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Regional Fisheries and Aquaculture Commission (CACFish)**

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**Izmir, Turkey**

**COMMISSION BUDGET AND MEMBER CONTRIBUTIONS FOR 2018  
AND 2019**

**Guidance Sought From The Commission**

The Commission is invited to:

- (i) review the three proposed scenarios in Annex II and decide on the autonomous budget for 2018;
- (ii) review the estimated expenditures in the relevant table of Annex III and instruct Secretariat of any revisions;
- (iii) decide on the methodology to be used for calculation of Member contributions for each of two financial years, 2018 and 2019;
- (iv) identify actions to encourage new Members, such as possible promotional activities and ways to outline advantages to joining CACFish.

**INTRODUCTION**

1. This document provides estimates of the Commission's two-year budget expenditures covering the fiscal years 2018 and 2019, as well as three possible scenarios of the Commission autonomous budget in 2018-2019, for review and decision by the Commission.

2. Under the Agreement, Member States have an obligation to pay annual contributions to the autonomous budget of the Commission, in accordance with the membership contribution scheme set out in the Financial Regulations. This scheme comprises the following three weighted components:

- (i) basic fee (20 percent);
- (ii) national wealth (gross domestic product per capita, GDP) (35 percent);
- (iii) fish production (45 percent) (inland capture + inland aquaculture).

3. The delivery of the Regional Work Programme (RWP) and Second Regional Work Programme (RWP2) activities has relied primarily on Member contributions to the autonomous budget. The Member contributions are held in the CACFish Trust Fund, which is administered by the FAO Sub-Regional Office for Central Asia, Ankara, Turkey under the rules and regulations that apply to an Article XIV statutory body of the FAO Constitution. The Secretariat of the Commission is provided by FAO through its regular programme funding.

4. Article IX of the Agreement enables the CACFish Trust Fund to receive voluntary donations, generally or in connection with its specific projects or activities. In 2016, a voluntary donation of USD 100 000 was made by Turkey. Additional activities were undertaken under a CACFish project (FishDEV) financed by Turkey through the FAO-Turkish Partnership Programme (FTPP).

5. The Secretariat actively seeks additional funding for CACFish activities through FAO Technical Cooperation Projects (TCPs), regional TCPs, and bilateral donors. Currently three extra-budgetary proposals addressing RWP2 activities are in the pipeline (see CACFish/IV/2018/3) for a total of USD 4 400 000.

### **AUTONOMOUS BUDGET AND MEMBER CONTRIBUTIONS**

6. The Commission originally adopted an annual budget of USD 180 000 as the minimum amount necessary for the delivery of basic CACFish operational services and regional activities (i.e. annual Sessions, Committee meetings, regional workshops, and other activities under the 5-year Regional Work Programme (RWP)). From the point of administrative, financial and operational functioning, the autonomous budget was interlinked with the number of Members of the Commission. In contrast to an earlier projection that the Commission would have a minimum of six Members at the time of its first financial period, there were only four Members at the Inaugural Session. Currently there are five Members of the Commission and the annual budget has remained at USD 180 000.

7. Annex Table I provides statistics on Member contributions in the intersessional period, 2016-2017. These amounts reflect the contributions that were requested from Members by the Secretariat and do not reflect payments actually received in the Trust Fund. The balance of the CACFish Trust Fund (MTF/SEC/005/MUL) as of 24 July 2018 was USD 403 826. This balance does not include expenditures for the 6<sup>th</sup> Session of CACFish, nor does it reflect payments due by Members for 2017 call for contributions or any outstanding arrears from previous years.

8. Annex Table II provides the estimated contributions of each Member under three potential scenarios. The first scenario is consistent with the autonomous annual budget of USD 180 000 as approved by the 5<sup>th</sup> Session and the existing five Members as of August 2018. The second scenario assumes an 11% increase in the autonomous annual budget to USD 200 000 shared among the five existing Members. The third scenario illustrates the estimated budget contributions with the autonomous annual budget of USD 180 000 and a sixth Member of the Commission. For this scenario, the data of Uzbekistan, as a regular Observer and host of the 5<sup>th</sup> Session of CACFish, was used for illustration purposes only. A comparison of the three scenarios for 2018 is provided in Annex IV.

