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**CENTRAL ASIAN AND CAUCASUS REGIONAL  
FISHERIES AND AQUACULTURE  
COMMISSION**



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**COMMISSION BUDGET AND MEMBER CONTRIBUTIONS FOR 2013**

## INTRODUCTION

1. This document provides an overview of the Commission's autonomous budget for 2013 which was calculated in accordance with the Financial Regulations of the Commission. Additionally the document provides the details of expenditures foreseen for the same budget year. The document also refers to extra budgetary voluntary contributions made by Members in support of running the scheduled programme of the Commission for the first financial year, i.e. 2012.
2. The document needs to be read in conjunction with the Financial Regulations of the Commission (CACFish:1/2011/1/Ref.3), the 5-year Regional Work Programme (2011-2015) of the Commission (CACFish:II/2013/Inf.3) as well as with the main legal document of the Commission, namely the Agreement on the Establishment of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (<http://www.fao.org/docrep/meeting/020/al945e.pdf>).
3. In pursuant to the Article IX (Expenses) of the Agreement, each Party to Agreement (i.e. Member State) is under an obligation to pay its contributions, on an annual basis, to the autonomous budget of the Commission. In the calculation of the contributions the scheme identified on the Financial Regulations of the Commission is being used by the Secretariat. The scheme, which was adopted by the Commission in 2011 at its Inaugural Session, comprises 3 weighted components: (1) basic fee (20 percent); (2) national wealth (gross domestic product per capita, GDP) (35 percent) and (3) fish production (45 percent). Through the adopted scheme, the Commission aimed to consider particularly the financial implications for the developing countries.
4. In the calculation of 2013 autonomous budget, 2010 FAO FishStat+database figures of inland fish production (inland capture catch plus inland aquaculture production) of each Member State was used, which were the latest official statistics publicized in the FAO the database at the time of writing this document. On the other hand, for the wealth component of the 2013 autonomous budget, 2010 GDP figure (IMF World Economic Outlook database) of each Member State was used.
5. Contributions of Members are the principal input to the autonomous budget of CACFish, as stipulated by the Article IX (Expenses) of the Agreement. The Agreement, on the other hand, allows the Commission to accept voluntary donations generally or in connection with its specific projects or activities (Article IX).

6. At its Inaugural Session, the Commission adopted a budget of USD 180 000 for the first financial period (2012) considering the minimal costs of operational services, organization of annual sessions of the Commission and its subsidiary bodies. The scale of contributions scheme adopted by the Commission were originally discussed and developed by the intergovernmental meetings that took place before the establishment of the Commission. It is worth mentioning that the intergovernmental meetings suggested a hypothetical annual budget of 180 000 USD that covers the administrative and operational cost of the 5-year Regional Work Programme (RWP) for a transitional period that corresponds to the duration of the RWP (2011-2015). This directly points the weighed importance of the RWP in the autonomous budget of Commission. Therefore the 2013 autonomous budget has been calculated on the basis of the proposed hypothetical budget of USD 180 000.

7. In order to eliminate a possible financial burden to the developing CACFish Members, the Commission at its Inaugural Session adopted the following 3 alternate contribution modules for the 2012, all of which amounted to USD 180 000: (I) 2012 autonomous budget with only contributions from the 4 Members (II) A combination of contributions from 4 members and from 10 States who in a way joined the previous works devoted to the establishment of the Commission through the intergovernmental meetings (exclusive of China); and (III) A combination of contributions from 4 members and from 11 States, who in a way joined the previous works devoted to the establishment of the Commission through the intergovernmental meetings, including China who is by far the leading fish producer country in the world. As mentioned on the document CACFish:II/2013/2 (Report of the Secretariat on Administrative and Financial Issues), the Secretariat followed the third alternate module for collection of contributions for 2012 autonomous budget.

