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CENTRAL ASIAN AND CAUCASUS REGIONAL FISHERIES AND AQUACULTURE COMMISSION

EIGHTH SESSION

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Commission budget and Member contributions for 2023 and 2024

Summary

This document provides an overview of the Commission's autonomous two-year budget for 2023 and 2024, and the 2023-2024 expenditure estimates for review and decision making by the Commission.

Suggested actions by the Commission

The Commission is invited to:

- i) Review the estimated expenditures in the Annex Table I and instruct Secretariat of any revisions; and
- ii) Review the Member's contribution to the two-year autonomous budget of CACFish for 2023 and 2024 (Annex Table II), and instruct Secretariat of any revisions and approvals.

I. INTRODUCTION

1. Since the establishment of the Commission, the budget from Member's contributions has been based on a total combined fixed annual contribution of USD 180,000. From administrative, financial and operational perspectives, the autonomous budget has been interlinked to the number of Members of the Commission. It should be noted that at its Sixth Session (2018) CACFish further fixed the level of total annual contributions to the autonomous budget from the Members at USD 180,000 per annum for an unspecified period.

2. The fixed annual budget from the Members contribution (USD 180,000) was considered the minimum funding level required to maintain operational services and the delivery of the scheduled activities of the Commission. The rationale for the adoption of this annual budget was based on the understanding that attaining long-terms financial self-sufficiency for the Commission's operations was intrinsically linked to the annual operational costs, the number of fee paying Members of the Commission, and their ability to fund their respective contributions. During the Inaugural Session, it was anticipated that the Commission would have a minimum of six Members that would contribute to the annual autonomous budget. Unfortunately, only four countries registered as Members during the Inaugural Session, with one additional Member joining at a later date. The five Members that currently contribute to the Commission's autonomous budget largely comprise developing countries that, despite their considerable potential for fish production, currently record relatively low levels of fish production. While the contributions for each Member are weighted in accordance a formula specified in the Financial Regulations of the Commission (see point three below), the costs of paying into the autonomous budget may appear to be high for some Members. It is important to note that individual Members contributions can be reduced by attracting new fee-paying Members to the Commission, thereby lowering the corresponding share for individual Membership.

3. Pursuant to the Article IX (Expenses) of the Agreement, each Party to the Agreement (i.e. Member) is under an obligation to pay its contributions, on an annual basis, to the autonomous budget of the Commission, and in accordance with the scheme determined in the Financial Regulations of the Commission. This scheme comprises the following three weighted components: (1) basic fee (20 percent); (2) national wealth (gross domestic product per capita, GDP) (35 percent), and, (3) fish production (45 percent). The calculation of the Member's annual contributions to the CACFish budget is based on the Member's mean gross domestic product (GDP) from the previous two-year period (based on International Monetary Fund (IMF) data), and annual fish production figures derived from national fish production data (as collated by FAO).

II. CACFish TWO-YEAR BUDGET FOR 2023-2024

4. As of 17 October 2023, the Commission finances showed a balance of USD 569,319 while Membership payments in arrears had reached USD 648,856.45 (see the working document CACFish/VIII/2023/3). The estimated budget proposed for 2023 and 2024 are presented in Annex Table I. These figures are based on the historical autonomous annual budget of USD 180,000. The 2023-2024 expenditure budget includes the following essential items: consultancy services, travel, administrative services and supplies. The estimated budget principally relies on the payment of Member's contributions to the autonomous budget of CACFish. However, Article IX of the Agreement enables the Commission to receive voluntary donations. Such contributions can be made to support the general activities of the commission, or they may be linked to funding specific projects or activities.

5. In accordance with the decision taken at the Fourth Session of CACFish (2015), the Commission has agreed to convene its regular sessions once every two years, starting from 2016. While this change has resulted in a two-year budgeting process, Members' contributions to the CACFish autonomous budget remain payable on an annual basis. In cases where a new Member joins the Commission, the two-year budget will need to be recalculated and reconciled to reflect the respective changes in the contributions for each Member. The breakdown of CACFish

Members' contributions for 2023 and 2024 is presented in the Annex Table II. In May 2023, and at the request of several Members, the Secretariat officially sent the breakdown of Members' contributions to the CACFish autonomous budget for 2023, after which Azerbaijan, Kyrgyzstan and Türkiye made their annual (2023) contribution payments. Next year, and in line with the current methodology, the Secretariat will request the Members to make their contribution payments to the 2024 autonomous budget of the Commission. The value of the contributions that will be requested are presented in Annex Table II, or alternatively, they will be decided by the Commission.

