

Agenda item 7.3 – IALA Change of Status Advisory Group**7.3.2 Status of the Action Plan****1. Background**

At its 60th session in May 2015 in Kuala Lumpur Council agreed on an action plan for the change of status project. The action plan has been reviewed by the Change of Status Advisory Group at its 2nd meeting 9 November in IALA.

The plan contains 4 main areas: Communication, Diplomacy, Financial Aspects and Convention text and related documents.

An updated action plan can be found as input paper C61-7.3.2.1

2. Communication Plan

The Secretariat has since September 2015 engaged the part-time services of Ms. Aline De Bievre, an experienced international maritime journalist who has attended many past IALA conferences and also has in-depth IGO knowledge through her recent employment in the Secretariat of IMO.

The work on the Communication Plan will be ongoing for some time and addresses the various elements identified in the Action Plan for the Communication Task Area with a view to reaching the broad stakeholder groups outlined in that Plan, namely, the IALA membership (National, Industrial and Associate Members), other international organizations (including IMO and other IGOs) and the broader maritime community (including the maritime press).

Important elements will be:

The web site

There is a dedicated news page on the IALA website with up-to-date information on the progress with the IGO Action Plan (go to www.iala-aism.org, then click on "About IALA" on the Home page and scroll down to "Latest News" and find "Change of Status").

For instance, the change of status brochure and the text of the General Assembly Resolution A.01 of 27 May 2014 can be accessed through links posted on this dedicated page.

Other important texts that are necessary to complete the IGO Action Plan will be posted on the website in the near future. They include the draft text of the new IALA Convention, the draft texts of the revised Basic Documents, General Regulations, Financial Regulations and Committees' Rules of Procedure, once these are finalized in the early part of next year.

The IMO information paper will also be made available on the website soon.

Information packages

It is proposed to prepare smart information packages, addressed to all relevant stakeholder groups and for the widest possible distribution well in advance of the planned diplomatic conference which will adopt the new IALA Convention.

The information packages would be produced in hard copy, for presentation in a high-quality, A-4 size folder displaying the new IALA logo on the front and containing easy-to-handle information sheets.

They would be introduced by a personal message of the SG, tailored to the specific type of stakeholder group. They would further contain the lead briefing/press release on the change of status and the planned diplomatic conference, the reasons for becoming an IGO, and the perceived benefits for the maritime world. In addition, they would include an information sheet profiling IALA, with a brief history and its principal aims and objectives, and a separate information sheet on the work of the IALA World-Wide Academy. Information about the IALA website and the latest issue of the IALA Bulletin would also be included, with IALA Secretariat contact names, as appropriate, for those wishing to meet or interview the SG, communicate relevant comments or other information, or apply for membership.

The information packages would be printed in sufficient quantities to allow all those working for National, Associate and Industrial Members to receive the up-to-date and attractively produced folder for their own, personal keeping and to show them to their wider circle of professional contacts.

Relevant stakeholders would include IALA's partner organizations, in particular, IMO, the International Telecommunication Union (ITU), the World Meteorological Organization (WMO) and the International Hydrographic Organization (IHO). Other relevant multilateral organizations would be the International Mobile Satellite Organization (IMSO), the European Maritime Safety Agency (EMSA) and the European Space Agency (ESA).

Stakeholder groups from the broader maritime community would range from ports and pilots to ship owners, operators and managers, seafarers, training establishments and marine insurers. Also important would be stakeholder groups from marine science/marine environmental engineering communities, academia, and reputable civic society groups with a special interest in the responsible use and governance of the world's seas and oceans. Last but not least, the concerted public relations campaign would target lead editors and journalists of prominent international maritime press titles.

IALA Bulletin

The Bulletin is the communication flagship of IALA. A comprehensive review of both the design template and the editorial content of the Bulletin would be timely.

The principal aim of the planned review is to safeguard the strong technical content and, in this regard, regular information on the unique expertise and R&D activities of the Industrial Members. Technical prowess lies at the heart of IALA's preeminence as the peak international technical body in its field.