8. The earlier intergovernmental meetings conducted for the establishment of the Commission had an understanding that Commission's financial self-sufficiency and effective functioning would require long time, which was also shared by the Inaugural Session. From the point of administrative and operational functioning as well as the financial self-sufficiency, the autonomous budget was significantly interlinked with the number of membership to the Commission. In contrast to an earlier projection that Commission would have a minimum of 6 Members at the time of its first financial period, the Commission had only 4 members at the time of the Inaugural Session, where, among others, the autonomous budget for 2012 (i.e. the first financial year) was discussed and adopted. At the time of writing this report, the Secretariat was informed that Azerbaijan ratified the Agreement and was about to deposit its instrument of acceptance with the Director-General of the Organization, in accordance with Article XIII (Acceptance) of the Agreement. Azerbaijan is expected to become an official new member in 2014 when taking into consideration the CACFish Membership terms, procedures and conditions set out in the CACFish Agreement. However, in the preparation of the 2013 autonomous budget, Azerbaijan has been considered as an Observer State who would make a contribution to the CACFish autonomous budget on a voluntary basis. .

9. The current Members of the Commission are generally composed of developing countries that have relatively low fish production. In cases where the Commission have more developed countries with higher fish production, the share of developing Member States in the autonomous budget of the Commission will be reduced due to the weighed scheme of contribution, referred to in the paragraph 3 above. Delayed membership of comparatively developed States poses more financial burdens for the current developing Member States.

10. The regional work programme (RWP) of the Commission has not become operative in 2012 due to lack of a singular budget item allocated for the RWP. The program, which was approved by the Commission in 2011, has an estimated total budget amounting to USD 3 867 000 of which 1 950 000 is foreseen for the educational/research programme. The RWP needs an increased financial contribution from the autonomous budget of Commission in terms of delivery of the timetabled activities of RWP CACFish:II/2013/Inf.3 [Five-Year Regional Work Programme (2011-2015) of the Commission]. This

clearly points dependence of the RWP on the external financial resources or a need for a significantly increased autonomous budget.

### **AUTONOMOUS BUDGET OF CACFish for 2013**

11. As regards 2013 autonomous budget, the Secretariat proposes an estimated budget of USD 180.000 for the reasons given in the paragraph 6. Breakdown of estimated spending under the 2013 estimated autonomous budget is given Annex I. Estimated spending covers attendance cost at the Commission's meetings/session, travel, general operating services, representation of CACFish at related regional or international meetings, administrative services and supply.

12. Details of member contributions, calculated based upon the proposed budget, are given in AnnexII. Contrary to the first financial autonomous budget that had 3 alternative modules of budget contribution, detailed in the paragraph 7 above, the 2013 autonomous budget has been formed, in pursuant to the Article IX (Finances) of the Agreement, merely on the basis of the membership. (Sadece uyelerden alınan para)

13. When compared, as seen in the Annex III, the contributions of the 5 States (4 Member States plus Azerbaijan, the likely next member in 2013) presents a high rate of variations between the autonomous of 2012 and that of proposed for 2013, particularly for developing Member States. The main reason behind these variations is the above-mentioned differing budgeting modules that was used for the 2012 and 2013 budget of the Commission.

14. The proposed autonomous budget is based on the following assumptions:

- The Commission had agreed that an autonomous budget of USD 180 000 is the minimum level that allows Commission to undertake the essential activities or services in the short term.
- At the time of Second Session The Commission will have 5 members, namely Armenia, Azerbaijan, Kyrgyzstan Tajikistan and Turkey
- Technical support of FAO to the Commission will continue through the regional projects (i.e. FishDev-Central Asia)
- The Commission will receive logistic and administrative support from FAO for the initial 5 years, via its Sub-regional Office for Central Asia (SEC), or until the Commission has sufficient resources (budget, premises and staff).
- Within the limits of the current proposed autonomous budget, the RWP would not be implemented unless direct external financial resources are made available.
- Participation of both Member States and Observer States, into events of the Commission and its subsidiary bodies (i.e. TAC) relies greatly on the financial support from the autonomous budget for a further transitional period.