9. Extra-budgetary resources for CACFish activities are important for delivering activities under the Second Regional Work Programme (RWP2 2016-2020). RWP2 has an estimated total budget of USD 1 800 000, which leaves a large gap between the CACFish autonomous budget

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and the estimated cost of planned activities. Thus, it is important for the Commission to: 1) seek extra-budgetary funding, 2) raise the autonomous budget, 3) decrease arrears, 4) increase Commission Membership or 5) a combination of the above.

### **BUDGET EXPENDITURES 2018-2019**

10. Estimated budget expenditures proposed for 2018 and 2019 are given in the Annex Table II. These figures are based on an autonomous annual budget of USD 180 000 as agreed at the Fifth Session. The share allocations for the categories (consultancies, contracts, travel, translation, and operating expenses) are based on historical spending patterns. The actual expenditures per category will of course depend on prioritized activities of the RWP2 and the autonomous budget, as agreed by this Commission for the intersessional period 2018-2019.

11. In accordance with the decision taken at its Fourth Session (2015), the Commission shall normally convene its regular sessions once every two years, starting from 2016. This change, *inter alia*, requires a two-year budgeting process under which Member States continue to pay their contributions to the CACFish budget on an annual basis. It was proposed by the 4<sup>th</sup> Meeting of the Technical Advisory Committee (TAC) that requests for contributions be sent by the Secretariat no later than September of the budget year.

12. Prior to the Fourth Session (2015), the calculation of the annual CACFish budget was based on two-year prior GDP figures from the International Monetary Fund (IMF). Fish production figures of FAO were used in accordance with the contribution scheme referred to above. Similar methodology was followed in the calculation of the 2018 CACFish budget contributions, using the following two parameters: (i) the respective 2015 (the latest available) FAO inland fisheries (inland capture plus inland aquaculture) production figures of each Member State; and (ii) 2016 per capita Gross Domestic Product (GDP) figures of the International Monetary Fund (IMF) for each Member State. This methodology should be reviewed by the Commission and recommended changes provided to the Secretariat for future calculation of Member contributions.

**ANNEX TABLE I:****Member contributions to autonomous budget in 2016 and 2017**

	2016 Contribution	2017 Contribution	Wealth			Production*			Basic Fee
	USD	USD	GDP/ capita**	Share	USD	Tonnes	% of total	USD	USD
<b>Armenia</b>	<b>19,796</b>	<b>19,796</b>	3,121	1	3,500	18,720	11,23	9,096	7,200
<b>Azerbaijan</b>	<b>25,275</b>	<b>25,275</b>	7,901	5	17,500	1,183	0.71	575	7,200
<b>Kyrgyzstan</b>	<b>11,091</b>	<b>11,091</b>	1,298	1	3,500	805	0.48	391	7,200
<b>Tajikistan</b>	<b>11,486</b>	<b>11,486</b>	1,113	1	3,500	1,618	0.97	786	7,200
<b>Turkey</b>	<b>112,352</b>	<b>112,352</b>	10,482	10	35,000	144,373	86,61	70,152	7,200
<b>TOTAL</b>	<b>180,000</b>	<b>180,000</b>		18	63,000	166,699	100 %	81,000	36,000

\* 2014 inland capture and inland aquaculture production figures of FAO

<http://www.fao.org/fishery/statistics/global-capture-production/query/en> [Accessed: 9 May 2016]

\*\* 2014 per capita Gross Domestic Product (GDP) of the International Monetary Fund (IMF).

