



IHB File No S1/1001

CIRCULAR LETTER 55/2016

06 October 2016

**ANNUAL REPORT OF THE IHO FOR 2015 AND APPROVAL OF THE  
RECOMMENDATIONS IN THE FINANCE REPORT**

**References:**

- A: IHO CL 19/2016 dated 20 April – *Approval of the Finance Report*  
B: IHO CL 29/2016 dated 30 June – *Annual Report of the IHO for 2015*

Dear Hydrographer,

**Approval of the Recommendations in the Finance Report**

1. Reference A sought the approval of the Finance Report for 2015 and its recommendations, and proposed amendments to IHO Resolution 1/2014 concerning guidance on the IBSC Fund. The Directing Committee thanks the following 59 Member States that responded to the Circular Letter: Algeria, Argentina, Australia, Bahrain, Bangladesh, Belgium, Brazil, Canada, Chili, Colombia, Croatia, Cuba, Ecuador, Estonia, Finland, France, Georgia, Germany, Greece, Iceland, India, Ireland, Italy, Jamaica, Japan, Korea (Rep of), Latvia, Mauritius, Mexico, Monaco, Montenegro, Morocco, Myanmar, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Papua New Guinea, Peru, Poland, Portugal, Romania, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Suriname, Sweden, Thailand, Tunisia, Turkey, Ukraine, United Kingdom, United States of America, Uruguay and Venezuela.

2. All Member States supported the recommendations and the proposed amendments to IHO Resolution 1/2014. Five Member States offered comments in addition to their vote. Their comments and the outcome of their review by the Directing Committee are provided in Annex A to this letter.

3. As of the date of issue of Reference A, 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. The proposed amendments to IHO Resolution 1/2014 concerning guidance on the IBSC Fund were also approved. IHO publication M-3 – *Repertory of IHO Resolutions* will be amended as soon as possible.

**Annual Report of the IHO for 2015**

5. Reference B sought comments from Member States on the draft text of part 1 of the Annual Report of the IHO for 2015. The Directing Committee thanks the following 9 Member States that responded to Reference B: Brazil, Canada, Chile, Colombia, Croatia, Peru, Portugal, Spain and Uruguay.

6. All the responses supported the draft text. Four Member States offered comments which are reproduced in Annex B together with the outcome of their review by the Directing Committee, as appropriate.

7. As a result of the responses to the References, the final version of the 2015 Annual Report, containing Parts 1 and 2, has now been completed and is being printed in English and French. Unfortunately production of copies in Spanish will be delayed due to resource constraints in the Secretariat. Printed copies will be sent to all Member States in the appropriate languages when available. Copies of the Report will also be posted on the IHO website.

On behalf of the Directing Committee,  
Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Robert Ward', with a period at the end.

Robert WARD  
President

**Annexes**

- A: Member States' responses to IHO CL 19/2016 and comments from the Directing Committee
- B: Member States' responses to IHO CL29/2016 and comments from the Directing Committee

**MEMBER STATES' RESPONSES TO IHO CL 19/2016 AND COMMENTS FROM THE  
DIRECTING COMMITTEE**

**Approval of the Finance Report of the IHO for 2015**

**AUSTRALIA:** Agreed. Good outcome

**CANADA:** Agrees and would like to thank the Finance Committee for the Report.

**COLOMBIA:** Agrees. Colombia congratulates the Directing Committee for the good management of the IHO Resources. It also agrees with the IHO Secretariat managing the IBSC funds.

**SURINAME:** Can the background be provided indicating the reason why the funds were transferred to IFS instead of IHO Secretary

**Comment from the Directing Committee**

*This is explained in CL 72/2010 of the 8 November 2010:*

*“ ...The way in which the fees would be collected and administered is outlined in an Annex to the IBSC Rules of Procedure. The Annex explains how the fees will be held on a dedicated account operated by FIG. A Funding Group, made up of three representatives from amongst the IBSC members and the IBSC Secretary, will govern the administration of the fees and any payment made from the account. Allocation of resources will be in response to a written request and an annual meeting will summarize the activity of the IBSC fund and report to the IBSC and the parent bodies. In the case of the IHO this will be through the IRCC.”*

