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



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SECRETARIAT REPORT ON ADMINISTRATIVE AND FINANCIAL ISSUES

INTRODUCTION

1. The aim of this document is to report on administrative, operational and financial actions taken during the 2013-2014. This report covers the period between the Second Session of the CACFish (16-17 April 2013, Dushanbe, Tajikistan) and the Third Session of the CACFish. It includes issues such as, CACFish activities, publications, the status of membership to CACFish, the status of payment of the membership contributions to the autonomous budget, extra-budgetary contributions, and the review of expenditures made in 2013-2014 intersessional period.

2. The document needs to be read in conjunction with the following documents: Commission Budget and Member Contributions for 2014(CACFish:III/2014/4); Five-year Regional Work Programme (2011-2015) of the Commission (CACFish:III/2014/Inf.4); the Financial Regulations of the Commission (CACFish:III/2014/1/Ref.2) and Agreement on the Establishment of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (hereinafter referred to as the “Agreement”) (CACFish:III/2014/Ref.1).

3. The CACFish Secretariat is responsible, among others for, (i) effective and efficient operations of the Commission; (ii) preparation and submission of estimated annual expenditures; monitoring and reporting of budget, and (iii) running the 5-year Work Programme of the Commission. Being a member of the Regional Fishery Body Secretariats Network (RSN), the CACFish Secretariat reports to the RSN, and join the regular RSN Meetings, which are convened biennially at the time of the biennial sessions of FAO’s Committee of Fisheries (COFI). (The meetings of RSN are considered as an independent undertaking although FAO is currently providing secretariat services for this network).

ADMINISTRATIVE AND OPERATIONAL ISSUES

4. During the intersessional period, the Commission was supported with secretariat assistance from FAO Sub-regional Office (FAOSEC) based at Ankara, Turkey. On the absence of the Mr Raymon van Anrooy, the appointed first CACFish Secretary, Mr Haydar Fersoy served as acting Secretary. By April 2014, Mr Thomas Moth-Poulsen, newly appointed FAOSEC Senior Fisheries and Aquaculture Officer was officially appointed by Director-General of FAO as CACFish Secretary. Ms Rufina Sandzhar has been serving as CACFish Administrative Secretary Assistant as of 5 June 2013 while Mr Fersoy continues to work with the CACFish Secretariat. The recruitment of professional CACFish staff is expected to be effectuated in future time when the Commission has a significantly increased budget.

5. The Secretariat at present has no separate headquarters. It uses the premises and staff of the Sub-regional Office for Central Asia (FAOSEC), which is based at Ankara, Turkey.

Events organized during the intersessional period

6. During the intersessional period the Secretariat organized the following events:
- Expert Meeting on Fish Breeding and Broodstock Management (Istanbul, Turkey; 10-12 December 2013. The Expert Meeting was organized under the 2013 work programme of the Technical Advisory Committee (TAC).
 - Second Session of the Technical Advisory Committee (21-23 April 2014; Bishkek, Kyrgyzstan). The Session was attended by representatives of all CACFish Member States, namely Armenia, Azerbaijan, Kyrgyzstan, Tajikistan and Turkey. Also participating in the session were representatives from three Observer States: Georgia, Kazakhstan, and Ukraine.

7. The 2013 Work programme of Commission scheduled, depending on budget availability, organization of a Technical Regional Workshop on the Management of Small-scale Fisheries, with a focus on introduction of the FAO International Guidelines on Securing Sustainable Small-Scale Fisheries. Although FAO convened two subsequent Technical Consultations, one in May 2013, the other in February 2014, the international guidelines have still not been completed fully. (The guidelines will be submitted for adoption by the 31st Session of the FAO Committee on Fisheries, COFI to be conveyed on 9-13 June 2014). The regional workshop, therefore, was not organised during the intersessional period.

External meetings at which the Commission was represented

8. During the intersessional period, the Commission was not represented at any regional or international platform.

Status of 5-year regional work programme (2011-2015) of the Commission

9. The 5-year Regional Work programme (RWP) of the Commission has not become fully operative in the inter-sessional period, due to the limited budget of Commission. The adopted RWP foresees close collaboration and joint work with on-going FAO regional projects in the Commission Area. Related to this, the outputs of the activities of the Fishdev-Central Asia Programme, and the other FAO projects collectively contributed significantly to the objective set down by the RWP. Delivery of specific activities under RWP requires budget. Being responsible for the coordination of RWP and its activities, however, the Secretariat would like

to underline a need for activation of the RWP by delivering specific and scheduled activities under it, which has budgetary implications. The Second Session of Technical Advisory Committee, held in Bishkek, the Kyrgyz Republic on 21-23 April 2014, revised the progress with RWP and acknowledged the outcomes.

