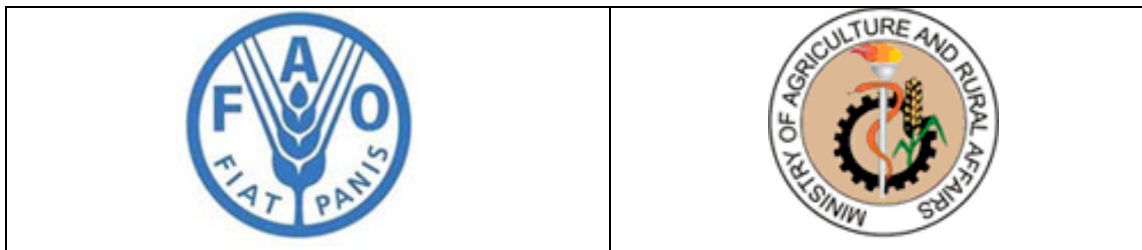


November 2010



**THIRD INTER-GOVERNMENTAL AND PREPARATORY MEETING FOR THE  
CENTRAL ASIAN AND CAUCASUS FISHERIES AND AQUACULTURE  
COMMISSION**

**Trabzon, Turkey, 30 November – 1 December 2010**

**ISSUES CONCERNING THE HEADQUARTERS OF THE COMMISSION**

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## **I. INTRODUCTION**

1. The provisional agenda of the Preparatory Meeting for the Central Asian and The Caucasus Fisheries and Aquaculture Commission (background document CACPREP/1), contains as agenda item X “The Recommendations concerning the headquarters of the Commission (including headquarters Agreement)”.

2. This background document intends to 1) provide guidance on the decision making process for the determination of the headquarters of the Commission, and 2) identify a variety of criteria that might be used to evaluate future bids from member countries for hosting the headquarters of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission.

## **II. DECISION MAKING PROCESS IN RELATION TO SELECTION OF THE HEADQUARTERS OF THE COMMISSION**

3. Two issues need to be addressed in connection with the decision regarding the future headquarters of the Commission. The first concerns the Members that may take part in such decision. The second concerns the procedures applicable to the decision to be taken.

### **(a) Participation in the decision**

4. Article II, paragraph 5 of the CACFAC Agreement states that. “[t]he seat of the Commission shall be at the seat of the FAO Sub-regional Office for Central Asia in Ankara, Turkey”. However, the Article also provides that the Commission, after consultation with the Director-General of the Organization, may decide to choose, at its own expense, another location within the Area defined in Article IV. The mandate to choose an alternative seat for the Commission clearly indicates a decision has to be taken by the Commission.

5. Article II, paragraph 2 of the CACFAC Agreement states that decisions of the Commission shall be taken by a majority of the votes cast, except as otherwise provided by this Agreement and that “[e]ach Party shall have one vote”. A majority of the total membership of the Commission shall constitute a quorum. This means that all Members of the Commission may take part in the decision making process for the selection of the seat of the Commission.

### **(b) Procedures applicable to the decision**

6. It is anticipated that, in addition to the CACFAC Agreement, the procedures governing decisions taken by the Commission will be set out in the Rules of Procedure of the Commission (which would apply as soon as it is adopted). Therefore, in order for decision making procedures to be complete, it is paramount that the rules of procedure of CACFAC be adopted before decisions on other matters including a decision on headquarters other than the current location of the FAOSEC, are taken. But even if the rules of procedure are not adopted, decision making by CACFAC, as an Article XIV body and therefore a creature of FAO, will be governed by the General Rules of the Organization if the CAFAC Agreement is silent on this and other aspects.

