



IHB File No. S1/1001

CIRCULAR LETTER 75/2015
12 October 2015

**ANNUAL REPORT OF THE IHO FOR 2014 AND APPROVAL OF THE
RECOMMENDATIONS IN THE FINANCE REPORT**

Reference: IHO CL 48/2015 dated 3 July - *Annual Report of the IHO for 2014 and Approval of the Finance Report.*

Dear Hydrographer,

1. The Directing Committee thanks the 56 Member States that responded to the Circular Letter in Reference seeking comments on the Annual Report of the IHO for 2014 and approval of the recommendations in the Finance Report.
2. All 56 Member States (Algeria, Argentina, Australia, Bahrain, Bangladesh, Belgium, Brazil, Canada, Chile, Croatia, Cuba, Cyprus, Denmark, Ecuador, Estonia, Finland, France, Georgia, Germany, Greece, Iceland, Ireland, Japan, Latvia, Malaysia, Mauritius, Monaco, New Zealand, Netherlands, Nigeria, Norway, Oman, Papua New Guinea, Pakistan, Peru, Philippines, Poland, Portugal, Romania, Russian Federation, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Suriname, Sweden, Thailand, Turkey, United Arab Emirates, United Kingdom, United States, Ukraine, Uruguay, Venezuela) approved the Directing Committee's recommendations regarding the allocation of the audited budget surplus for 2014.
3. As of the date of issue of the Circular Letter in Reference, there were 85 IHO Member States, with three States suspended. Therefore, in accordance with Article 19 of the Financial Regulations of the IHO, the two-thirds majority required for adoption of the recommendations is 55. As a result, the recommendations are adopted and will be implemented through the appropriate accounting operations.
4. Eleven Member States (Argentina, Bangladesh, Canada, Chile, Croatia, France, Japan, Oman, Saudi Arabia, Singapore, United States) have provided comments on the draft Annual Report for 2014. These comments are reproduced in Annex A together with the outcome of their review by the Directing Committee.
5. A Corrigendum to the printed version of the Annual Report, distributed in accordance with the Reference, is provided in Annex B. The digital version of the Report on the IHO web site has been corrected.

On behalf of the Directing Committee,
Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Robert Ward', is written over a white background.

Robert WARD
President

- Annex A: Member States' responses to IHO CL 48/2015 and comments by the Directing Committee
- Annex B: Corrigendum to printed version of the Annual Report of the IHO for 2014

**MEMBER STATES' RESPONSES TO IHO CL 48/2015 AND
COMMENTS BY THE DIRECTING COMMITTEE
Annual Report of the IHO for 2014 and Approval of the Finance Report**

ARGENTINA

Agreed, taking into account that the Republic of Argentina paid its contribution for 2013 as Member State of the IHO.

Comment by the Directing Committee

The financial statements describe the financial situation as of 31 December 2014. The payment of the contribution of Argentina for 2013 was received in March 2015.

BANGLADESH

A dedicated retirement policy may be formulated ensuring intense benefit with required fund allocation for the retired members of the IHB staff instead of present ad hoc practice. Comments may be obtained from the MS prior implementation of such dedicated retirement policy in future.

Comment by the Directing Committee

The management and funding for the various IHO retirement schemes is regularly reviewed by the Finance Committee Officers and also reported to Member States. Further improvements will be proposed as part of the review of the Staff Regulations of the IHO that will be presented to Member States in 2016 for their consideration.

CANADA

Wants to thank the Directing Committee and the Finance Committee Officers.

CHILE

Task 3.6.4 (page 92)

The statistic offered below the table calls for confusion.

It reads:

Total of INT charts planned in 2014: 2013

Total of INT charts produced in 2014: 1558 (77.4%)

It should read:

Total of INT charts scheduled: 2013

Total of INT charts produced in 2014: 21 (1.82% of the total scheduled)

Total of INT charts published by end 2014: 1558 (77.4% of the total scheduled)

Annex B (Pages 106 to 114)

We notice the effort made to gather and compile the data provided in Annex B and we take note of the comment in page 47 that says "Obtaining the necessary input from the various IHO bodies through the Committee structure continued to be problematic, but is improving. There were still some significant shortfalls in obtaining relevant information from many Member States through the RHCs."

The Annual Report provides a feeling that it isn't information that we are using, and we are collecting data that IHO/IHB should use, taking advantage of it, along with actions derived, in terms of things that we understand are not happening.

Annex F (Page 123)

It says

Ms D. COSTIN ITO Information Technology Officer

It should say

Mr D. COSTIN ITO Information Technology Officer

Comment by the Directing Committee

The comments related to task 3.6.4 and Annex F have been taken into account in the final version of the Report on the website.

Annex B reports on indicators agreed by the Conference or by the relevant Committees as appropriate. The lessons learned and possible improvements will be presented for the consideration of the next Conference/Assembly.

CROATIA

In addition to approving the Report, the Croatia Hydrographic Institute supports concept and structure of the Report (Part 1 and Part 2) which enable us to get very clear and complete insight to the IHO activities.

FRANCE

Congratulates the IHB for the clarity of the 2014 Annual Report and the presentation of the financial situation of the IHO.

France suggests to consider, once the needs of the IRF are determined, allocating some of the budget surplus to studies supporting the work of the various bodies of the IHO.