10. The Commission, at its Second Session, underlined the importance of allocation of a sufficient budget for the RWP while at the same time suggesting several remedial options, including updating of the RWP or extension of its implementation period.

Publications

11. During the intersessional period, the Secretariat produced the following CACFish report:

- Report of the Second Session of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission, Dushanbe, Tajikistan, 16–17 April 2013. FAO Fisheries and Aquaculture Report No. 1045. Ankara, 2013. 39 pp.
Available at: <http://www.fao.org/docrep/018/i3374b/i3374b.pdf>
- Report of the Second Session of the Technical Advisory Committee (21-23 April 2014, Bishkek, the Kyrgyz Republic) FAO Fisheries and Aquaculture Report No. 1074. Ankara, 2014.

12. Besides the CACFish reports, the Commission collaborated with the publication of the following FAO Publications that were published within the intersessional period:

- Guidelines on the application of the Environmental Impact Assessment Procedure in Aquaculture in the Central Asia and Caucasus region. 2013. Ankara, FAO. 71 pp.
Available at: <http://www.fao.org/docrep/019/i3220e/i3220e.pdf>
- Hygiene requirements, controls and inspections in the fishmarket chain. 2013. FAO Fisheries and Aquaculture Circular No. 1079. 101 pp.
(Available at: <http://www.fao.org/docrep/018/i3221b/i3221b.pdf>)
- Private standards and certification in fisheries and aquaculture: current practice and emerging issues). 2013. FAO Fisheries and Aquaculture Technical Paper No. 553. Rome, FAO. 2011. 181p. *Russian version, printed in 2013.*
- Private standards and certification in fisheries and aquaculture: current practice and emerging issues). 2013. FAO Fisheries and Aquaculture Technical Paper No. 553. Rome, FAO. 2011. *Reprinted in 2013.*
- Fisheries Policy and Strategy Framework for the Kyrgyz Republic. 2014. FAO Fisheries and Aquaculture Circular No. 1092. Bishkek, 50 pp.

13. Events of the Commission are duly publicized on the FAO periodical Aquaculture Newsletter (FAN), which is distributed free of charge to all FAO members. During the intersessional period the following article were published on the FAN:

- First Session of the Technical Advisory Committee of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (CACFish). December 2012, FAN 50: 34-36.
(Available at: <http://www.fao.org/docrep/017/i2919e/i2919e.pdf>)

- Second Session of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (CACFish). December 2013. FAN 52 (*in press, at the time of writing this report*)

14. Besides, the following articles referring to CACFish were also published on the FAN 50 issue:

- Strategy for Aquaculture and Fisheries Development Cooperation in Central Asia and Caucasus Region (page: 26-27)
- Regional Training Workshop on Development of a Code of Good Management Practices for Central Asian Aquaculture (pages: 31-32)

Status of acceptance of Agreement

15. During the intersessional period, Azerbaijan became the 5th Member of the Commission. The Agreement was ratified by Parliament of Azerbaijan on November 2012 and the instruments of acceptance, comprising a reservation of territorial dispute as well as several statements, was then sent by Azerbaijan to the Director-General of FAO for its deposit. CACFish Member States were officially informed, on 22 March 2013, of Azerbaijan's instruments of acceptance with reservation, which falls within the paragraph 4 of Article XIII (Acceptance) of the Agreement. Later on, the Government of Turkey, via a nota verbal dated 12 September 2013, stated its acceptance of membership of Azerbaijan with the above-mentioned reservation and statements of Azerbaijan. Azerbaijan finally became a CACFish Member on 22 March 2014. Thus the following 5 Parties have accepted the Agreement on the dates indicated below:

Armenia	3 December 2010
Azerbaijan	8 March 2013 <i>Accepted for deposit on 22 March 2014</i>
Kyrgyzstan	3 May 2010
Tajikistan	9 March 2010
Turkey	19 December 2011

Source: http://www.fao.org/fileadmin/user_upload/legal/docs/2_036s-e.pdf

16. Turkey, on the other hand, ratified the Agreement through the Law 6499, which was accepted by the Turkish Parliament on 24 October 2013 and released on the Official Gazette of 30 October 2013.

17. In accordance with the decision of the Inaugural Session, the Secretariat sent letters on the 27th June 2012-, to Afghanistan, Azerbaijan, China, Georgia, Iran, Kazakhstan, Russian Federation, Turkmenistan and Uzbekistan, calling on Non-member CACFish States to reconsider becoming CACFish members. However, within the intersessional period no official response to the calling was received.