This is anticipated by the draft Rules of Procedures which stipulates in Rule IX paragraph 12 as follows:

*Voting arrangement and other related matters not specifically provided for by the Agreement or by these Rules, shall be governed, mutatis mutandis, by the provisions of the General Rules of the Organization.*

7. Article II, paragraph 2, of the CACFAC Agreement stipulates that decisions are taken by a majority of the votes cast and a majority of the total membership of the Commission constitutes a quorum. It is quite clear therefore that the decision on the location of seat of CACFAC which is different from the location set out in Article II, paragraph 5 (i.e. Ankara, Turkey), will be voted upon.<sup>1</sup>

8. In the case where there are more than 2 candidates (potential hosts of the seat of CACFAC) and a candidate fails on the first ballot to obtain a majority of the votes cast, successive ballots are taken until one candidate obtains such a majority (Cf. Rule XII, paragraph 11 of the General Rules of the Organization). In practical terms and in order to ensure finality in the voting process (in the case of successive ballots), the Conference of FAO has decided in a number of cases which can be referred to as precedents, that when there were more than two candidates, the candidate or the candidates obtaining the least number of votes at the first ballot should withdraw and that another ballot be held between the remaining candidates.<sup>2</sup>

9. In summary, the decision regarding the headquarters of the Commission will be by voting. Where there are more than two candidatures (e.g. three candidates), the Commission will have to be prepared to conduct successive ballots and that at the end of the first ballot, the candidature having the least number of votes should withdraw and that a second ballot be held among the remaining candidatures having obtained the largest number of votes.

### **III. CRITERIA FOR SELECTION OF THE HEADQUARTERS OF THE COMMISSION**

10. In the interest of objectivity and transparency, Members interested in hosting the Secretariat of the Commission will have to give notice to the Commission by a certain date which will be determined by the Commission at the inaugural meeting of the Commission. The criteria for selection of the headquarters can vary largely. In the below list a combination of criteria is

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<sup>1</sup> Votes cast means “affirmative and negative votes, and shall not include abstentions or defective ballots” (Cf. Rule XII, paragraph 4 (a) of the General Rules of the Organization). “Any ballot paper carrying votes for more candidates than there are vacancies to be filled, or carrying a vote for an individual, nation or locality not validly nominated, shall be considered defective” (Cf. Rule XII, paragraph 4 (d)(i) of the General Rules of the Organization). “The ballot paper shall carry no other notation or mark than those required for the purpose of indicating the vote” (Cf. Rule XII, paragraph 4 (d) (iii) of the General Rules of the Organization). Subject to these provisions, “a ballot paper shall be considered valid when there is no doubt as to the intention of the elector” (Cf. Rule XII, paragraph 4 (d)(iv) of the General Rules of the Organization).

<sup>2</sup> This is in fact reflected in Rule IX, paragraph 10 of the draft Rules of Procedure of the Commission as follows: “When no nominee for an office obtains on the first ballot a majority of the votes cast, there shall be taken a second ballot confined to the two candidates obtaining the largest number of votes. If, on the second ballot, the votes are equally divided, the Chairman shall decide between the candidates by drawing lots”.

presented which were used in the selection process of headquarters of some other FAO and NON-FAO Regional Fishery Bodies.

11. The list is not exclusive and does not reflect any priority order.

- Legal framework aspects
- Operating costs
- Air connections/services
- Retention of staff
- Telecommunications
- Essential services
- Security issues
- Extra-budgetary funding

### *III.1. Legal framework aspects*

12. It is important for the proper operation and functioning of the Commission that the legal framework in the country which will host the Secretariat of the Commission is favourable to the Commission. Important legal framework aspects include the following:

- Privileges and immunities which should be granted to FAO and the Commission, its property, funds and assets, its permanent secretariat and staff members and persons performing services on its behalf.
- Rules, including any restrictions, applicable to the employment of dependants of staff members.
- Willingness to negotiate with FAO a headquarters agreement, which should *inter alia*, provide for unrestricted activities by FAO and the Commission and their staff to enable them to carry out their functions effectively<sup>3</sup>.

### *III.2. Operating costs*

13. All members should be concerned about the Commission's operating costs because these directly affect the level of contributions made by members to sustain the Commission and its work. Consequently, and as a matter of principle, cost considerations should be key factor in determining where the Commission's Secretariat/Headquarters should be located.

