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



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COMMISSION BUDGET AND MEMBER CONTRIBUTIONS FOR 2014

INTRODUCTION

1. This document provides an overview of the Commission's autonomous budget for 2014, and an update on the Commission spending. Additionally, the document provides the details of expenditures foreseen for the 2014-2015 intersessional period.
2. The document needs to be read in conjunction with the following documents: Secretariat Report on Administrative and Financial Issues (CACFish:III/2014/2); Five-year Regional Work Programme (2011-2015) of the Commission (CACFish:III/2014/Inf.3); 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, the Agreement (CACFish:III/2014/Ref.1).
3. CACFish estimated budget for 2014 is given in the Annex I, which propose an annual budget of 180,000 USD, an amount that set by Commission's earlier decision-in-principle for the first operational years.
4. 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 accordance with the scheme determined in the Financial Regulations of the Commission. In the calculation of the amount of the contribution of each Member to the autonomous 2014 budget of the Commission, the CACFish Secretariat, thus, used the scheme that comprises the following three 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). For the wealth component of the 2014 autonomous budget, 2013 per capita Gross Domestic Product (GDP) figures of the

International Monetary Fund (IMF) was used for each member party. On the other hand, for scheme component of the fisheries production (or more precisely, the inland capture catch plus inland aquaculture production), the respective 2011 FAO FishStat+database figures of each Member State was used, which were the latest official statistics publicized in the FAO database at the time of writing this document (<http://www.fao.org/fishery/statistics/global-capture-production/query/en>).

5. The estimated budget principally relies on the contributions of members to the autonomous budget of Commission, although the Agreement provides that the Commission would accept voluntary donations generally or in connection with its specific projects or activities (Article IX). The estimated budget, amounting to USD 180,000, is considered an amount that kept to minimum for operational services and delivery of the scheduled activities (i.e. annual sessions, and the other activities of Commission) for a transitional period that corresponds to the duration of the 5-year Regional Work Programme (RWP) covering the period 2011-2015 as previously assumed by the Commission.

6. 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 (2011). 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 (2011). 2

7. 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.

8. The regional work programme (RWP) of the Commission has not become fully operative in the intersessional period due to lack of a singular budget item allocated for the RWP. The program (2011-2015) has an estimated total budget amounting to USD 3 867 000 of which 1 950 000 is foreseen for the educational/research programme. This clearly points dependence of the RWP on the external financial resources or an obvious need for a significantly increased autonomous budget in terms of timely delivery of the RWP activities, particularly in areas falling under the prioritized working fields of the Technical Advisory Committee (including data collecting, fish health management, fish breeding and broodstock management, trade-related management measures and environmental security), who has a mandate to generate technical and scientific advice for the Commission and a shared role in supervision of RWP.

AUTONOMOUS BUDGET OF CACFish for 2014

9. As regards 2014 autonomous budget, the CACFish Secretariat proposes an estimated budget of USD 180.000 for the reasons given in the paragraph 5, an amount which remains the same as previous year. It includes, as explained in paragraph 5, minimum appropriations for the administrative functioning of the Commission and the delivering its activities. As detailed in Annex I, the estimated 2014 autonomous budget of Commission consists of the following principal budget items: salaries of temporary administrative/technical staff, travels,

administrative services and supply.

10. Details of member contributions, calculated based upon the proposed budget amount of USD 180 000, are given in Annex II. The 2014 autonomous budget has been formed, in pursuant to the Article IX (Finances) of the Agreement, merely on the basis of the membership.

11. When compared, the shared contributions of the Member States present somewhat varying rates between 2013 and 2014 autonomous budget (Annex III). The main reasons behind these variations are the fluctuation in figures used for calculation of member's contributions (i.e., figures of production and gross domestic product per capita).

