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ASIA-PACIFIC FISHERY COMMISSION

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Financial implications to Member Nations of funding the work programme activities of the Asia-Pacific Fishery Commission

1. The 78th Executive Commission noted that should the Asia-Pacific Fishery Commission decide continue its activities, there are financial implications to the Member Nations in the form of contributions to support the activities of APFIC. In response to this request, the Secretariat has developed this document to provide the Members with an estimate of these financial implications.
2. The 78th Executive Committee further recommended that the deliberations of the APFIC *Ad Hoc* Legal and Financial Working Group meeting (Bangkok, Thailand, 6 to 8 July 1999) could be reviewed as a basis for developing an updated proposal.
3. The APFIC *Ad Hoc* Legal and Financial Working Group did develop a mechanism for assessing Member Nation contributions to a trustfund to support the work of APFIC, however, this did not provide a breakdown of the costs that would be incurred for a biennium.
4. The 1999 proposal assumed an annual cost of \$800,000 as typical for the operation of a secretariat for a FAO Article XIV Regional Fishery Body. This cost was assumed as being realistic at the time, as it was based on the autonomous budget for the Indian Ocean Tuna Commission (IOTC).
5. The annual budget of the IOTC currently ranges between \$3,013,503 and 4,351,075 (2020-2023). Of this, 61-70% of the budget are directed to cover staff costs. The annual GFCM budget for 2015-2016 was between \$2,359,564 and \$2,479,727 Staff costs (9 professional and 5 administrative) represented 70-75% of the total cost.
6. In this document, a new, “lowest-cost estimate” for the financial support to the activity of APFIC has been developed by the Secretariat.
7. It is important to note that these costs are indicative only and have not been reviewed for compliance with FAO financial regulations relating to the management of trustfunds.
8. The new estimate is based on the typical costs that would be incurred though the FAO Regional Office biennial Regular Programme in support of the commission’s activities and assumes that a typical biennium would involve the following activities:
 - i. Regular Session of the Commission
 - ii. Executive Committee Meeting
 - iii. 4 x working group meetings
 - iv. Background studies/analysis and papers prepared to inform the working groups
 - v. Associated virtual meetings (essentially at no cost)

SCENARIO 1

9. The activities of the Commission are supported by a trustfund arrangement supported by regular contributions by the Members and the Secretariat remains partially supported by FAO.

10. FAO currently provides the Secretariat of the Commission (APFIC Agreement Article II,6) and all of its costs. This includes the following (APFIC Agreement Article VIII,2):

- i. The APFIC Secretary who is an FAO officer (Senior Fishery Officer, FAO Regional office for Asia and the Pacific) and supports the Secretariat part-time. The proposed time-commitment would be 31 percent of the working year in support of the activities of the Commission;
- ii. The cost of convening of the Executive Committee, including the travel of the Executive committee members and Secretariat;
- iii. Publications and communications.

11. Under the Agreement, Member Nations are responsible for paying the following (APFIC Agreement Article VIII,1):

- i. The expenses of delegates and their alternates, experts and advisers occasioned by attendance at sessions of the Commission;
- ii. The expenses of representatives on committees or working parties established in accordance with Article III of the APFIC Agreement;
- iii. Expenses incurred in connection with activities of the Commission (undertaken in accordance with the provisions of Article IV, paragraphs (e) and (f)), unless otherwise available. These will be determined in the agreed budget of the Commission (APFIC Agreement Article VIII,4). This includes studies, consultancies, training in support of workshops and working groups.

12. In a costed scenario, a trustfund would be established to manage a regular contribution by Members to support the costs of activities related to an agreed workplan of the Commission. This would primarily comprise of support to regional working groups or regional workshops and the related background studies and analyses. It would also include the administrative and technical preparations and background work for the Executive Committee and the Regular Session.

13. Noting that LDC countries often find it difficult to send delegates to working groups, it is proposed that LDC countries would be eligible for travel support to participate in the working groups (but not the Regular Session as this is an obligation of the Members as indicated in paragraph 9).

14. The trustfund would therefore cover the biennial budget as given in Table 1.

SCENARIO 2

15. The Secretariat and activities of the Commission are fully-funded by the Membership under an autonomous budget. This scenario is similar that above, but would require additional costs related to the maintenance of a full time Secretariat. This would primarily related to the costs of hosting the Secretariat (rent, infrastructure, operations) and the cost of the full-time Secretary.

16. As scenario 2 would incur substantial increase in the costs to support the Commission, the Secretariat proposes that unless there is agreement on the potential for funding scenario 1, it is premature to discuss scenario 2.

MECHANISM FOR ASSESSMENT OF REGULAR CONTRIBUTIONS

17. The mechanism for the assessment of Members' contributions was developed by the 1999 APFIC Ad Hoc Legal and Financial Working Group meeting. It is a similar mechanism for that used by the GFCM and IOTC and comprises:

- i. a basic fee that is unrelated to either national wealth or fish production of the Member; and,
- ii. a charge that reflects the member's national wealth as well as its fish production.

Table 1: Biennial budget for typical activities of the Asia-Pacific Fishery Commission.

Budget item	Cost (USD)	%
Staff costs	229,000	31%
Cost of the APFIC Secretary (currently covered by FAO, Article II,6)	0	0%
A Technical specialist (consultant) under the guidance of the Secretary, to support all technical work of the Commission (Secretary can only contribute ~30% or less of the working year to APFIC)	154,000	21%
A full-time G4 Administrative Assistant to the Commission (to organize workshops/working groups, communications, maintain documents on the website, raise travel for participants/secretariat staff as required, track trustfund/budget, organize publications, other administrative duties in support of the funding of the Secretariat)	75,000	10%
Secretariat costs	41,000	5%
Secretariat office rent (currently covered by FAO)	0	0%
Secretariat costs associated with the convening of the Regular Session	15,000	2%
Office supplies	8,000	1%
Maintenance of the APFIC website	10,000	1%
Communications (video-conferencing account, internet, postage)	8,000	1%
Travel & meeting costs	254,000	33%
Travel of working group members to working groups/regional workshops; travel of Member Nation delegates to the Regular Session (currently covered by Members Article VIII,1,Article VIII,4)	0	0%
Costs associated with the convening of the Executive Committee	30,000	4%
Travel grants to LDC countries to attend working groups (all other Members would cover the cost of their delegated participant (as per Article VIII,1)	120,000	16%
Travel of the Secretary, technical specialist and Administrative assistant	40,000	5%
Travel and honorarium of technical resource persons	40,000	5%
Working group venue costs, local logistics	24,000	3%
Studies, background analysis, publications	110,000	15%
Studies and analyses as background for the preparation of workshops and working groups.	80,000	11%
Publications, editing (reports of Regular Session, Executive Committee, working group reports, background studies)	30,000	4%
Sub-total	634,000	87%
FAO overhead (13%)	94,783	13%
TOTAL	728,783	100%