Comment by the Directing Committee

As has been the case in previous years, this possibility will continue to be considered whenever surplus funds are identified. The Directing Committee notes that the Special Project Fund is also available to cover particular requirements identified by the Committees and other bodies of the IHO.

JAPAN

Result of the GEBCO training program at the University of New Hampshire is necessary to be reported in the annual report.

Comment by the Directing Committee

Although the IHO-IOC GEBCO training program is now described in the IHO Capacity Building Programme as an implemented activity, the Nippon Foundation directly funds the training program under the advice of a small group of officers in the GEBCO Guiding Committee, rather than the IHO Capacity Building Sub-Committee. In effect, the program is therefore not part of the IHO Work Programme. Furthermore, the IHO Secretariat is not provided with relevant information that could be included in the IHO Annual Report.

OMAN

Reference to the overdue contributions as of 31st December 2014 of the report, the contribution of 2014 was paid by Oman, as stated by the Ministry of Transport and Communications on 20th January 2014. However, further investigations will be carried out by Oman National Hydrographic Office.

Comment by the Directing Committee

Clarifications on the chronology of the payments received by the IHB have been provided to Oman. The financial statements describe the situation as of 31 December 2014.

SAUDI ARABIA

More funds be allocated for Capacity Building Fund for small States.

Comment by the Directing Committee

As has been the case in previous years, the possibility to allocate surplus funds to the Capacity Building Fund will continue to be considered whenever surplus funds are identified. The priorities of the Capacity Building Programme are proposed by the Capacity Building Sub-Committee to the Inter-Regional Coordination Committee.

SINGAPORE

While Singapore agrees with the recommendations of the Directing Committee and the Finance Committee Officers regarding the allocation of the audited budget surplus for 2014, we also recognise that there are other areas which could benefit from an injection of funds.

Notably, it was reported at IRCC7 that the balance for the Capacity Building Fund is constantly decreasing and will be exhausted by the end of 2015.

Singapore encourages the Directing Committee and the Finance Committee to consider the feasibility of allocating the budget surplus (or a part thereof) to other uses which would benefit the organisation and hydrographic community as a whole, in particular to the Capacity Building Fund.

Comment by the Directing Committee

See comment to the response of Saudi Arabia.

UNITED STATES

Annual Report:

- Consider Executive Summary in next Report.
- Consider ways to shorten the length of the report.
- Additional comments will be provided for consideration in the development of the 2015 Report.
- Note the current Annual Report appears to contain broken words in many instances.

Financial Report:

The US agrees with recommendation to use the surplus funds against the retirement fund requirement. The US suggests that future audits include a discussion about utilization of cash reserves beyond the 17 week requirement.

Comment by the Directing Committee

The Introduction to the Report is meant to be equivalent to an Executive Summary.

As regards the utilization of cash reserves, the Directing Committee notes that the cash assets must be compared with the monies required to offset the financial obligations of the IHO, including not only the Operating Cash Reserve and the Emergency Reserve Fund but also all Funds governed by IHO Resolution 1/2014. The situation is reviewed annually by the Auditor and by the Finance Committee Officers.

**CORRIGENDUM TO PRINTED VERSION
OF THE ANNUAL REPORT OF THE IHO FOR 2014
English version**

Page 11

Replace:

INTRODUCTION 15

with:

INTRODUCTION 17

Page 12

Replace:

Task 1.4.1 IHO Strategic Plan and Performance Monitoring 46

Task 1.4.2 IHO Work Programme and Budget 46

Task 1.4.3 Conduct Biennial Stakeholders' Forums 46

with:

Task 1.4.1 IHO Strategic Plan and Performance Monitoring 47

Task 1.4.2 IHO Work Programme and Budget 47

Task 1.4.3 Conduct Biennial Stakeholders' Forums 47

Replace

Element 2.2 Hydrographic Data Transfer Standards 52

with:

Element 2.2 Hydrographic Data Transfer Standards 53

Page 16

Replace:

Annex D – IHB Travel Commitments 117

Annex E - IHB Directing Committee Responsibilities 121

Annex F - IHB Staff Responsibilities 123

with:

Annex D - List of 2014 IHB Missions 117

Annex E - IHB Directing Committee Responsibilities 121

Annex F - IHB Staff Responsibilities in 2014 123

Page 96

Replace:

Tasks 3.8.1.2 Technical Sub-Committee on Ocean Mapping (TSCOM)

Tasks 3.8.1.3 Sub-Committee on Regional Undersea Mapping (SCRUM)

with:

Task 3.8.1.2 Technical Sub-Committee on Ocean Mapping (TSCOM)

Task 3.8.1.3 Sub-Committee on Regional Undersea Mapping (SCRUM)

Page 92

Underneath the Table providing the status of the INT Chart Scheme at the end of 2014, replace:

Total of INT charts planned in 2014: 2013

Total of INT charts produced in 2014: 1558 (77.4%)

with:

Total of INT charts scheduled: 2013

Total of INT charts produced in 2014: 21 (1.04% of the total scheduled)

Total of INT charts published by end 2014: 1558 (77.4% of the total scheduled)

Annex F, Page 123

Replace:

Ms D. COSTIN ITO Information Technology Officer

with:

Mr D. COSTIN ITO Information Technology Officer