<https://www.imf.org/external/pubs/ft/weo/2015/01/weodata/weorept.aspx?pr.x=68&pr.y=13&sy=2014&ey=2016&scsm=1&ssd=1&sort=country&ds=.&br=1&c=911%2C912%2C923%2C186%2C917&s=NGDPDPC&grp=0&a=> [Accessed: 9 May 2016]

<b>Annual budget for 2016 and 2017: USD 180,000</b>		
<b>BUDGET COMPONENTS</b>		
<b>Wealth</b>	<b>63,000</b>	<b>35%</b>
<b>Production</b>	<b>81,000</b>	<b>45%</b>
<b>Basic fee</b>	<b>36,000</b>	<b>20%</b>
<b>TOTAL</b>	<b>180,000</b>	<b>100%</b>
<b>WEALTH CATEGORIES</b>		
<b>GDP</b>		
<b>USD</b>	<b>Index</b>	
<999	0	
1,000-3,999	1	
4,000-5,999	3	
6,000-9,999	5	
≥10 000	10	

## ANNEX TABLE II

## Calculated Member contributions for 2018 autonomous budget of USD 180 000

Member country	Total contribution 2018	Wealth component		Production component			Base fee
		GDP in USD per capita	USD	2015 Production in tonnes	Percentage of total production	USD	
USD	2016	USD					USD
Armenia	22,211	3,535	4,846	20,139	12.55%	10,165	7,200
Azerbaijan	12,710	3,895	4,846	1,316	0.82%	664	7,200
Kyrgyzstan	13,066	1,067	4,846	2,020	1.26%	1,020	7,200
Tajikistan	7,982	803	0	1,550	0.97%	782	7,200
Turkey	124,031	10,817	48,462	135,457	84.41%	68,369	7,200
<b>TOTAL</b>	<b>180,000</b>		<b>63,000</b>	160,482	100.00%	<b>81,000</b>	<b>36,000</b>
	<b>100%</b>		<b>35%</b>			<b>45%</b>	<b>20%</b>

## Calculated Member contributions for 2018 autonomous budget of USD 200 000

Member country	Total contribution 2018	Wealth component		Production component			Base fee
		GDP in USD per capita	USD	2015 Production in tonnes	Percentage of total production	USD	
USD	2016	USD					USD
Armenia	24,679	3,535	5,385	20,139	12.55%	11,294	8,000
Azerbaijan	14,123	3,895	5,385	1,316	0.82%	738	8,000
Kyrgyzstan	14,517	1,067	5,385	2,020	1.26%	1,133	8,000
Tajikistan	8,869	803	0	1,550	0.97%	869	8,000
Turkey	137,812	10,817	53,846	135,457	84.41%	75,966	8,000
<b>TOTAL</b>	<b>200,000</b>		<b>70,000</b>	160,482	100.00%	<b>90,000</b>	<b>40,000</b>
	<b>100%</b>		<b>35%</b>			<b>45%</b>	<b>20%</b>

**Calculated Member contributions for 2018 autonomous budget of USD 200 000, if there is one new Member (example - Uzbekistan)**

Member country	Total contribution 2018	Wealth component		Production component			Base fee
		GDP in USD per capita	USD	2015 Production in tonnes	Percentage of total production	USD	
USD	2016	USD					USD
Armenia	19,694	3,535	5,000	20,139	8.92%	8,027	6,667
Azerbaijan	12,191	3,895	5,000	1,316	0.58%	525	6,667
Kyrgyzstan	12,472	1,067	5,000	2,020	0.89%	805	6,667
Tajikistan	7,284	803	0	1,550	0.69%	618	6,667
Turkey	110,657	10,817	50,000	135,457	59.99%	53,990	6,667
<i>Uzbekistan</i>	<i>37,702</i>	<i>2,124</i>	<i>5,000</i>	<i>65,322</i>	<i>28.93%</i>	<i>26,036</i>	<i>6,667</i>
<b>TOTAL</b>	<b>200,000</b>		<b>70,000</b>	225,804	100.00%	<b>90,000</b>	<b>40,000</b>
	<b>100%</b>		<b>35%</b>			<b>45%</b>	<b>20%</b>

