

Financial Regulations of the General Fisheries Commission for the Mediterranean

Regulation I – Applicability

1. These Regulations shall govern the financial administration of the General Fisheries Commission for the Mediterranean, hereafter “the Commission”, with respect to all activities financed by the autonomous budget referred to in Article 11, paragraphs 1, 2 and 3, of the Agreement for the Establishment of the General Fisheries Commission for the Mediterranean, hereafter “the Agreement”.
2. The Financial Regulations and rules of the Organization shall apply to the activities of the Commission for all matters not covered by these Regulations, with particular reference to those provided for and financed by the budget of the Organization.

Regulation II – The financial period

1. The financial period shall be one calendar year, within the context of a triennial cycle, in accordance with Article 11, paragraph 1, of the Agreement.
2. Each year the Executive Secretary shall present to the Commission a three-year proposal, with a fixed budget for the first two years and a tentative budget for the third year, to be finalized or readjusted the following year, taking into consideration the annual work plan of the Commission and its subsidiary bodies. Contributions would be paid annually by the Contracting Parties consistent with the adopted budget.

Regulation III – The autonomous budget

1. The estimates for the autonomous budget within the context of a triennial cycle shall be prepared by the Executive Secretary of the Commission and shall be circulated to the Contracting Parties not less than 60 days before each regular session.
2. The estimates of the autonomous budget shall cover expected income and expenditures for the financial period to which they relate and shall be presented in United States dollars.
3. The estimates for the autonomous budget shall be presented by chapters, and sub-chapters as appropriate. They shall reflect the programme of work for the financial period and shall include additional information, annexes or explanatory statements as may be requested by the Commission.
4. The autonomous budget shall be comprised of:
 - (a) the autonomous budget referred to in paragraph 5 of this Regulation which consists of regular contributions of Contracting Parties payable under Article 11, paragraphs 1, 2, 3 and 4, of the Agreement and covers expenditures chargeable to the budget of the Commission under Article 12, paragraphs 4, 5 and 6, of the Agreement. The budget may reflect in an appropriate manner expenditures borne by the Organization under Article 12, paragraph 5 of the Agreement; and
 - (b) the special budgets relating to funds made available to support the work programme of the Commission during the financial period from donations and other forms of assistance received from organizations, individuals and other sources under Article 11, paragraph 5, of the Agreement.
5. The autonomous budget for the financial period shall consist of provisions for:
 - (a) administrative expenditures relating to staff and functioning;
 - (b) expenditures for strategic activities of the Commission. Estimates under this chapter may be presented in a single total only, but detailed estimates for each particular activity will be prepared and approved as supplementary information to the budget;

(c) hospitality and miscellaneous at a level of 1% of the adopted budget;

(d) an additional 4,5% FAO Project Servicing Cost applied to all expenditures;

6. The Commission authorizes, on an exceptional basis, a budget flexibility tantamount to an increase of 2% of the total allocations, or an increase of a different amount, as may be determined. This flexibility would account for variations in exchange rates or for increased costs of activities endorsed by the Commission as a result of contingency costs or other unforeseen circumstances of a limited impact. The Executive Secretary shall inform the Commission without delay and ask it to authorize the budget flexibility.

7. The autonomous budget shall be adopted by the Commission with amendments as may be decided by the Commission.

8. Special budgets may be adopted by the Commission in exceptional circumstances, as appropriate.

9. The autonomous budget of the Commission shall be submitted to the Finance Committee of the Organization for its information.

Regulation IV – Appropriations

1. After the autonomous budget has been adopted, the appropriations therein shall constitute the authorization for the Executive Secretary to incur obligations and make payments for the purposes for which the appropriations were adopted and up to the amounts so adopted.

2. In cases of emergency, as determined by the Bureau, the Executive Secretary is authorized to accept additional contributions from a Contracting Party or Contracting Parties or accept additional grants from other sources. In such cases, the Executive Secretary is authorized to incur expenditures against these funds for the emergency actions for which such contributions or grants were specifically provided. Such contributions or grants and expenditures related thereto will be reported in detail to the next session of the Commission.

3. Any unliquidated prior year obligation shall be cancelled or, where an obligation remains a valid charge, transferred against current appropriations.

4. Transfers between chapters may be affected by the Commission on the recommendation of the Executive Secretary.

Regulation V – Provision of funds

1. Before the beginning of each calendar year the Executive Secretary shall inform the Contracting Parties of their obligations with respect to annual contributions to the autonomous budget.

2. Contributions shall be due and payable in full within 30 days of the receipt of the communication of the Executive Secretary referred to in Regulation V.1 above, or as of the first day of the calendar year to which they relate, whichever is later. As of 1 January of the following calendar year, the unpaid balance of such contributions shall be considered to be one year in arrears.