### ***Extra-budgetary contributions***

15. During the intersessional period Turkey made an extra budgetary contribution to CACFish amounting to USD 94.972. The contribution allowed the Commission to conduct the scheduled activities for 2013 at a time when the membership contributions were not deposited into the account of CACFish under trust fund of FAO. Details of extra-budgetary contribution and the expenditures made under it are given in the document CACFish:II/2013/2 (Report of the Secretariat on Administrative and Financial

Issues) . The remaining amount of the extra-budgetary contributions (USD 71.533,37 as at 31 December 2012), referred to in the document CACFish:II/2013/2, will be used to secure delivery of the scheduled technical activities of the Commission until 2014.

#### **SUGGESTED ACTION FOR THE COMMISSION**

14. In the light of the above considerations, the Commission is invited to review the proposed autonomous budget for 2013, decide on a budget level for that period and discuss allocation of expenditures (if considered appropriate).

**ANNEX I:  
ESTIMATED AUTONOMOUS BUDGET FOR 2013**

	<b>USD</b>	<b>% share in total</b>
<b>Consultants</b>		
International Consultants	13 000	7,22
<b>Administrative expenditures</b>		
Bilingual secretary (5 months)	9 000	5,00
<b>Contracts</b>		
Contracts -Services	22 500	12,50
<b>Travel</b>		
Duty Travel (Secretariat personnel)	14 000	
Travel (Bureau, consultants, national delegates/participants)	97 300	
<i>Sub-total travel</i>	<i>111 300</i>	61,83
<b>Translation services</b>		
Interpretations/Translations	12 572	6,98
<b>Operating expenditures</b>		
Operating and overhead expenditures	1 600	0,88
<b>General Operating Expenses</b>		
Operating Costs	1 000	0.55
FAO Servicing Costs (5.9%)	10 028	
	<b>180 000</b>	

**Annex II:**

**Member contributions to the 2013 CACFish budget for 2013**

	TOTAL	Wealth			Production			Basic fee
COUNTRY	USD	GDP/capita	Share	USD	Tonnes	% of total	USD	USD
Armenia	15 266	2 840	1	4 500	5 617	4,40	3 566	7 200
Azerbaijan	22 022	5 847	3	13 500	2 081	1,63	1 322	7 200
Kyrgyzstan	7 420	875	0	0	346	0,27	220	7 200
Tajikistan	7 630	741	0	0	677	0,53	430	7 200
Turkey	127 662	10 017	10	45 000	118 827	93,16	75 462	7 200
<b>TOTAL*</b>	<b>180 000</b>		<b>14</b>	<b>63 000</b>	<b>127 548</b>	<b>100,00%</b>	<b>81 000</b>	<b>36 000</b>

<b>BUDGET AND CRITERIA</b>		
Year	<b>2013</b>	
Budget	<b>180 000</b>	
<b>BUDGET COMPONENTS</b>		
Wealth	<b>63 000</b>	<b>35%</b>
Production	<b>81 000</b>	<b>45%</b>
Basic fee	<b>36 000</b>	<b>20%</b>
<b>TOTAL</b>	<b>180 000</b>	<b>100%</b>
<b>WEALTH CATEGORIES</b>		
<b>GDP</b>		
US \$	Index	
< 1000	<b>0</b>	
1000-3 999	<b>1</b>	
4 000-5 999	<b>3</b>	
6 000-9 999	<b>5</b>	
≥10 000	<b>10</b>	

**Annex III:****Comparative table of CACFish autonomous budget for the period 2012 and 2013**

States	2012*		2013		% Variation (2012-2013)
	National Contribution (USD)	% Share of total contribution	National Contribution (USD)	% share of total contribution	
Armenia	4 669	2,59	15 266	8,45	326
Azerbaijan	9 154*	5,08	22 022	12,23	240
Kyrgyzstan	2 400	1,33	7 420	4,12	309
Tajikistan	2 401	1,33	7 630	4,28	309
Turkey	14 020	7.78	127 662	70,92	910

\* Contributions figures are based upon the budget modul 3, referred to in Paragraph 7 above.

\*\* Azerbaijan was not a CACFish Member State in 2012. This amount indicates the voluntary, non-member contribution the State was kindly requested to contribute.