At the same time, it may be possible to introduce some lighter elements. One option that could be attractive is to publish a regular “Viewpoint” article, with direct input from individual members who may wish to highlight a specific issue from their particular standpoint, experience or area of knowledge, thus contributing to both a lively and constructive dialogue.

3. Diplomacy

In accordance with the action plan, the SG has send a letter to National Members asking them to provide the IALA Secretariat with two “Points of Contact (PoC)”; one from within its Administration and the other from the Government Administration responsible for the Diplomatic Action, for example the Ministry of Foreign Affairs.

As of today 21 out of 77 National Members have replied. A follow up will be made early next year.

An Information paper on the change of status to IMO Assembly has been issued and can be found as input paper 7.3.3.

4. Financial Aspects

The change of status Advisory Group in its first meeting in Madrid (CoS1) concluded that it would be necessary to investigate the financial impacts of the change of status for IALA as part of the Action Plan.

As a result a report on the financial issues of the change of status of IALA has been developed including a follow-up legal advice from Dr. Rosalie Balkin on the possibilities of continuing to accept financial contributions from others than contracting parties in the future.

CoS2 discussed the outcome of both the financial report and the legal advice from Dr. Balkin and is giving advice to Council on how to proceed.

Financial aspects of the change of status

Based on the year 2014 as a reference the financial situation for IALA as an IGO was looked at focusing especially on the period when the “old” IALA ceased to exist, but the new IALA as an international organization has not yet the same number of contracting parties as the national members of today.¹

Current financial status

The year 2014 as the last financially fully concluded year is taken as the reference year. In 2014 the total budget originating from membership contributions and approved by Council was at approx. 1.8 Mio €, including approx. 1.600.000 € from annual membership contributions (National members 14.000 €, Industrial members 5200 €, Associate members 2730 €). This sum will be used for all scenarios as reference to be met by membership contributions in order to keep the IALA Secretariat at least at the current level.

¹ In the moment IALA changes its status and becomes an IGO the obligation to take part into in the French social security system cease to exist. However in order to gain protection at least similar to the status of the French security system IALA will be obliged to participate in existing international systems or seeking private protection for its employers. In accordance with the draft Head Quarters Agreement negotiated with the French Foreign Ministry France will grant tax exemption for IALA and its employees, but IALA will have to establish another system to ensure full social security protection for the staff. This could affect the financial situation, but it is not taken into account in this report and will need to investigate later.

In 2014 IALA had 75 national members, 112 industrial members and 54 associate members.

Possible scenarios

It is commonly agreed that the change of status will include a time when the agreement on IALA will enter into force due to the necessary number of contracting parties having signed and ratified the agreement. IALA as an international organization will be established and the IALA of today as a private association under the French Law of Associations will cease to exist. However it is to be expected that for an unknown time the number of contracting parties in the new IALA will be significantly lower than the number of national members in the IALA of today. As a result 3 of the most likely scenarios were developed and are described below.

It is further presumed that the number of contracting parties necessary to change the status of IALA and let the agreement enter into force will be 30.²

Scenario 1

Number of contracting parties	Value of membership contribution	Total budget
30	14 000 €	420.000 €
30	60 000 €	1 800 000 €
Increase:	+ 329%	

In Scenario 1 it is assumed that only contracting parties would make financial contributions to IALA. If only 30 contracting parties would contribute 14.000 € per year, a total budget of only 420.000 € would be reached. As a consequence the annual contribution per contracting party need to be raised significantly in order to meet a total annual budget of 1.800.000 € (increase of 329%).

Scenario 2

	Number of members	Value of membership contribution	Total budget	Voting rights
Contracting parties	30	34 841 €	836 180 €	yes
Associate members	45	5 200 €	234 000 €	no
Industrial members	112	5 200 €	582 400 €	no
Affiliate members	54	2 730 €	147 420 €	no
			<u>1 800 000 €</u>	
	Increase for the contracting parties:	+ 149%		

Scenario 2 incorporates the assumption that those former national members in the “old” IALA who have not ratified the new agreement yet and become contracting parties of “new” IALA will at least temporarily stay with IALA as associate members in accordance with the draft Convention text article 17. In this scenario it is assumed that associate members pay the same membership contribution as industrial members due to the fact that they lose certain privileges, e.g. voting rights. It is further assumed that industrial and affiliate members will continue to pay annual financial contributions (same as today). As a result a significant raise in annual contributions from contracting parties (149%) or considering a more balanced approach from

² LAP advised to choose a number slightly above the number of council members of today (24) in order to have a General Assembly that does not consist of Council members only in the very beginning of IALA as an IGO.

all membership categories would be necessary in order to reach the total annual budget of 1.800.000 €.

Scenario 3

	Number of members	Value of membership contribution	Total budget	Voting rights
Contracting parties	30	14 000 €	420 000 €	yes
Associate members	45	14 000 €	630 000 €	no
Industrial members	112	5 200 €	582 400 €	no
Affiliate members	54	2 730 €	147 420 €	no
			1 779 820 €	
	Increase for the contracting parties:	+ 0%		

In Scenario 3 the former 51 national members who have not ratified the international agreement yet) and thus have not become contracting party to the international agreement (associate members), will continue to pay the same membership contribution as contracting parties, €14,000 per year. The contributions of the other membership categories will stay the same. Considering the three scenarios only scenario three was able to refrain from raising membership contributions in order to meet a total annual budget of 1.800.000 € and thus keeping IALA at least at the current level.

Conclusions of the report on financial aspects to CoS2

The report to CoS2 concluded that it would be of vital importance for the next decisions ahead to get in addition to the advice of the LAP, external legal expertise on the question if an IGO can accept financial contributions from other membership categories than contracting parties. Only then it would be possible to proceed with scenarios 2 and 3.

Expertise from Dr. Balkin

The Secretary-General asked Dr. Rosalie Balkin, an experienced expert and former Director of Legal Affairs and External Relations at IMO to give her advice. LAP had already concluded that there are no legal reasons to prevent other membership categories than contracting parties to give annual financial membership contributions to IALA.

Over summer Dr. Balkin submitted a legal advice on the issue raised and stated very clearly that IALA as an IGO can accept annual financial membership contributions from all membership categories. It would be up to IALA as an organization on how to organize the issue of annual membership contributions from different membership categories.

Advice from Dr. Rosalie Balkin is input paper C61-7.3.2.2.

Conclusions of CoS2 and advice to Council

The CoS2 meeting discussed both the report on the financial aspects and the legal expertise from Dr. Balkin in detail.

A majority of attendees stated that a significant raise of annual membership contributions would be considered a major risk factor in proceeding with the change of status project

specifically in getting support in membership countries to sign the international agreement and becoming contracting party.

It was concluded to advise Council to proceed with scenario 3 in which the annual membership contributions would roughly stay the same as today.

5. Convention text and related documents

IALA General Assembly has agreed that IALA's aim to assist in the development and harmonisation of aids to navigation worldwide can best be achieved if IALA has a strong, international legal framework that ensures transparency and good governance, that positions IALA to work in close collaboration with governments and other intergovernmental organisations, and that fosters the work of IALA as the peak international technical body in its field.

A multilateral convention to create IALA as an IGO has been determined to be the path to achieve this outcome. LAP has been assisting Council in the development of a suitable instrument for this purpose.

This introduces the draft IALA Convention text which has been considered by the CoS AG in Madrid in April 2015, by the LAP in September 2015 and again by the CoS AG in November 2015.

Completion of the draft text of the IALA Convention is an essential step which will enable the Government of France to undertake further diplomatic activities.

The current draft IALA Convention is input paper C61-7.3.2.3. The document includes two columns– headed References and Notes - in addition to the draft text. The Reference column provides references to various instruments used in the development of articles in the draft. Links to these instruments are provided below. The Notes column provides additional information about the drafting of the Article.

Related documents

Development of draft General Regulation and a draft HQ agreement has been started by the Secretariat. These documents will be further developed in January 2016 by a LAP drafting group and presented to the CoS AG at its third meeting 10-11 May 2016.

6. Council is requested to:

- . Approve the draft IALA Convention – input paper C61-7.3.2.3.
- . Note the information provided.