Recommendations adopted under Article V of the CACFish

18. At its Second Session (2013) the Commission adopted the following scientific and technical recommendations submitted to it by the Technical Advisory Committee: (i) environmental impact assessment in aquaculture; (ii) regional principles for responsible

aquaculture in Central Asia; (iii) responsible introductions and transfers of fish in Central Asia and the Caucasus; and (iv) improvement of collection, analysis and dissemination of fisheries data and information (CACFish:III/2014/Inf.3).

19. The scientific recommendations referred to in paragraph 18 above were not submitted to the Commission in accordance with the Article V (Recommendations on development and management measures) of the Agreement. They, therefore, legally have no effect. The Commission had adopted such legally non-binding recommendations at its Inaugural Session in 2011 which included the following: (i) Guidelines for Sturgeon Hatchery Practices and Hatchery Management for Release; (ii) “Feasibility of Restocking and Culture-based Fisheries in Central Asia; (iii) Better Management Practices for Carp Production in Central and Eastern Europe, Caucasus and Central Asia; and (iv) Recommendations on Fishery and Aquaculture Statistics and Information. In conclusion, the Commission has had no such binding recommendation since its establishment. That is because, during the intersessional period, no notification was made by the Secretariat to the CACFish Members regarding enforcement status of adopted Recommendations. Similarly, there has been no pending commitment to any adopted decisions or recommendation regarding resource management and conservation from any Member States during the intersessional period.

20. Being a body established by a treaty under the Article XIV of FAO Constitution, CACFish is empowered to impose legally-binding decision in the form of “Recommendations” in pursuant to provisions of the above-mentioned Article V of the Agreement. In this regard, the Secretariat underlines a possible need for enforcement of legally-binding recommendations in terms of visibility and effective functioning of the Commission. In this regard, CACFish Secretariat, through a circular message dated 28 March 2014, asked CACFish Members to submit draft proposals of any binding Recommendation or Resolution that the Commission may enforce, to the Secretariat before the Third Session. In the message the Secretariat also stressed that at its 31st Session (9-13 June 2014; Italy, Rome), the Fisheries Committee of FAO (COFI) would, under an individual agenda item, review the status, challenges and accomplishment of the Regional Fisheries Management Organizations (RFMOs), including CACFish.

21. The Secretariat would like to reiterate that, in pursuant with the Article V of the Agreement; a Recommendation is a formal decision that creates legally binding obligations for the Member States. In other words, once adopted in accordance with the Article V of Agreement, the Members are under an obligation to meet the minimal requirements of a Recommendation. In accordance with the Article V (1) of the Agreement, a 2/3 majority vote of Parties is required for adoption of a Recommendation. However, the Article V (3) states that “Any Party may, within one hundred and twenty days from the date of notification of any recommendation made under this Agreement object to it and in that event, shall not be under obligation to give effect to that recommendation. A Party may at any time withdraw its objection and give effect to a recommendation”. On the other hand, a Resolution is a decision type that has no binding effect for Parties. In the practice of the RFMOs, Resolutions are generally enforced for the purpose of operational practices while those Recommendations adopted by the Regional Fisheries Management Organisations (RFMOs) established under FAO, like CACFish, generally are related to management and conservation of the fisheries resources.

22. The Secretariat would like to remind that any adopted Article V- Recommendation bring obligations only for the CACFish member countries; and are not directly applicable to individual vessel masters, farmers or nationals of the CACFish Members. Translation of the

requirements of any adopted legally-binding CACFish Recommendation into national legislation and associated alignment practice may differ between CACFish Members, depending on the methods, procedures and instruments of national alignment processes.

23. As the Commission has not adopted any Recommendation in pursuant to Article V of the Agreement since its establishment in 2011, as discussed above, the Secretariat consider it worth discussing, the probability and timing of the formulation and enforcement of the first recommendation(s) or Resolution(s) of CACFish. It is expected that concerted efforts of the Members towards formulation and enforcement such Recommendations would be a significant milestone for the Commission

Efforts allocated to enhanced attendance at Commission's activities

24. The Commission has allocated special effort to convene its events (sessions and meetings) with sufficient number of attendance from both its Members and from non-CACFish Member States. It seems that without financial support of Commission both the Member and non-Member states would have serious problems in joining the events scheduled by the Commission.

FINANCIAL ISSUES

Monitoring of CACFish budget

25. An individual budget account for CACFish under the trust fund of FAO was opened in September 2012. The Secretariat has since then been monitoring the CACFish autonomous budget through the Oracle-based electronic budget system operated by FAO.