14. Costs vary from country to country, and in making a comparison of cost levels in different countries it is necessary to have a common yardstick for costs. The International Civil

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<sup>3</sup> The headquarter agreement should provide for, *inter alia*: provision of premises and their maintenance, free of charge, by the host government, and the inviolability of those premises, provision of privileges, immunities and facilities accorded to FAO and the Commission and their staff and dependents; provision of privileges, immunities, and facilities accorded to States, inter-governmental organizations, experts and consultants, while attending sessions/meetings; exemption from direct taxes, cost of excise duties and value added tax; exemption from restrictions and prohibitions on imports by FAO and the Commission; exemption from currency and exchange restrictions, freedom of communication; and unrestricted importation of publications and information for use by FAO and the Commission. It should also contain a "hold-harmless clause" related to the willingness of the host Government to deal with any claims brought by third persons against FAO and the Commission, their personnel or other persons performing services on their behalf, in connection with CACFAC, except when it is agreed by the parties that such claims arise from gross negligence or wilful misconduct of such persons.

Service Commission publishes per diem rates for all UN Members. The rates are regularly reviewed, normally by UNDP, using a standard and precise methodology. The rates, which are published, reflect an up-to-date and objective assessment of in-country costs.

15. Per diem rates is an important consideration because they provide an indication of the 'cost of living' in a country. Moreover, the rates also provide an indication to members of the costs of participating in meetings. While per diem rates for countries may fluctuate through time owing to cost movements, the relative ranking of countries based on costs tends to remain relatively stable, at least in the short- to medium-terms.

16. In general, international organizations do not own real estate assets. The host government usually provides office accommodation. In many cases, such accommodation is provided free of charge or for a nominal rent. Indeed, this may be expected to be the international norm.

17. Some governments, however, may facilitate the establishment of the headquarters of the organization but require it to pay rent from out of its budget. The cost implications of this arrangement need to be carefully considered. In both instances, it is to be expected that the Commission would be responsible for on-going maintenance costs of a recurrent nature, furniture and office equipment, janitorial services etc. These costs should be factored into the budget. Any building or other premises offered to the Commission should be appropriate to the anticipated needs of the Commission. For example, it would not be cost-effective to provide the Commission with a building that is far too large for its needs and expensive to maintain. On the other hand, there should be space for the Commission to grow from a very small interim operation to meet the anticipated requirements of the member States in five or ten years time.

18. Directly related to the operating costs are the characteristics and state of the building to house the headquarters of the Commission and its secretariat, including office space, facilities for conferences and meetings for the Commission and its subsidiary bodies and availability of general services (security, maintenance, etc.).

19. It has to be clear which party bears responsibility for

- major maintenance and repairs to the office facilities;
- normal maintenance and repair;
- utilities, including communication facilities: (internet connections facilities, telephone, fax, etc.) and other services, for example a reliable supply of electricity, provided at reasonable cost.
- Extents to which the office facilities will be furnished and equipped (including with computer equipments) by the host Government.
- Duration of the arrangements regarding office space.

20. In addition to office facilities, it is also necessary to consider the cost and availability of other essential items, including, for example, computers, photocopiers, stationery supplies, printing etc. as well as the availability of proper venues for Commission meetings, conferences and technical meetings and workshops, if the premises of the Commission do not contain such meeting rooms.

### *III.3. Air connections/services*

21. Reliable, frequent and reasonable cost air travel is essential for the efficient and effective operation of the Commission. This is necessary so that staff can move quickly and unimpeded among member countries and delegates can attend to Commission while minimizing costs and travel time for their respective governments.

### *III.4. Retention of Staff*

22. The purposes of the work programme of the Commission shall be to strengthen the research, training, technical assistance and information exchange capacities in order to promote the development, conservation, rational management and best utilization of living aquatic resources for a sustained development of inland fisheries and aquaculture in the Central Asian and Caucasus regions. This, in addition to the need for an affective secretariat, will require that the country hosting the headquarters of the Commission provides the factors that contribute to favourable living and working conditions of staff so that staff is retained.

### *III.5 Telecommunications*

23. Any regional organization considering the location for its headquarters in the Central Asian and Caucasus region would assess the available telecom infrastructure and its ability to obtain reliable and cost effective Internet. In this day and age, access to the Internet is essential for governments, the public and business. The Commission will not be able to function without cost-effective telephone and Internet access. Indeed, communications costs can be one of the major factors in the budget. Internet access in the Central Asian region is more expensive than in most other places in the world but a potential location shall be able to offer reasonable access to telecommunication options that will facilitate the effective operation of the Secretariat and the Commission.

