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منظمة الأغذية والزراعة للأمم المتحدة	联合国粮食及农业组织	Food and Agriculture Organization of the United Nations	Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольственная и сельскохозяйственная организация Объединенных Наций	Organización de las Naciones Unidas para la Agricultura y la Alimentación

CENTRAL ASIAN AND CAUCASUS REGIONAL FISHERIES AND AQUACULTURE COMMISSION

INAUGURAL MEETING

Istanbul, Turkey, 19-21 December 2011

SCHEME AND SCALE OF CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET OF THE COMMISSION

BACKGROUND

1. This document provides summary background information about the process of development of a scheme of contributions to autonomous budget of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission, which subsequently gave rise to its submission to the Inaugural Meeting for endorsement, while considering the preliminary adoption of the budget and scheme and scale of contributions to the administrative budget by the Preparatory Meeting.

2. The document needs to be read in conjunction with Commission's autonomous budget for the first financial annual period (2012) (as presented in CACFish:I/2011/5) as well as with the main legal documents of the Commission, namely the Agreement on the Establishment of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (CACFish:I/2011/Ref.1), and the Financial Regulations of the Commission (CACFish:1/2011/4).

3. Article IX (1) of the Agreement states that "Each Party to the Agreement undertakes to pay annual contributions to the budget of the Commission", "in accordance with a scheme which the Commission shall adopt and amend by consensus"(Article IX 3a) as set out in the Financial Regulations of the Commission (Article IX 3b).

4. The process to develop the scheme and scale of contributions started at the Second Intergovernmental Meeting (Trabzon, Turkey, 3-5 June 2009) which determined that the calculation of the financial contributions to the autonomous budget of the Commission should be based on the following elements: a Wealth component based on GDP per capita, a production component based on inland fisheries and aquaculture production volumes and a base fee.

5. Following the Trabzon Meeting, the FAO Secretariat requested on 3 December 2009 the Focal Points to the Steering Committee to update the country information to enable the Secretariat to produce a more accurate table in support of the discussions at the 2nd Steering Committee meeting.

6. It was noted in the message of 3 December that when FAO uses GDP per capita data, these data are derived from the IMF World Economic Outlook (WEO) database. This database is updated frequently and the latest version is accessible at: http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx

7. For fisheries and aquaculture production FAO uses the official data reported by the national statistical agencies of your countries. These data are included into FAO FishStat+ and can be accessed through: http://www.fao.org/fishery/topic/16140/en

8. The FAO Secretariat received responses before the Second Steering Committee Meeting to prepare for the Third Intergovernmental meeting on the Establishment of the Central Asian and Caucasus Fisheries and Aquaculture Commission (Istanbul, Turkey on 24-25 February 2010) (Istanbul Meeting) on the request for updating of country information from 5 countries: Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkey. The fisheries and aquaculture production table presented at the Istanbul Meeting included the provided figures.

9. At the Istanbul Meeting a background document (SEC/2010/Istanbul/3 – An indicative (draft) scale of contributions to an autonomous budget for the start-up phase of the Central Asian and Caucasus fisheries and aquaculture commission) was presented. A summary of the discussion which followed the presentation by the Secretariat can be found Report of the Second Steering Committee Meeting to prepare for the Third Intergovernmental meeting on the Establishment of the Central Asian and Caucasus Fisheries and Aquaculture Commission, Istanbul, Turkey, 24-25 February 2010. *FAO Fisheries and Aquaculture Report.* No. 935. This document is made available as SEC/2010 Trabzon/inf. 5.

10. The Istanbul Meeting conclusions and recommendations on this agenda item state as follows:

a) The Committee extensively reviewed the background documentation presented on the proposed indicative Scale of Contributions to an autonomous budget for the start-up phase of the Central Asian and Caucasus Fisheries and Aquaculture Commission. Much of the discussions were focused on the method of calculation. In principle, the basic methodology using the three components (basic fee, wealth component and production component) was confirmed. Consensus was reached on the basic fee of 20%. The Committee also approved in principle the production component. Certain focal points will provide area specific production data. This will change the relative share of contributions of member countries. Clarifications on the wealth component were requested. In particular the methodology for calculating individual shares of the members of the Commission with regards to the wealth component needed clarification.

And

b) The Committee recommended "that the focal points would provide the FAO Secretariat with alternative methods of calculations for the wealth component of the indicative autonomous budget before 15 March 2010. The Secretariat would circulate the proposed methods for consideration by the focal points of the Steering Committee".

11. The Secretariat provided the Focal Points with four proposals for the calculation of the wealth component (following the recommendations from the Istanbul Meeting) on 25 March 2010.

Proposal 1: the proposal as presented by the Secretariat in Istanbul
Proposal 2: an alternative suggested by the Focal Point from Kazakhstan
Proposal 3: an alternative proposal as presented by the Secretariat in Istanbul, which reflects the member contributions to the Regular Programme of FAO.
Proposal 4: a proposal which follows-up from the suggestion of some focal points to have the wealth component be determined directly by the GDP per capita data.