6. The proposed autonomous budget for 2023 and 2024 is based on the following assumptions:

- Arrears in contributions payments will impact financial planning.
- The Commission will receive operational, administrative and logistic support from FAO in the short-term, 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.
- The attendance of CACFish non-Members at CACFish events is an effective way of promoting the outcomes of the Commission's activities at a regional level. During the inter-sessional period, financial support was granted to Non-Members invited to CACFish events. Similar financial support was provided to Members to ensure a quorum was present at all decision-making meetings.
- The membership of the Commission has not changed from the last session and comprises Armenia, Azerbaijan, Kyrgyzstan, Tajikistan and Türkiye.
- For the period 2023 and 2024, the Commission will continue to receive logistic and administrative support from FAO, directly via its Sub-regional Office for Central Asia (SEC),
- The Commission's budget will continue to financially support the attendance of delegates and experts at the activities of Commission (i.e. sessions, meetings, workshop, expert- and working group meetings). Listed below is the rationale for this support – this rationale has previously been agreed and approved by the Commission:
 - (i) Members, particularly those of developing countries, are unable to allocate sufficient funds to support the attendance of their national delegate and expert at the activities of Commission,
 - (ii) Implementing Commission activities without granting financial support for attendance will likely result in limited participation, resulting in the diminished efficacy and visibility of the Commission's activities;
 - (iii) A need to support attendance of Non-CACFish Members at the CACFish activities to disseminate the outcomes of the Commission's activities throughout the region and increase the Commission's visibility;
 - (iv) Concomitant to Members attendance of CACFish events, non-Members attendance also depends on granting attendance funding; and
 - (v) The continuation of collaboration with the Non-CACFish Members would be a factor that encourages them to reconsider becoming a party to the CACFish Agreement.
- The proposed budget therefore includes expenditures in support of funding the presence of Member's representatives and experts at the scheduled activities as well as the limited attendance of Non-Members. In this regard, the following respective provisions of the Article X (Expenses) of the Agreement should be taken into consideration:

“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.”

7. Evidently, Membes, and particularly those with developing country status, are unable to fund their national delegates and expert attendance to the activities of Commission. Therefore, running Commission activities (i.e. sessions, meetings, workshop, expert meetings, and working group meetings) with the active participation of many Members, and on the basis of Members' providing funding for their delegates to attend, is not possible in the short- to medium-term. As a result, the budget estimate includes funding for attendance costs for Member's representatives and experts at Commission's scheduled activities. It is worth noting that the absence of financial support for delegates to attend Commission activities risks limiting country participation, thereby diminishing the effectiveness and visibility of the Commission's activities.

8. In view of the above and taking in consideration the need for CACFish to increase membership to become an effective, and operationally and financially sustainable Commission, as well as to ameliorate the current situation with the autonomous budget; the CACFish Secretariat has offered to cover (in exceptional cases), the participation of two delegates per Member, as well as one delegate of each potential Member in line with the previous decisions of the Commission. This approach is expected to further increase collaboration between the Commission and Non-Member CACFish countries, and in time, increase the total number of Members of the Commission.

9. Under Rule XVII of the Rules and Procedures of the Commission¹, the official language of the Commission is English, and during the meetings, interpretation in Russian shall be provided as appropriate. In view of the high costs of providing Russian – English translation services at all Commission meetings and activities, the Secretariat sees a need to reduce the cost of the interpretation services in two languages. Over the past few years, the Secretariat has observed that the number of experts with English knowledge has increased considerably in the Central Asian and Caucasus region. This encourages the Secretariat to propose to launch its first initiatives to hold a limited number of activities, particularly those of a technical nature only in English. This would start from the upcoming intersessional period 2023-2025.

¹ The Rules of Procedure of the CACFish can be accessed here:
https://www.fao.org/fileadmin/user_upload/faoweb/FI_Meetings/CACFish/RoP-Eng.pdf

ANNEX TABLE I:
Estimated expenditures for 2023 and 2024

Expenditure item	2023	2024
Salaries General Service	4,000	4,000
Consultancy International and national consultants, including secretariat staff.	36,000	38,780
Contracts	45,270	32,892
Travel (Secretariat personnel. Bureau, consultants, delegates, participants, experts)	59,702	68,400
Translation services	21,500	23,800
Operating expenses Operation and overhead expenditures	3,500	2,100
Sub-total	169,972	169,972
FAO Servicing cost (5.9%)	10,028	10,028
Total	180,000	180,000

**ANNEX TABLE II:
Member contributions to CACFish two-year autonomous budget
for 2023 and 2024**

		Wealth component			Production component			Basic Fee
MEMBER Country	Contribution Total (USD)	GDP-per capita * USD	Index	USD	Production Total ** (Tonnes)	% of Total	USD	USD
Armenia	25,463	6,584	3	10,500	19,700	9,583	7,763	7,200
Azerbaijan	18,474	6,826	3	10,500	1,963	0.955	774	7,200
Kyrgyzstan	14,767	1,626	1	3,500	10,320	5,020	4,067	7,200
Tajikistan	12,430	1,064	1	3,500	4,389	2,135	1,730	7,200
Turkiye	108,867	10,618	10	35,000	169,182	82,305	66,667	7,200
TOTAL	180,000		18	63,000	205,554	100.00%	81,000	36,000

* <https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWOF/ZE/KGZ/TJK/TUR>

** <https://www.fao.org/fishery/en/topic/166235?lang=en> [Accessed: May 2023]

BUDGET AND CRITERIA		
Year	2023-2024	
Budget	180,000	
BUDGET COMPONENTS		
Wealth	63,000	35%
Production	81,000	45%
Basic fee	36,000	20%
TOTAL	180,000	100%
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	