3. The annual contributions to the autonomous budget shall be assessed in United States dollars and shall be calculated in accordance with the scheme annexed to these Regulations. The contributions shall be paid in United States dollars or Euros, on the basis of the exchange rate prevailing at the time of assessment of the annual contributions, as approved by the Commission. Should a Contracting Party pay its contribution in a currency other than the United States dollar or Euro, it will be the responsibility of that Contracting Party to ensure the free convertibility of that currency into United States dollars or Euros. The exchange rate applicable to any payment in a currency other than the United States dollars or Euros shall be the market rate of the United States dollar to the currency of payment on the first business day in January of the calendar year in which the contribution is due, or the rate in effect in the day the payment is made, whichever is higher.

4. Any new Contracting Party shall pay a contribution to the autonomous budget in accordance with the provisions of Article 11 paragraphs 1, 2 and 3 of the Agreement for the financial period in which the membership becomes effective. Such contribution shall begin with the quarter in which the membership is acquired.

5. The appropriations of the autonomous budget shall be financed by contributions from Contracting Parties determined and payable in accordance with Article 11, paragraphs 1, 2 and 4, of the Agreement. Pending receipt of annual contributions, the Executive Secretary is authorized to finance budgeted expenditures from the uncommitted balance of the autonomous budget.

Regulation VI – Funds

1. All contributions, donations and other forms of assistance received shall be placed in a Trust Fund administered by the Director-General of the Organization in conformity with the Financial Regulations of the Organization.

2. With respect to the Trust Fund referred to in Regulation VI.1, the Organization shall maintain the following accounts:

(a) a general account to which shall be credited receipts of all contributions paid under Article 11, paragraph 2 and 3, of the Agreement and from which shall be met all expenditures chargeable against the sums allocated to the autonomous budget;

(b) additional accounts, as may be necessary, to which shall be credited the additional contributions under Regulation IV.2 and from which all relevant expenditures shall be met.

3. A special account for contributions relating to the participation fund established under Regulation VIII will be maintained, as appropriate, and in line with the Financial Regulations and Rules of the Organization.

Regulation VII – Amendment

1. These Regulations may be amended by the Commission, by a two-thirds majority of the Contracting Parties, in accordance with Article 8(h) of the Agreement and pursuant to the procedure provided for in Rule XXI of the Rules of Procedure.

2. Any new rule adopted by the Organization which may require a timely amendment of these Regulations will be brought to the attention of the Commission.

Regulation VIII – Participation fund

1. The Commission may establish, according with the Organization's Financial Regulations and rules, a fund in order to facilitate participation in sessions of the Commission or its subsidiary bodies, according to eligibility criteria to be defined.

2. The Commission, when establishing the participation fund, will provide for its composition which will include:

a) a percentage of the autonomous budget (2.5%) adopted for the financial period by the Commission at its regular session;

b) a minimum percentage of 2.5% of all voluntary contributions received from Contracting Parties, without prejudice to the conditions regulating grants between Contracting Parties and the Commission and depending on negotiations with the Contracting Party concerned;

c) any other voluntary contribution made with a view to replenish the fund.

Scheme for the calculation of contributions

The modalities for determining the scale of contribution are calculated in accordance with the following formula.

Factors for calculation which should be applicable to the GFCM autonomous budget once the amended Agreement has entered into force:

Membership: a fixed proportion of the budget; equally shared amongst Contracting Parties;

Wealth component: the wealth of the Contracting Party; and

Catch component: the total capture fishery and aquaculture production of the Contracting Party in the area of application.

Weight to be given to each factor (as percentage of total autonomous budget):

Membership: 10 percent

Wealth component: 35 percent

Catch component: 55 percent

Measurement of the factors:

Membership: all Contracting Parties

Wealth component: according to per caput GDP (measured in US \$ as published by the World Bank); members falling into four categories: below US\$ 1 000; between US\$ 1 000 and US\$ 9 999; between US\$ 10 000 and US\$ 29 999 and US\$ 30 000 and above. The first category is exempt from the wealth component. The second pays one share; the third pays 10 shares, and the fourth category pays 20 shares. Exceptions are made for countries with a total GDP below US\$ 5 thousand million (1997) to which a GDP category one step below is applied. Some countries are brought down to the first category and, as a result, are exempt from the wealth component (as long as their annual GDP remains below US\$ 5 thousand million).

Catch component: The catch/production figures to be used are those published by FAO in the STATLANT 37A DATABASE. A three-year average is calculated using the period ending two years prior to that for which the budget will apply. Due to different values of small pelagic and other species, the "GFCM catch" for the purpose of determining the scale of contribution is calculated by applying a factor of 4 to all fish produced by Contracting Parties in the Mediterranean and in the Black Sea, except for small pelagics.