**USA:** We commended IHO on its prudent financial management over the past year and should be encouraged to continue to prudently minimize personnel and travel costs and other expenditures. The conditions that occurred in 2015 that resulted in under spending are unlikely to occur on a regular basis in future budget years so it is important to maintain fiscal discipline. Further analysis of the projected costs for retirement plan maintenance is advisable in order to gain a more accurate projection of the future costs to be covered by the IRF and to avoid underfunding. Further, given the concern that IHO may need to underwrite "personalized retirement plans", members should be provided a detailed explanation of what these plans require. The increase in unpaid contributions is concerning; IHO should undertake steps to urge members to pay their contributions in a timely manner.

**Comment from the Directing Committee**

*In 2015, as in previous years, the Directing Committee has taken a conservative approach to the budget and finances of the Organization, and will continue to do so.*

*The projected costs for the retirement plan maintenance are calculated and updated every year. It is very difficult to project further in the future, as the return on personalized pension plan is largely unpredictable.*

*Reminders are sent to Member States with contributions in arrears, and assistance provided to Member States that have difficulties due to economic or political factors. The provision for doubtful contributions was created because the majority of Member States in arrears are in this situation not because of a lack of goodwill, but because of difficult economic or political circumstances.*

**MEMBER STATES' RESPONSES TO IHO CL 29/2016 AND COMMENTS FROM THE  
DIRECTING COMMITTEE  
Annual Report of the IHO for 2015**

**CHILE:** We have given close reading to the Report and we would like to congratulate the IHB for the presentation and content of it, and therefore we confirm that we accept the Annual Report. Nevertheless, we would like to make a small comment on the following paragraph that appears in page 57:

The Conference covered a wide range of other important topics: Greece reported on the projects funded by the European Commission that are managed or monitored by the IHO-EU Network Working Group (IENWG) such as EMODnet and Coastal Mapping (see Task 1.1.4). **Based on the information provided by some Members, Spain also reported on the status of hydrographic surveying** in the region as well as on MSI in its role of NAVAREA III coordinator.

It seems that something is missing because it does not have any sense the wording we have **highlighted**.

**Comment from the Directing Committee**

*The text has been amended as follows:*

*The Conference covered a wide range of other important topics: Greece reported on the projects funded by the European Commission that are managed or monitored by the IHO-EU Network Working Group (IENWG) such as EMODnet and Coastal Mapping (see Task 1.1.4). Spain reported on the information received from some Members on the status of hydrographic surveying in the region. Spain reported also on MSI in its role of NAVAREA III coordinator.*

**COLOMBIA:** Concerning the IHO Annual Report for 2015, I would like to formally thank the Republic of Korea and The Nippon Foundation for their unconditional support to the world hydrography and also to congratulate the CBSC for its excellent administrative management.

On another hand, when reviewing element 3.6 of the Report: “Coordination of Global Surveying and Charting”, in which are mentioned the countries that have updated the C-55 in 2015, we have realized that the Republic of Colombia has not been included in the table. That is why we ask you to please check that the data updated by Colombia be reflected in the IHO web:

*[https://www.iho.int/iho\\_pubs/CB/C-55/index.html](https://www.iho.int/iho_pubs/CB/C-55/index.html)*

We take this occasion to express our best consideration and esteem,

**Comment from the Directing Committee**

*The Secretariat was seeking clarification on the original submission from Colombia when the draft of the Report was released. The final version reflects that Colombia provided an entry to C-55 in 2015.*

**CROATIA:** Croatia wants to thank the editors of the Report. Also recommends to consider the distribution of both parts of the next IHO Annual Report together (General and Financial), at the same time.

**Comment from the Directing Committee**

*The Directing Committee decided to issue Part 2 (Finance Report) before Part 1 was completed because the associated recommendations had a direct impact on the implementation of the Capacity Building Work Programme for 2016 and required a decision as early as possible. The Directing Committee anticipates that the report for 2016 will be submitted to the first session of the Assembly.*

**PERU:** This Direction agrees with the information summarized in the report as well as with the observations on the implementation of the work programme of the International Hydrographic Organization (IHO) which was approved in due course.