



Food and Agriculture
Organization of the
United Nations



Item 9

Proposal on the Administrative Budget

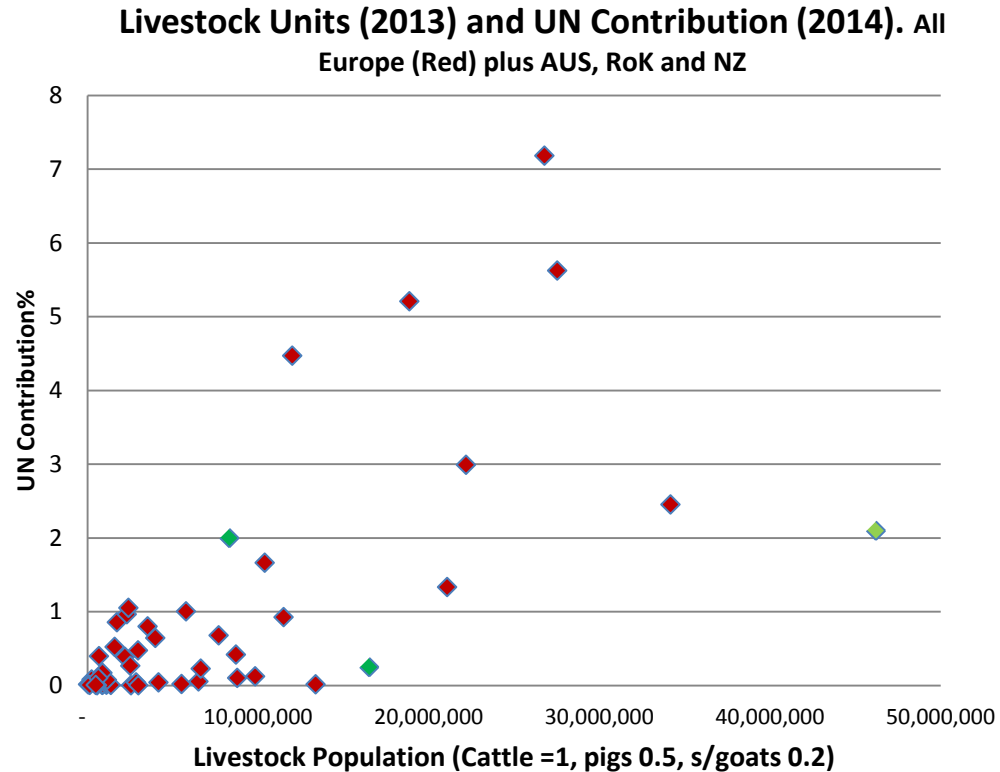
Background

- Last increase in contributions decided in 2007 and came into effect in 2008
- Savings have already been achieved from 2009
 - transfer of WRL (Pirbright) Contract shifted to EC Fund
 - Transfer of Administrative Assistance posts to EC
 - Non-filling of P3 position after January 2014
 - Recent exchange rate favouring the USD/while expenses are in euro)
- Last review of the categories for countries – 1996-7
- Major changes in livestock populations and GDP in Europe since then

Formulae

- Based on equal weighting of
 - share of Livestock Units in Europe
 - share of contribution of European countries to the UN system
 - Livestock Units (TU) = $(1 \times \text{cattle}) + (0.5 \times \text{pigs}) + (0.2 \times (\text{sheep} + \text{goats}))$
 - Total of 600 m ruminant + pigs in wider Europe, = ~ 300m TU
 - Each countries share of the TU calculated (A)
 - largest country has 11.2% of total European TU
 - Each countries share of UN contribution calculated
 - varies from 0.01% to 17.23% in share of European total (B)
 - Formula used = $(\text{TU\% plus UN\%})/2$
 - Gives share of livestock and UN contribution on percentage scale
 - Range from 0.03 to 13%