### *III.6 Costs of essential services*

24. Essential services for the headquarters of the Commission include for instance services such as electricity, water, gas, and banking and insurance services. As a rule it should not be necessary for the Commission to invest in standby services to ensure 24-hour availability of water and electricity. However, considering the fact that even in the most developed member countries of the Commission the use of emergency generators, water storage facilities and back-up power supplies for computers etc. is common, it is important that this point is considered among the criteria for selection.

25. The availability of high standard banking and other financial services in national and foreign currency and the costs of these services (e.g. for international funds transfer) differ largely between countries in the region. Restrictive financial sector rules may constrain the work of the Commission. It should be possible that payments to staff and consultants are made in local and foreign currency within a reasonable timeframe of a couple of days. The availability of banks with an internet based system for checking accounts and carrying out basic banking services is essential.

### *III.7 Security*

26. UN Security Restrictions are published by the United Nations and are kept under regular review. The purpose of these restrictions is primarily to ensure the safety of UN personnel when travelling to countries in the course of their duties. The restrictions are phased (phase I to phase IV) and may relate to an entire country or sections of it. The security restrictions may result from the general law and order situation in a country, war and civil unrest or the effects of natural disasters (e.g. earthquakes, volcanic eruptions and flooding). The UN Security Restrictions provide a guide to the state of social and economic stability in a country and is considered to be an objective UN assessment that takes account of a range of factors in determining a rating.

27. The security and law and order situation in a country is an important element among the criteria for selection of the headquarters of the Commission. Staff and their families, as well as delegates from the member countries, have to be able to travel safely to and in the city where the headquarters is located.

28. Moreover, the staff and their families should be able to have a feeling of safety and security when working for the Commission. If the headquarters will be located in a city with relatively high crime rates, the host should be able to provide security services for the office (and if necessary for the houses of the staff).

### *III.8 Extra-budgetary Funding*

29. While the above issues related purely to headquarters and staff issues, it is recognized that the Commission can only be delivering the results expected from it when sufficient funding is made available to carry out its work programme.

30. Article IX paragraphs 1 and 2 of the CACFAC Agreement states that “Each Party to the Agreement undertakes to pay annual contributions to the budget of the Commission” and that “At each annual session, the Commission shall adopt its budget by consensus, provided however that if, after every effort has been made, a consensus cannot be reached in the course of that session, the matter will be put to a vote and the budget shall be adopted by a two-thirds majority of the Parties to this Agreement”.

31. The size of the contribution to the “autonomous” budget of the Commission is thus determined annually and should not be among the selection criteria for the headquarters, as changes may occur frequently.

32. However, extra budgetary funding of the work programme of the Commission, staff of the Secretariat, operating costs of the headquarters, or conference and meeting related expenses (e.g. venue rental, interpretation services), might be taken into account as one of the selection criteria.

33. In conclusion, the criteria to be used for selection of the headquarters of the Commission may include aspects such as: Legal framework aspects, operating costs, air connections/services, retention of staff, telecommunications, essential services, security issues, extra-budgetary funding, etc.. The relevance of these criteria and possible other criteria needs guidance from the Preparatory Meeting. The exact list of criteria to be used will be determined by the Inaugural meeting of the Commission.

34. The value of each criterion in the decision making process and/or their priority ranking are subject to individual preferences of the member states of the Commission. The Secretariat expects that it will be nearly impossible to find consensus on the importance and ranking of each of the criteria that will be applied. Therefore this assessment of the value and priority of each criterion is left to the discretion of the individual members of the Commission, unless the inaugural meeting decides otherwise.

35. A draft headquarters agreement will be produced by the Secretariat for discussion and review by a next session of the Preparatory Meeting (or next meeting of the Steering Committee) based on the guidance received in the discussion of this background paper

36. The Preparatory Meeting for the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission is requested to:

- review the procedures for the decision making process for the determination of the headquarters of the Commission, and
- review (and recommend to the Inaugural Meeting) the criteria that might be used to evaluate future bids from member countries for hosting the headquarters of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission.