

March 2015



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



**FOURTH SESSION**

**18-20 May 2015  
Ulaanbaatar, Mongolia**

**COMMISSION BUDGET AND MEMBER CONTRIBUTIONS FOR 2015**

## **INTRODUCTION**

1. This document provides an overview of the Commission's autonomous budget for 2015, and an update on the Commission spendings. Additionally, the document provides the details of expenditures foreseen for the 2015-2016 intersessional period.
2. The document needs to be read in conjunction with the following documents: Secretariat Report on Administrative and Financial Issues (CACFish/IV/2015/2); Five-year Regional Work Programme (2011-2015) of the Commission (CACFish/IV/2015/Inf.5); Financial Regulations of the Commission (CACFish/IV/2015/Ref.2); and Agreement on the Establishment of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission, the Agreement (CACFish/IV/2015/Ref.1).
3. CACFish estimated budget for 2015 is given in the Annex I, which propose an annual budget of 180,000 USD, an amount that is preliminarily 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 the 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 Members to the autonomous 2015 budget of the Commission, the CACFish Secretariat, thus have 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 2015 autonomous budget, 2013 per capita Gross Domestic Product (GDP) figures of the International Monetary Fund (IMF) was used

for each member. For scheme component of the fisheries production (or more precisely, the inland capture catch plus inland aquaculture production), the respective 2013 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 the Commission, although the Agreement enables 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 kept to the minimum for operational services and delivery of the scheduled activities (i.e. annual sessions, and activities of Commission and its subsidiary body, namely the Technical Advisory Committee) corresponding to 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. 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.

7. The current Members of the Commission are generally composed of developing countries that have relatively low fish production despite considerable potentials. 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 of the Commission has not become fully operative in 2013 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 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 protection, 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 2015**

9. As regards 2015 autonomous budget, the CACFish Secretariat proposes an estimated budget of USD 180,000 for the reasons given in the paragraph 3 and 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 delivering of its activities. As detailed in Annex I, the estimated 2015 autonomous budget of Commission consists of the following principal budget items: consultancy services and 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 2015 autonomous budget has been formed, in pursuant

to the Article IX (Finances) of the Agreement, merely on the basis of the membership contributions.

11. When compared, the shared contributions of the 5 Member States presents somewhat varying rates between 2014 and 2015 autonomous budget (Annex III). The main reasons behind these variations are the fish production volumes and the gross domestic product per capita of the Member States, which vary from one year to another.

12. 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 the Commission to undertake the essential administrative and technical activities or services in the short term.
- The Members of the Commission does not change from the last year: Armenia, Azerbaijan, Kyrgyzstan Tajikistan and Turkey.
- Arrears are paid off, at least partially, by the respective Members in 2015 (payments in arrears as of April 6, 2015 amounted to USD 80,084). The Commission will receive logistic and administrative support from FAO in the short-term, directly via 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. The expenses of experts invited by the Commission to attend, in their individual capacity, sessions of the Commission and meetings of its subsidiary bodies including the Technical Advisory Committee shall be borne by the budget of the Commission.” However, Member States, particularly those of developing countries, 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- and working group meetings) with active participation, based on Members’ own funds seems unrealistic 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 advantageous with regard to spreading the outcomes of the Commission’s activities region-wide and increase the Commission’s visibility. Some States were financially supported to participate in the previous intergovernmental meetings on establishment of the Commission and have been invited to the post-establishment activities of the Commission. Continuation of such working collaboration with the Non-member States would be a factor that encourages them to reconsider becoming a party to the Agreement. As with Member States, attendance of CACFish non-Member States at the

activities of the Commission heavily depends on granting funds for that attendance purpose. Therefore the estimated budget includes spendings in support of limited attendance from CACFish non-Member States.

13. The proposed budget for 2015 (i.e. USD 180,000) is considered as the minimum financial level that allows Commission to undertake its basic activities. Since the first fiscal year of the Commission (i.e. 2012), the annual autonomous budget of Commission has remained unchanged at the fixed amount of USD 180,000 in accordance with the previous short-term planning projections of the Commission. This minimum budget amount has become insufficient to run the activities of Commission, particularly of the Regional Work Programme, and its subsidiary body (i.e., the Technical Advisory Committee) in an operationally efficient manner. Therefore, the Secretariat suggest a budget increase as from 2016, while assuming that the Commission would have new members in coming years, a case which may reduce the proportional share of the budget amount of the current members

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

14. In the light of the above considerations, the Commission is invited to review the proposed autonomous budget for 2015 with estimated budgetary expenditures, and decide on a budget level for that period. Further to discuss allocation of expenditures (if considered appropriate).

**ANNEX I:**  
**Estimated autonomous budget for 2015**

	USD	% share in total
<b><i>Consultancy</i></b>		
International and national consultants, including secretariat staff	56,100	31.0
<b><i>Contracts</i></b>		
Contract-services	19,400	10.7
<b><i>Travel</i></b>		
Duty travel (Secretariat personnel)	15,300	8.5
Travel (Bureau, consultants)	13,750	7.6
Delegates, participants, experts	47,000	26.1
<b><i>Translation services</i></b>		
Interpretations/translations	16,420	9.1
<b><i>Operating expenses</i></b>		
Operating and overhead expenditures	2,000	1.1
<b>Subtotal</b>	169,970	
FAO Servicing cost (%5.9)	10,028	5.9
<b>Total</b>	180,000	

**ANNEX II:  
CACFish Member contributions to 2015 Autonomous Budget**

COUNTRY	Contribution Total (USD)	Wealth			Production			Basic Fee (USD)
		GDP-per capita USD	Share	USD	Production total (Tonnes)	% of Total	USD	
Armenia	18,179	3,208	1	3,500	16,390	9.23%	7,479	7,200
Azerbaijan	25,212	7,899	5	17,500	1,121	0.63%	512	7,200
Kyrgyzstan	10,849	1,280	1	3,500	327	0.18%	149	7,200
Tajikistan	11,422	1,044	1	3,500	1,583	0.89%	722	7,200
Turkey	114,338	10,815	10	35,000	158,093	89.06%	72,138	7,200
<b>TOTAL</b>	<b>180,000</b>		18	63,000	177,514	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>

\*\* 2013 inland capture and inland aquaculture production figures of FAO  
<http://www.fao.org/fishery/statistics/global-capture-production/query/en>

BUDGET AND CRITERIA		
Year	2015	
Budget	180,000	
BUDGET COMPONENTS		
Wealth	63,000	35%
Production	81,000	45%
Basic fee	36,000	20%
<b>TOTAL</b>	<b>180,000</b>	<b>100%</b>
WEALTH CATEGORIES		
GDP		
US \$	Index	
<999	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 2014 and 2015**

States	2014		2015		% variation (2014-2015)
	National Contribution (USD)	% share in total contribution	National Contribution (USD)	% share in total contribution	
Armenia	15,168	8,43	18,179	10,09	19,85
Azerbaijan	25,694	14,27	25,212	14,00	-1,87
Kyrgyzstan	10,965	6,09	10,849	6,02	-1,09
Tajikistan	11,139	6,19	11,422	6,34	2,54
Turkey	117,034	65,02	114,338	63,52	-2,30