**ANNEX TABLE III:****Estimated Expenditures 2018-2019, for annual autonomous budget of USD 180 000**

	2018		2019	
	USD	% share in total	USD	% share in total
<b><i>Consultancy</i></b>				
International and national consultants, including secretariat staff	44,400	24.66	49,200	27.33
<b><i>Contracts</i></b>				
Contract-services	47,400	26.33	44,270	24.60
<b><i>Travel</i></b>				
Duty travel (Secretariat personnel)	9,700	5.38	8,500	4.72
Travel (Bureau, consultants)	9,600	5.33	9,400	5.22
Delegates, participants, experts	44,770	24.87	44,000	24.44
<b><i>Translation services</i></b>				
Interpretations/translations	12,300	6.83	13,100	
<b><i>Operating expenses</i></b>				
Operating and overhead expenditures	1,800	1.00	1,500	0.83
<b>Subtotal</b>	169,970		169,970	
FAO Servicing cost (%5.9)	10,028	5.90	10,028	5.90
<b>Total</b>	180,000		180,000	

**Estimated Expenditures 2018-2019, for annual autonomous budget of USD 200 000**

	2018		2019	
	USD	% share in total	USD	% share in total
<b><i>Consultancy</i></b>				
International and national consultants, including secretariat staff	51,000	25.50	51,000	25.50
<b><i>Contracts</i></b>				
Contract-services	49,700	24.85	49,700	24.85
<b><i>Travel</i></b>				
Duty travel (Secretariat personnel)	11,800	5.90	11,800	5.90
Travel (Bureau, consultants)	12,700	6.35	12,700	6.35
Delegates, participants, experts	48,700	24.35	48,700	24.35

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<i>Translation services</i>				
Interpretations/translations	12,300	6.15	12,300	6.15
<i>Operating expenses</i>				
Operating and overhead expenditures	2,000	1.00	2,000	1.00
<b>Subtotal</b>	188,200		188,200	
FAO Servicing cost (%5.9)	11,800	5.90	11,800	5.90
<b>Total</b>	200,000		200,000	

**ANNEX TABLE IV:****Comparisons of Member Contributions for 2018 (five Member-countries)**

<b>Member country</b>	<b>Total contribution</b>	<b>Total contribution</b>	<b>Difference</b>
	<b>180,000 USD</b>	<b>200,000 USD</b>	
Armenia	22,211	24,679	2,468
Azerbaijan	12,710	14,123	1,412
Kyrgyzstan	13,066	14,517	1,452
Tajikistan	7,982	8,869	887
Turkey	124,031	137,812	13,781
<b>TOTAL</b>	<b>180,000</b>	<b>200,000</b>	<b>20,000</b>

**Comparisons of Member Contributions for 2018 (six Member-countries)**

<b>Member country</b>	<b>Total contribution 5 countries</b>	<b>Total contribution 6 countries</b>	<b>Difference /country</b>	<b>Total contribution 5 countries</b>	<b>Total contribution 6 countries</b>	<b>Difference /country</b>
	<b>180,000 USD</b>	<b>200,000 USD</b>		<b>200,000 USD</b>	<b>200,000 USD</b>	
Armenia	22,211	19,694	-2,517	24,679	19,694	-4,985
Azerbaijan	12,710	12,191	-519	14,123	12,191	-1,931
Kyrgyzstan	13,066	12,472	-594	14,517	12,472	-2,046
Tajikistan	7,982	7,284	-698	8,869	7,284	-1,585
Turkey	124,031	110,657	-13,374	137,812	110,657	-27,155
Uzbekistan		37,702			37,702	
<b>TOTAL</b>	<b>180,000</b>	<b>200,000</b>		<b>200,000</b>	<b>200,000</b>	