Livestock Units and UN Contribution

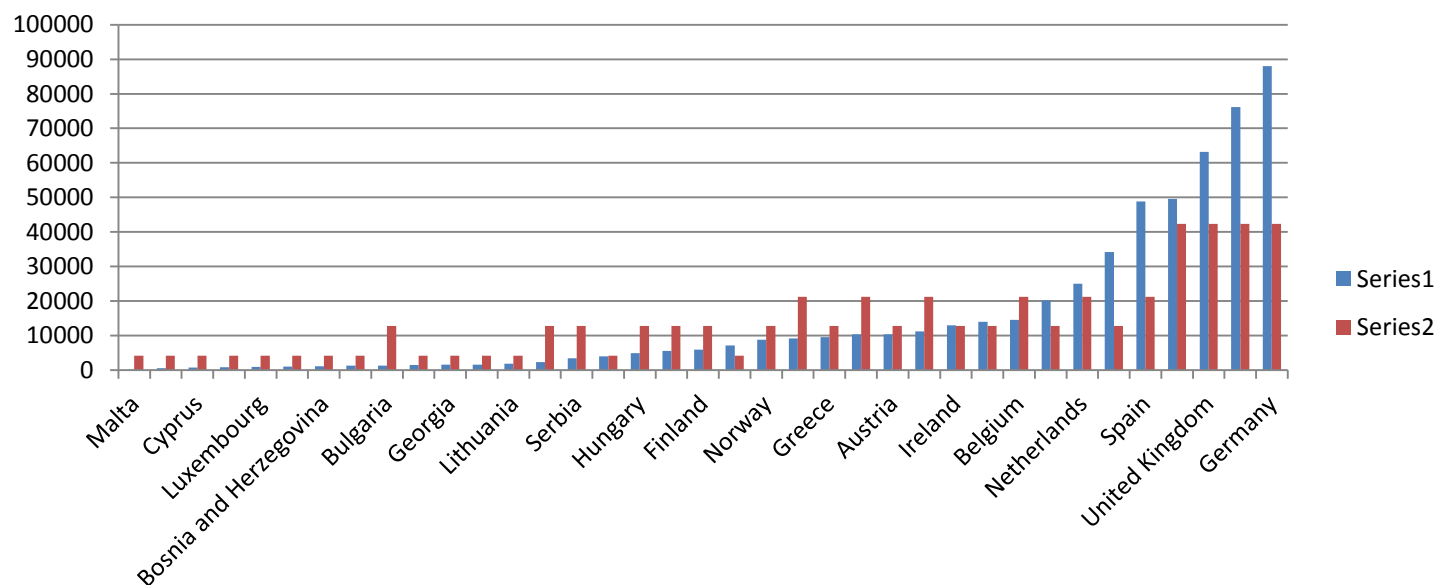


Continuous scale vs categories

- Continuous scale
 - If contributions were based on the livestock/UN contribution range
 - contribution would be $(A+B/2)$ times the total budget (550k USD)
 - Chart 1 (current)

Continuous scale & current categories

- Relative underpayment of the large countries (Cat 1-2)
- Several countries pay contributions that are out of their position on the continuous scale

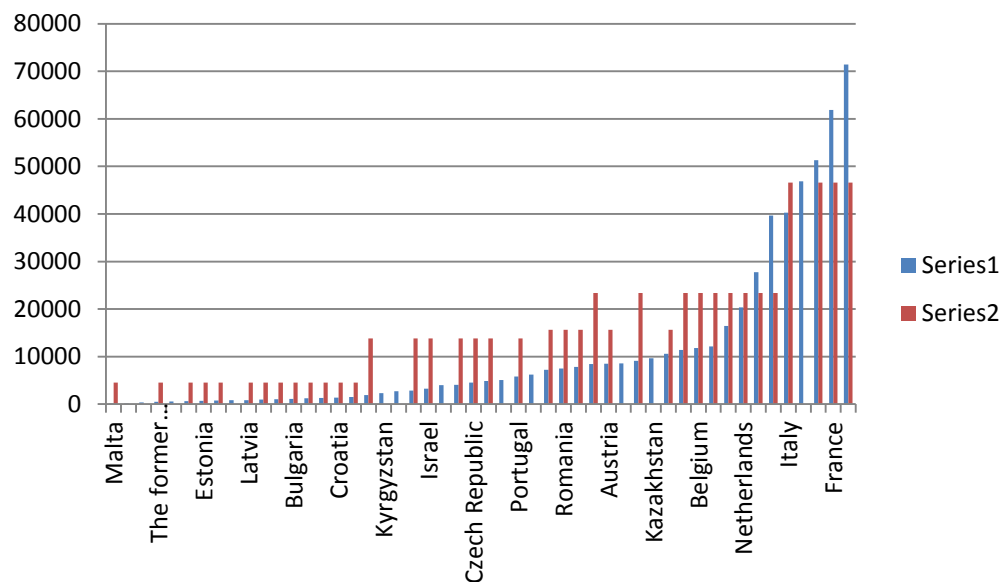


Options considered

1. Use of the continuous scale of contribution
 - Involves all countries having a change in contribution
2. Use of current categories but with some MS moving up or down a category
 - “unfair” ? on those which have moved significantly but remain just within current categories
3. Compromise involving a new category to “capture” the majority of the countries which had significantly changed rank but minimising change to those which kept their rank
 - change limited to those which have changed rank significantly
4. adjustments by category to address the over/under payment issue

With new category and adjustment

- New Category (3) proposed for countries >1.2 and <3 (Table 3)
- Chart 2 with changes proposed by Executive



Budget Contribution proposal

1. 40th Session noted the need to address the declining financial position (cash balance) at the 41st Session
2. Situation in 2014 was better than expected through MS payment of major arrears - this cannot be repeated in 2016..
3. Contribution of at least 595,000 USD per annum needed to avoid cash balance falling below safety level
4. Based on retaining the agreed minimum of 2.5 posts plus 2 STPs from Admin Budget.

Proposal for 2016-17

- Total contribution of 606,977 USD per annum
- Figure per country given in Table 4

For consideration

1. An additional MS in category 1 or 1-2 in Category 2 would make a difference. Few in Europe in these categories.
2. Voluntary election of a higher category
 1. MS could be asked before November each year if they accepted a higher category and how they desired the additional contribution to be used
 - I. for training credits, for national use or donated to another
 - II. in the general administrative fund
 2. The contribution would then be requested through the normal formal mechanism
 3. Default position is the category shown in Table 3 if adopted at the 41st Session.

Thank you

Your support has been vital and very appreciated

With the national contributions we were able to leverage funds for our collective work programme - that are sixty to 500 times higher than individual membership contributions.