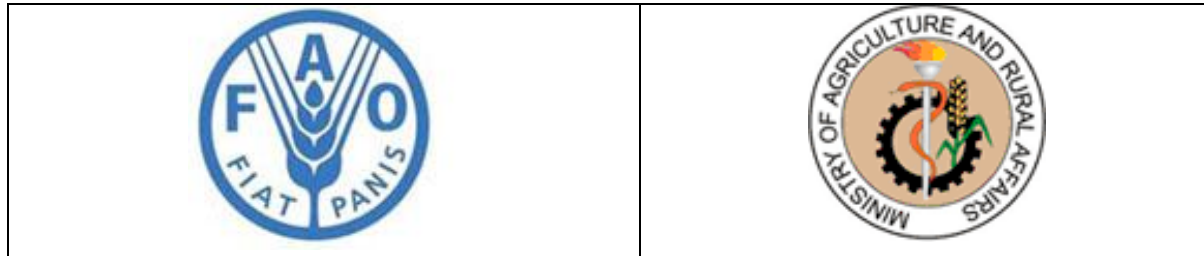


November 2010

**THIRD INTER-GOVERNMENTAL AND PREPARATORY MEETING FOR THE CENTRAL  
ASIAN AND CAUCASUS FISHERIES AND AQUACULTURE COMMISSION****Trabzon, Turkey, 30 November – 1 December 2010****DRAFT SCHEME OF CONTRIBUTIONS TO THE BUDGET****Introduction and Background**

1. At the Trabzon Meeting, held in June 2009, an example of a contribution calculation for the autonomous budget of the Commission (document SEC/2009 Trabzon/Inf.8) was presented by the Secretariat.
2. That example received many valid comments from the participating delegations.
3. The Report of the Second Intergovernmental Meeting on the Establishment of Central Asian and Caucasus Regional Fisheries Organization, Trabzon, Turkey, 3 - 5 June 2009. *FAO Fisheries and Aquaculture Report*. No. 912. presents the discussion that took place at the Trabzon meeting on this item. This document is made available as SEC/2010 Trabzon/inf. 4.
4. Following the Trabzon Meeting, the FAO Secretariat requested on 3 December 2009 the Focal Points to the Steering Committee to update the country information (as presented at to enable the Secretariat to produce a more accurate table in support of the discussions at the 2<sup>nd</sup> Steering Committee meeting.
5. It was noted in the message of 3 December that when FAO uses GDP per capita data, these data are derived from the IMF World Economic Outlook (WEO) database. This database is updated frequently and the latest version is accessible at:  
<http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>
6. For fisheries and aquaculture production FAO uses the official data reported by the national statistical agencies of your countries. These data are included into FAO FishStat+ and can be accessed through:

<http://www.fao.org/fishery/topic/16140/en>

7. The FAO Secretariat received responses before the Second Steering Committee Meeting to prepare for the Third Intergovernmental meeting on the Establishment of the Central Asian and Caucasus Fisheries and Aquaculture Commission ( Istanbul, Turkey on 24-25 February 2010) (Istanbul Meeting) on the request for updating of country information from 5 countries: Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkey. The fisheries and aquaculture production table presented at the Istanbul Meeting included the provided figures.
8. At the Istanbul Meeting a background document (SEC/2010/Istanbul/3 – An indicative (draft) scale of contributions to an autonomous budget for the start-up phase of the Central Asian and Caucasus fisheries and aquaculture commission) was presented. A summary of the discussion which followed the presentation by the Secretariat can be found Report of the Second Steering Committee Meeting to prepare for the Third Intergovernmental meeting on the Establishment of the Central Asian and Caucasus Fisheries and Aquaculture Commission, Istanbul, Turkey, 24-25 February 2010. *FAO Fisheries and Aquaculture Report*. No. 935. This document is made available as SEC/2010 Trabzon/inf. 5.
9. The Istanbul Meeting conclusions and recommendations on this agenda item state as follows:

The Committee extensively reviewed the background documentation presented on the proposed indicative Scale of Contributions to an autonomous budget for the start-up phase of the Central Asian and Caucasus Fisheries and Aquaculture Commission. Much of the discussions were focused on the method of calculation. In principle, the basic methodology using the three components (basic fee, wealth component and production component) was confirmed. Consensus was reached on the basic fee of 20%. The Committee also approved in principle the production component. Certain focal points will provide area specific production data. This will change the relative share of contributions of member countries. Clarifications on the wealth component were requested. In particular the methodology for calculating individual shares of the members of the Commission with regards to the wealth component needed clarification.

And

The Committee recommended “that the focal points would provide the FAO Secretariat with alternative methods of calculations for the wealth component of the indicative autonomous budget before 15 March 2010. The Secretariat would circulate the proposed methods for consideration by the focal points of the Steering Committee”.

10. The Secretariat provided the Focal Points with four proposals for the calculation of the wealth component (following the recommendations from the Istanbul Meeting) on 25 March 2010.

Proposal 1: the proposal as presented by the Secretariat in Istanbul

Proposal 2: an alternative suggested by the Focal Point from Kazakhstan

Proposal 3: an alternative proposal as presented by the Secretariat in Istanbul, which reflects the member contributions to the Regular Programme of FAO.

