$60)  
28 CT: Additional work on the website + Avenry 1000 registrations (\$5,500) and App (\$2000). The Data Portal is not included and will be paid with the Business Plan.  
29 CT: \$26,537 OSibeyond + \$7,800 Cogment (50Mb Internet) + \$2340 Microsoft Azure (Web hosting); \$2100 Lease for a server, all access points and switches; \$1,500 for Press Release management; \$5,000 estimated cost to integrate list of ICAC groups and Panels on the new web  
30 KH: Accounting fees \$33,000 annually or \$2750 monthly. Banking fees \$6789 last year  
31 KH: ED needs a new Chair and office table chairs plus new desk for additional staff  
32 KH: Annual payment in July. Workers compensation operates on a formula against total payroll. Estimating \$2612. Office Insurance \$1200  
33 KH: Local hospitality, gifts, meals, coffee for office etc  
34 CT: GoToMeeting (\$350), Dragon (\$317), CNCotton (\$1000), EcoTextile (\$262), Economist (\$210), Stock Photos (\$100), MailChimp (\$828), Quickbooks (\$600) Discontinued E-touches for event app. \$4.4K for HIS Global - discontinued  
35 CL: For Cannon printer lease \$151.23 pcm plus monthly average usage of \$125  
36 CL: Staple \$1,500 + Quench water \$980+ kastle security \$1,200  
37 CT: \$880 for 100 leather flash drives + \$200 for PM invitation envelopes + \$2000 Printer for badges + Misc IT equipment
- 38 CT: No printing rate increase projected. Reduced from 5 to 3 issues with 20 pages and a 32 page issue for the PM  
39  
40 CT: Based on a 24 page issue 4 times a year (20% more for the languages). No printing rate increase projected.  
41 CT: ICAC doesn't print copies of SCM attachments for the delegates any longer.  
42 CT: \$2000 allocated for new 2018 Databook. Memory Drives with ICAC Penary Documents will be distributed to the head of delegations. 5 sets in hard copy will be shipped to the host country some extra documents for subscribers. Printing price is based on the 2018 rate. No printing  
43 CT: Based on the 2018 expense. No printing increase projected.
- 44 CT+CL: Includes all languages (French, Arabic, Russian and Spanish). No increase of the translation rate per word is projected.  
45 CT+CL: Includes translations in French and Spanish. No increase of the translation rate per word is projected.  
46 CL: (Based on 8 interpreters and including air travel + hotel + expenses + contract)
- 47 KH: In accordance with lease agreement. 2020-21 = \$155,509. Lease expires March 31 2017. Provision available for base rent to increase 3% each year. Need to include utilities



2019

# Calculation of the Scale of Assessments for 2019/20in US\$

The calculation of assessments is made in accord with Article II, Section 4 a, of the Rules and Regulations of the ICAC.