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

- The Commission had agreed in-principle that an autonomous budget of USD 180 000 is the minimum level that allows Commission to undertake the essential administrative and technical activities or services in the short term.
- The Commission will receive logistic and administrative support from FAO in the short-term, via directly its Sub-regional Office for Central Asia (SEC) where the Commission is seated, or until the Commission has sufficient funds, staff and, if appropriate, premises.
- Within the limits of the proposed autonomous budget, the RWP would not be effectively implemented unless direct external financial resources are made available.
- The Article X (Expenses) of the Agreement provides that "Expenses of one delegate of a Party or his alternate to attend the annual session of the Commission would be covered under the budget of the Commission. Expenses incurred by other delegates, their alternates, experts and advisers when attending, as government representatives, sessions of the Commission and meetings of its subsidiary bodies including the Technical Advisory Committee, as well as the expenses incurred by observers at such sessions and meetings, shall be borne by the respective governments or organizations." However, the Member States, particularly those of developing countries, seemly could not allocate adequate funds for attendance of their national delegate and expert at the activities of Commission. Therefore, running of activities of Commission (i.e. sessions, meetings, workshop, expert meetings, and working group meetings) with active participation, on the basis of Members' own funds seems unfeasible in the short- to medium-term. Therefore the estimated budget includes spendings in support of adequate presence of Member's representatives and experts at the scheduled activities. It is worth noting that, organization of activities without granting financial support for attendances is associated with a risk of having very limited participants that diminishes the effectiveness and visibility of Commission's activities.
- Attendance of CACFish non-Member States at the activities of CACFish is found favourable in terms of spreading the outcomes of the Commission's activities at region-wide. During the intersessional period financial support was granted to attendance of invited states at the events of CACFish. Similar financial support was also provided to Members States in order to have a majority of the audience at the events.

- In 2012 and 2013 the Commission had insufficient funds no enough funds that allow it to conduct the scheduled activities, including RWP. As detailed in the Report of the Secretariat on Administrative and Financial Issues (CACFish:III/2014/2), only in mid-2014 the Commission had expandable budget. The main source of financial source for the early activities of Commission was the external voluntary contribution that provided in late 2012 by Turkey.

SUGGESTED ACTION FOR THE COMMISSION

12. In the light of the above considerations, the Commission is invited to review the proposed autonomous budget for 2014 with estimated budgetary expenditures, and decide on a budget level for that period and discuss allocation of expenditures (if considered appropriate).

**ANNEX I:
ESTIMATED AUTONOMOUS BUDGET FOR 2014**

	USD	% share in total
<i>Consultancy</i>		
International and national consultants	18,400	10.2
Administrative expenditures		
Temporary secretariat staff	26,000	14.4
<i>Contracts</i>		
Contract-services	21,500	11.9
<i>Travel</i>		
Duty travel (Secretariat personnel)	15,000	8.3
Travel (Bureau, consultants)	13,800	7.7
Delegates, participants, experts	56,272	31.3
<i>Translation services</i>		
Interpretations/translations	15,500	8.6
<i>Operating expenses</i>		
Operating and overhead expenditures	3,500	2.0
Subtotal	169,972	
FAO Servicing cost (5.9 %)	10,028	
Total	180,000	

ANNEX II
CACFish Member contributions for the 2014

COUNTRY	TOTAL	Wealth (35%)			Production (45%)			Basic fee (20%)
	USD	GDP/capita	Share	USD	Tonnes	% of Total	USD	USD
Armenia	14.601	3.176	1	3.500	7.095	4,82%	3.901	7.200
Azerbaijan	25.568	8.165	5	17.500	1.578	1,07%	868	7.200
Kyrgyzstan	10.931	1.281	1	3.500	421	0,29%	231	7.200
Tajikistan	11.083	1.049	1	3.500	697	0,47%	383	7.200
Turkey	117.817	10.744	10	35.000	137.543	93,35%	75.617	7.200
TOTAL	180.000		18	63.000	147.334	100,00%	81.000	36.000

* 2013 per capita Gross Domestic Product (GDP) of the International Monetary Fund (IMF).
<http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weoselser.aspx?c=912&t=1>

** 2011 inland capture and inland aquaculture production figures of FAO
<http://www.fao.org/fishery/statistics/global-capture-production/query/en>

Wealth categories:

USD	Index
< 1 000	0
1 000-3 999	1
4 000-5 999	3
6 000-9 999	5
≥10 000	10

Annex III:
Comparative table of CACFish autonomous budget for the period 2013 and 2014

States	2013		2014		% variation (2013-2014)
	National Contribution (USD)	% share in total contribution	National Contribution (USD)	% share in total contribution	
Armenia	15,266	8.48	14.601	8,11	-4,36
Azerbaijan*	22,022	12.23	25.568	14,20	16,10
Kyrgyzstan	7,420	4.12	10.931	6,07	47,32
Tajikistan	7,630	4.24	11.083	6,16	45,26
Turkey	127,662	70.92	117.817	65,45	-7,71

* Azerbaijan was assumed to become a CACFish Member State in 2012. However this did not realized. The amount therefore indicates the voluntary, non-member contribution that asked from the State.