12. A reminder message on this subject was sent out by the Secretariat on 14 April 2010. Responses were received from Turkey and Kyrgyzstan, while Iran referred to the production component and informed the Secretariat that not the total inland fisheries and aquaculture production should be taken into consideration, but instead the production in the regions near the Caspian Sea basin.

13. Several countries expressed their preferences for certain proposals which were presented then to the Third Intergovernmental Meeting.

14. The Third Intergovernmental Meeting on the Establishment of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (Trabzon, Turkey, 30 November – 1 December 2010), discussed the background documentation presented by the Secretariat as SEC/2010/Trabzon/4 (Draft budget for the first financial period of the Commission) and SEC/2010/Trabzon/5 (Draft scheme of contributions to the budget). The detailed summary of the discussions that took place at the Third Intergovernmental meeting on this subject, can be found at CACFish:I/2011/Ref.2.

15. The main conclusions of the Third Intergovernmental Meeting on the budget, scheme and scale of contributions were as follows:

a) The Meeting reviewed the proposed administrative budget as presented by the FAO Secretariat and agreed that a level of 180 000 USD per year in the start-up phase is acceptable. The meeting approved this budget level for the year 2012 for endorsement by the Inaugural Meeting of the Commission.

b) The meeting confirmed the conclusions of the Trabzon and Istanbul meetings, which were the following:

- The basic methodology for calculation the member contributions will have three components (base fee, wealth component and production component).

  - Base fee: 20 percent
  - Production component: 45 percent
  - Wealth Component: 35 percent

- Source for the wealth component country data: IMF World Economic Outlook database.
- Source for the production component country data (total inland capture fisheries and aquaculture production): FAO FishStat+ database.
- The scale of individual member contributions to the autonomous (administrative) budget of the Commission would be determined on an annual base and agreed at a regular session (including the inaugural) of the Commission.

16. The meeting further decided that the year of IMF and FAO data to be used for the calculation of the wealth and production components should be the same. It was proposed to use the information with a time lag of 2 years, which means that in 2011 the available data from 2009 will be used.

17. The meeting discussed three proposals for the methodology for calculation of the scale of contributions to the administrative budget of the Commission. These proposals were the original proposal of the FAO Secretariat, a proposal by the delegation of Azerbaijan and one by the delegation of Iran. Following the discussions the meeting accepted to forward the agreed methodology, originally proposed by Azerbaijan, for endorsement at the inaugural meeting of the Commission.

18. The wealth component would be divided into five categories: below US$ 1 000; between US$ 1 000 and US$ 3 999; between US$ 4 000 and US$ 5 999; between US$ 6 000 and US$ 9 999 and above US$ 10 000. The first category is exempt from the wealth component.

19. Following is specific information about measurement of the national wealth contribution component of the scheme that was adopted by the Third Intergovernmental Meeting:

- Category 1: below US$ 1 000 (0 share)
- Category 2: US$ 1 000- 3 999 (1 share)
- Category 3: US$ 4 000- 5 999 (3 shares)
- Category 4: US$ 6 000- 9 999 (5 shares)

- Category 5: above US$ 10 000 (10 shares)

20. Two detailed contribution schemes, calculated using the above- scheme formula, based on the proposed autonomous budget of Commission for the first financial period (2012) (i.e. 180,000 USD) are given in the annexes. The contribution scheme given in the Annex I, assumes a contribution scheme financed by the current and all the additional possible Member States. Annex II provides the same scheme, but without China, to reflect the major budgetary impact of having China as member of the Commission. The Annex III details the contribution scales in case the autonomous budget of the Commission for the first financial year (2012) would only be contributed to by the current (as of 1 November 2011) Member States.

SUGGESTED ACTION BY THE MEETING

21. In light of the above consideration and recommendations, the Commission is invited, as appropriate, to follow the advice from the Preparatory Meeting and endorse the administrative budget level of USD 180 000 for 2012 as well as the proposed scheme and scale of contributions by members to the administrative budget of the Commission.