Proposal 4: a proposal which follows-up from the suggestion of some focal points to have the wealth component be determined directly by the GDP per capita data.

11. A reminder message on this subject was sent out by the Secretariat on 14 April 2010. Responses were received from Turkey and Kyrgyzstan, while Iran referred to the production component and informed the Secretariat that not the total inland fisheries and aquaculture production should be taken into consideration, but instead the production in the regions near the Caspian Sea basin. The Secretariat acknowledges with gratitude the correction made by the Focal Point from Turkey to the excel sheets sent to the Focal Points.
12. In September and October various reminder messages were sent out by the Secretariat (including the corrected excel sheets) to those focal points that had not given comments on the proposals or reported their preference for either of the proposals.
13. At the time of preparing this background document the following information was received from several Focal Points. Kyrgyzstan and Tajikistan have a preference for the original proposal as presented by the Secretariat in the Istanbul meeting (proposal 1). Turkey and Afghanistan expressed that all four proposals provided are acceptable to their Governments.
14. An updated table, presenting the scale of contributions to the autonomous budget of the Commission for 2011, which includes also preliminary production data on the Ukraine, is provided in Annex 1 to this background paper. Please note that the figures will change on an annual base, following the information from the IMF and FAO.

### **Preliminary conclusions**

15. Trabzon Meeting and the Istanbul Meeting have agreed on the following principles with regards to the calculation of the scale of contributions to the autonomous budget.
  - a. The basic methodology for calculation the member contributions to the autonomous budget will make use of the following three components (basic fee, wealth component and production component).
  - b. The basic fee will be set at 20 percent of the total autonomous budget, while the production component would in principle be set to 45 percent of the total contribution.
  - c. The source for the wealth component country data would be the IMF World Economic Outlook database, while the source for the production component country data (total inland capture fisheries and aquaculture production) would be the FAO FishStat+ database.
  - d. The scale of individual member contributions to the autonomous budget of the Commission would be determined on an annual base and agreed at a regular session (including the inaugural) of the Commission.
16. The two countries that have currently deposited their instrument of acceptance of the Agreement on the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission, being Kyrgyzstan and Tajikistan, have indicated their preference for determining the wealth component of the member contributions to the autonomous

budget. Their preference consists of dividing the member countries into four groups and using the commonly applied share system. This system is applied by various regional fisheries bodies already to the satisfaction of the members of these commissions.

17. The following division in four groups is preferred by the two countries:

• GDP per capita < US\$ 1000 component	exempt from paying shares under the wealth
• GDP per capita of US\$ 1000-3999	pays one share
• GDP per capita of US\$ 4000-9999	pays 5 shares
• GDP per capita of > US\$ 10000	pays 10 shares

### **Suggested action by the Meeting**

18. The meeting is invited to:

- Confirm the preliminary conclusions above as were made by the Trabzon Meeting and Istanbul Meeting.
- Confirm preliminary agreement with the proposal for calculating the wealth component of the autonomous budget, which is supported by Kyrgyzstan and Tajikistan and accounts with concurrence of Afghanistan and Turkey.
- Discuss and agree on the year of IMF and FAO data to be used for the calculation of the wealth and production components, taking into account that the availability of accurate data and information is highly dependent on the provision of the official statistics by the members of the commission. The Secretariat proposes that IMF data are used with a one year delay, while FAO data are used with a two year delay and that every year the databases are consulted in June to determine the member contributions to the autonomous budget for the following year.

Annex 1: Draft scale of annual contribution to a hypothetical autonomous budget of US\$ 180, 000 (budget proposed for 2011; the start-up phase of the Central Asian and Caucasus Fisheries and Aquaculture Commission).

Member country	Total contribution USD	Wealth component		Production component			Base fee USD <sup>1</sup>
		GDP USD per capita 2009	USD	2008 Production in tonnes	Percentage of total production	USD	
Afghanistan	3106	486	0	1000	0.13%	106	2770
Armenia	5706	2,668	2100	5701	0.75%	606	2770
Azerbaijan	13671	4,807	10500	1606	0.21%	171	2770
Georgia	5121	2,448	2100	230	0.03%	24	2770
Iran	36520	4,460	10500	216469	28.42%	23020	2770
Kazakhstan	19445	7,019	10500	55902	7.34%	5945	2770
Kyrgyzstan	3011	851	0	100	0.01%	11	2770
Russian Federation	48814	8,694	10500	332075	43.60%	35314	2770
Tajikistan	3018	767	0	172	0.02%	18	2770
Turkey	24939	8,723	10500	107568	14.12%	11439	2770
Turkmenistan	6697	3,242	2100	15016	1.97%	1597	2770
Ukraine	7186	2,542	2100	19617	2.58%	2086	2770
Uzbekistan	5761	1,176	2100	6218	0.82%	661	2770
<b>TOTAL</b>	<b>180000</b>		<b>63000</b>	<b>746515</b>		<b>81000</b>	<b>36000</b>
	<b>100 percent</b>		<b>35 percent</b>			<b>45 percent</b>	<b>20 percent</b>

<sup>1</sup> Round numbers, the exact amount is \$2769,2308