Status of Contributions to autonomous CACFish budget

26. At its Inaugural Session, held on 19-21 December 2011, the Commission adopted an autonomous budget for 2012 amounting to 180.000 US dollars with 3 of the following alternative budget modules: (i) a budget contributions only 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, 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, including China. However, contribution was deposited into the CACFish autonomous budget in 2012, either in the form of Members contribution or any voluntary contribution from the above-mentioned CACFish non-member States. Thus, the 2012 autonomous budget had a negative balance.

27. The adopted autonomous budget for 2013, discussed and approved by the Commission at its Second Session held on 16-17 April 2013 in Dushanbe, Tajikistan, was under the assumption that Azerbaijan would be a member in subsequent months of 2013. As Azerbaijan become member in 2014, the 2013 financial budget had a negative balance of USD 22,022 caused by this assumption.

Payments and of arrears

28. Financial regulations V (3) of the Commission states that "Contributions shall be due and payable in full within 30 days of the receipt of the communication of the Secretary". It further states that "As of 1 January of the following calendar year, the unpaid balance of such contributions shall be considered to be one year in arrears". In accordance with the second provision, of 28 April 2014, two members (Armenia, and Tajikistan) were in arrears in the

payment of their contribution for the financial years 2012 and 2013. On the other hand, Kyrgyzstan made in December 2013 a partial payment of USD 2,280.81 for 2013 resulting in arrears of USD 5,139.19 remaining outstanding in respect of the 2013 financial year, as detailed in Annex II. Total contributions received for the financial years 2012 and 2013 amounted to USD 146, 447, accounting for 80,7 percent of total budget.

Extra-budgetary contributions

29. In 2012, Turkey made a voluntary contribution of USD 94.972 for organizing the early activities of the Commission that were scheduled for 2012 by the Commission, namely the First Session of the Technical Advisory Committee and the Second Session of Commission. That external contribution was the primary budgetary resource of CACFish until the first significant amount of contributions were deposited in the second half of 2013. The external contribution was pooled to the CACFish budget monitoring system referred to in the paragraph 24.

Expenditures

30. No expenditures was made under the 2012 autonomous budget due to arrears of the Member States. The first expenditures within the CACFish budget were therefore only made in 2013.

31. It should be noted that the expenses of the Expert Meeting on Fish Breeding and Broodstock Management (Istanbul, Turkey; 10-12 December 2013), referred to in paragraph 6, were fully covered by the Regular Fisheries Programme budget of the FAO sub-regional Office for Central Asia, leading to reduced spending in the CACFish budget.

32. The Annex I present the financial highlights for 2012, 2013, and 2014 indicating incomes, breakdown of the expenditures and balances. As of 29 April 2014, available total budget was USD 170,976. The Status of member contributions is detailed in the Annex II.

SUGGESTED ACTION FOR THE COMMISSION

33. In view of all of the above, the Commission is invited to note this report and provide further general guidance.

Annex Table I:
Financial highlights for 2012, 2013 and 2014 (as of 1 January 2014)

	2012	2013
<i>Income</i>		
Budget*	180,000	180,000
Actuals (contribution only from Members)	23,490	157,978
<i>Member contribution-received</i>		129,942
<i>Arrear contribution-received</i>	N/A	16,395
<i>External contribution</i>	94,972	-
<i>Total income</i>	<i>94,972</i>	<i>146,447</i>
<i>Expenditures</i>		
Consultancy, including temporary Secretariat staff	-	9,884
Contracts		25,005
Travel		
General operation cost		656
FAO Support cost (5.9 %)		2,097
<i>Total expenditure</i>	<i>-</i>	<i>37,642</i>
BALANCE	94,972	108,694

* Budgets of 2012 and 2013 were hypothetical which were adopted on the basis of Members' contribution in addition to expected voluntary contribution from Observer States.

Annex Table II:
Status of member contributions as of 28 May 2014 (in USD)

<i>Members</i>	2012				2013				<i>Total balance (2012-2013)</i>
	<i>Contribution</i>	<i>Received</i>	<i>Outstanding</i>	<i>Balance</i>	<i>Payment for 2012 arrear</i>	<i>Contribution</i>	<i>Received</i>	<i>Outstanding</i>	
Armenia	4,669	-	4,669	- 4,669	-	15,266	-	15,266	-19,995
Kyrgyzstan	2,400	-	2,400	- 2,400	2,375	7,420	2,280.81	7,420	-4,764, 19
Tajikistan	2,401	-	2,401	- 2,401	-	7,630	-	7,630	-10,031
Turkey	14,020	-	14,020	- 14,020	14.020	127.662	127.662	-	-