ANNEX I:

Contribution scheme for the first financial period (2012)

	Countries	Total contribution	Wealth component		Production component			Base fee
		USD	GDP in USD per capita 2009	USD	2009 Production in tonnes	Percentage of total production	USD	USD
1	Afghanistan	2403	426	0	1000	0.00%	3	2400
2	Armenia	4669	2615	2250	5859	0.02%	19	2400
3	Azerbaijan	9154	4798	6750	1303	0.01%	4	2400
4	China	82983	3739	2250	24409231	96.71%	78333	2400
5	Georgia	4651	2455	2250	260	0.00%	1	2400
6	Iran	9940	4334	6750	246226	0.98%	790	2400
7	Kazakhstan	13759	7298	11250	33940	0.13%	109	2400
8	Kyrgyzstan	2400	881	0	143	0.00%	0	2400
9	Mongolia	4650	1688	2250	90	0.00%	0	2400
10	Russian Federation	14804	8614	11250	359624	1.42%	1154	2400
11	Tajikistan	2401	667	0	401	0.00%	1	2400
12	Turkey	14020	8711	11250	115435	0.46%	370	2400
13	Turkmenistan	4698	3451	2250	15016	0.06%	48	2400
14	Ukraine	4785	2569	2250	42200	0.17%	135	2400
15	Uzbekistan	4680	1199	2250	9469	0.04%	30	2400
	TOTAL	**180000**		**63000**	**25240197**		81000	**36000**
		100 percent		**35 percent**			**45 percent**	**20 percent**

5 categories			**Value of 1 share:**	2250		
< 1000	exempt from the wealth component.			0		
1000-3999	pays one share			2250		
4000- 5999	pays three shares			6750		
6000-9999	pays 5 shares			11250		
10000 pays	pays 10 shares			22500		
In this situation there exist 28 shares. Each share has a value of 2250 US$, adding up to 63 000 US$ together.						
There would under this calculation be following share distribution:						Shares
not any countries with 10 shares						0
3 countries with 5 shares (Kazakhstan, Russian Federation and Turkey)						15
2 countries with 3 shares (Azerbaijan and Iran)						6
7 countries with 1 share (Armenia, China, Georgia, Mongolia, Turkmenistan, Ukraine and Uzbekistan)						7
3 countries with no shares under the wealth component. (Afghanistan, Kyrgyzstan and Tajikistan)						0
					Total shares:	**28**

ANNEX II:

Contribution scheme for the first financial period (2012) –excluding China

	Countries	Total contribution	Wealth component		Production component			Base fee
		USD	GDP in USD per capita 2009	USD	2009 Production in tonnes	Percentage of total production	USD	USD
1	Afghanistan	2669	426	0	1000	0.12%	97	2571
2	Armenia	5476	2615	2333	5859	0.71%	571	2571
3	Azerbaijan	9698	4798	7000	1303	0.16%	127	2571
4	Georgia	4930	2455	2333	260	0.03%	25	2571
5	Iran	33573	4334	7000	246226	29.63%	24001	2571
6	Kazakhstan	17546	7298	11667	33940	4.08%	3308	2571
7	Kyrgyzstan	2585	881	0	143	0.02%	14	2571
8	Mongolia	4914	1688	2333	90	0.01%	9	2571
9	Russian Federation	49293	8614	11667	359624	43.28%	35055	2571
10	Tajikistan	2611	667	0	401	0.05%	39	2571
11	Turkey	25490	8711	11667	115435	13.89%	11252	2571
12	Turkmenistan	6368	3451	2333	15016	1.81%	1464	2571
13	Ukraine	9018	2569	2333	42200	5.08%	4114	2571
14	Uzbekistan	5828	1199	2333	9469	1.14%	923	2571
	TOTAL	**180000**		**63000**	**830966**		81000	**36000**
		100 percent		**35 percent**			**45 percent**	**20 percent**

5 categories			**Value of 1 share:**	2333.33		
< 1000	exempt from the wealth component.			0.00		
1000-3999	pays one share			2333.33		
4000- 5999	pays three shares			7000.00		
6000-9999	pays 5 shares			11666.67		
10000 pays	pays 10 shares			23333.33		
In this situation there exist 27 shares. Each share has a value of 2333 US$, adding up to 63 000 US$ together.						
There would under this calculation be following share distribution:						shares
not any countries with 10 shares						0
3 countries with 5 shares (Kazakhstan, Russian Federation and Turkey)						15
2 countries with 3 shares (Azerbaijan and Iran)						6
6 countries with 1 share (Armenia, Georgia, Mongolia, Turkmenistan, Ukraine and Uzbekistan)						7
3 countries with no shares under the wealth component. (Afghanista, Kyrgyzstan and Tajikistan)						0
					total shares	**27**

ANNEX III:

Member States' Contribution scheme for the first financial period (2012)

Member Countries	Total contribution	Wealth component		Production component			Base fee
	USD	GDP in USD per capita 2009	USD	2009 Production in tonnes	Percentage of total production	USD	USD
Armenia	5476	2615	2333	5859	0.71%	571	2571
Kyrgyzstan	2585	881	0	143	0.02%	14	2571
Tajikistan	2611	667	0	401	0.05%	39	2571
Budget	**8425**		**2333**	**6403**	0.77%	624	**7714**
% of total needed	4.7%		3.7%			0.77%	21.4%
% not covered	95.3%		96.3%			99.33%	79.6%
Total	**180000**		**63000**	**830966**		**81000**	**36000**
	100 percent		**35 percent**			**45 percent**	**20 percent**