	Average Trade 13/14 - 16/17 000 Tons	Equal Contribution US\$	Prorata Assessment US\$	2019-20 Assessment US\$	2018 - 19 Assessment US\$	2017 - 18 Assessment US\$	2016-17 Assessment US\$	2015-16 Assessment US\$	2014-15 Assessment US\$	2013-14 Assessment US\$	2012-13 Assessment US\$	2011-12 Assessment US\$	2010-11 Assessment US\$
1 ARGENTINA	61	25,039	5,746	30,800	31,300	29,100	30,900	25,600	24,900	23,300	22,800	22,900	21,300
2 AUSTRALIA	702	25,039	66,124	91,200	100,400	105,000	120,400	113,200	106,600	81,500	61,400	58,900	57,200
3 BANGLADESH	1,411	25,039	132,907	157,900	152,200	133,300							
4 BRAZIL	848	25,039	79,876	104,900	99,600	99,200	108,000	93,700	98,600	93,800	80,200	74,000	67,300
5 BURKINA FASO	254	25,039	23,925	49,000	51,100	46,600	45,800	38,100	36,200	35,200	36,600	42,100	40,600
6 CAMEROON	105	25,039	9,890	34,900	35,300	32,200	32,200	26,400	25,400	24,200	24,000	25,200	24,200
7 CHAD	51	25,039	4,804	29,800	29,500	27,400	27,300	21,600	21,100	20,200	20,700	22,300	21,400
8 CÔTE D'IVOIRE	161	25,039	15,165	40,200	41,900	38,300	38,900	28,900	28,000	25,300	23,900	25,100	23,000
9 EGYPT	135	25,039	12,716	37,800	37,100	33,300	35,200	30,100	33,400	35,200	38,400	36,900	35,300
10 EUROPEAN UNION	395	25,039	37,206	62,200	65,100	61,700							
11 INDIA	1,438	25,039	135,450	160,500	185,600	179,800	216,400	202,700	201,300	185,600	165,200	155,900	122,500
12 KAZAKHSTAN	39	25,039	3,674	28,700	29,800	28,300	29,000	24,100	24,400	25,000	27,000	29,700	28,800
13 KENYA	0.44	25,039	41	25,100	25,200	23,600	23,800	18,700	18,300	17,800	18,000	19,000	18,400
14 KOREA, REP.	242	25,039	22,795	47,800	51,600	49,100	51,800	44,100	44,300	43,400	42,600	43,000	38,700
15 MALI	248	25,039	23,360	48,400	46,600	41,400	40,500	33,000	31,300	29,200	29,000	32,600	33,100
16 MOZAMBIQUE	23	25,039	2,166	27,200	27,300	25,300	27,500	22,200	19,200	19,300	20,000	21,300	14,700
17 PAKISTAN	544	25,039	51,241	76,300	70,500	64,000	70,800	65,600	68,500	70,900	84,800	87,000	77,100
18 RUSSIA	51	25,039	4,804	29,800	31,500	29,600	29,900	25,300	29,100	34,500	38,400	43,600	42,000
19 SOUTH AFRICA	26	25,039	2,449	27,500	27,700	25,800	26,400	21,200	22,100	21,200	21,400	22,800	21,000
20 SUDAN	31	25,039	2,920	28,000	27,000	25,200	24,900		20,600	19,400	20,800	22,600	21,700
21 SWITZERLAND	2	25,039	188	25,200	25,300	23,800	24,000	19,000	19,900	18,000	17,900	18,800	17,200
22 TAIWAN	155	25,039	14,600	39,600	41,800	40,400	42,300	37,000	38,900	38,800	39,700	42,200	38,700
TANZANIA		0	0	0	28,900	27,700	28,300	23,200	23,300	22,800	22,700	23,400	21,800
23 TOGO	37	25,039	3,485	28,500	28,500	26,800	27,400	21,600	21,000	19,700	19,300	20,600	19,500
24 TURKEY	910	25,039	85,716	110,800	116,700	107,300	110,400	93,200	101,400	98,300	106,900	110,500	94,500
25 UGANDA	24	25,039	2,261	27,300	27,000	25,000	25,700	20,800	20,900	20,100	19,600	20,300	18,800
26 USA	2,788	25,039	262,612	287,700	275,000	244,300	276,300	280,600	312,700	331,500	351,200	334,600	330,900
27 UZBEKISTAN	449	25,039	42,293	67,300	76,900	78,800	85,000	78,200	87,400	91,300	103,300	110,700	103,200
28 ZIMBABWE	34	25,039	3,203	28,200	29,000	28,600	31,800	27,700	28,900	28,000	27,400	27,300	24,500
<b>TOTAL CURRENT MEMBE</b>	<b>11,164</b>	<b>701,080</b>	<b>1,051,619</b>	<b>1,752,600</b>	<b>1,815,400</b>	<b>1,700,900</b>	<b>1,630,900</b>	<b>1,435,800</b>	<b>1,507,700</b>	<b>1,473,500</b>	<b>1,483,200</b>	<b>1,493,300</b>	<b>1,377,400</b>