

The logo for the South Pacific Regional Fisheries Management Organisation (SPRFMO) is a horizontal blue banner with a repeating pattern of fish. The text "South Pacific Regional Fisheries Management Organisation" is written in white, bold, sans-serif font across the banner.

# South Pacific Regional Fisheries Management Organisation

## **Preparatory Conference**

**Third Session, Santiago, Chile 30 January – 3 February 2012**

### **PrepCon-03-INF-04**

#### **Chairman's letter of 19 December and illustrative spreadsheet**

On 19 December 2011, the Chairman circulated as the letter attached as Annex 1 concerning a redraft of paragraph 4.7 of the draft financial regulations. Paragraph (a) of the draft provides that the shortfall from the reduction by 25% of any developing country member of the Commission not engaged in fishing for fishery resources shall be redistributed among the other members. The illustration spreadsheet attached to the Chairman's earlier letter of 20 July did not include the redistribution of the shortfall. The spreadsheet reflecting the redraft in the letter of 19 December including the redistribution of the shortfall is attached as Annex 2.

## Annex 1

19 December 2011

Dear Colleagues

I wrote to you on 20 July to follow up on our further discussion in Cali of the formula to be recommended to the Commission for contributions to the annual budget of the Commission. I noted the main points made in the discussion and attached a revised spreadsheet that attempted to take account of those points in a further illustration of how a notional budget might be spread among a notional number of members with notional combinations of wealth and catches.

I have not received any comments on the revised spreadsheet and the adjusted formula it contains. I do not assume that the lack of comments means that the adjusted formula, as reflected in the revised spreadsheet, is acceptable to delegations. But as an additional contribution to our further consideration of the formula at our next meeting in Santiago in January I set out below a possible redraft of Regulation 4.7 of the draft Financial Regulations to reflect the adjusted formula used in the revised spreadsheet.

Each Member of the Commission shall contribute to the annual budget, in accordance with the following formula determined according to Article 15 paragraph 2 of the Convention:

(a) a base fee of 10% divided in equal shares between all Members of the Commission except that any developing country Member of the Commission that was not engaged in fishing for fishery resources in the previous financial year shall have its notional share reduced by 25% with the consequent shortfall apportioned equally among the other Members of the Commission;

(b) a national wealth component of 30%, 15% of which shall be divided among the Members of the Commission according to their respective Gross National Income (as defined by the World Bank, or equivalent institution available), and 15% divided among Members according to their Gross National Income per capita (as defined by the World bank, or equivalent institution available);

(c) a catch component of 60%, 45% of which shall be divided among the Members of the Commission fishing for pelagic fishery resources and 15% divided among Members fishing for demersal fishery resources, in each case on the basis of a three year average of their total reported catches of the relevant fishery resources.

I should draw your attention to the deletion in sub paragraph (c) of the above draft of the reference to "fishery resources listed in Annex 1". The Secretariat has drawn my attention to the fact that Annex 1 does not include several species that are covered by the definition of "fishery resources" in the Convention, including squid. I am not aware of any reason why some fishery resources should be excluded from the catch component of the budget formula at this stage and it would seem simpler to include all resources and instruct the Secretariat to allocate them as between pelagic and demersal.

Kind regards

Yours sincerely,



Bill Mansfield  
Chair

## Annex 2

Work sheet for alternative calculations of SPRFMO member contributions to the annual budget.

Member with:	Based on 15 members			Example budget		\$1,000,000		Input data			
	National Wealth			Catch weights		60.0%		GNI		Catch	
	Used as mix of GNI and GNI per capita			Pelagic		45.0%		Millions		2007-09 average catches	
	Base fee	10%	15%	15%	Demersal	15.0%			Pelagic	Demersal	
	Wealth component		Catch component		Annual Contribution						
	base fee	based on GNI	based on GNI per capita	based on Pelagic	based on Demersal						
High GNI and GNI per capita, high pelagic catch	\$6,786	\$66,799	\$15,557	\$68,478	\$56,675	\$214,295	\$20,000,000	\$31,000	140,000	900	
High GNI and GNI per capita, no catch	\$6,786	\$50,099	\$25,092	\$0	\$0	\$81,977	\$15,000,000	\$50,000	0	0	
High GNI, low GNI per capita, high pelagic catch	\$6,786	\$17,368	\$3,061	\$78,261	\$7,557	\$113,032	\$5,200,000	\$6,100	160,000	120	
High GNI, medium GNI per capita, low pelagic catch	\$6,786	\$4,008	\$10,037	\$2,446	\$0	\$23,276	\$1,200,000	\$20,000	5,000	0	
Upper medium GNI, high GNI per capita, medium pelagic catch	\$6,786	\$3,307	\$12,546	\$5,870	\$756	\$29,264	\$990,000	\$25,000	12,000	12	
Upper medium GNI, high GNI per capita, medium demersal catch	\$6,786	\$3,140	\$17,063	\$0	\$12,594	\$39,582	\$940,000	\$34,000	0	200	
Upper medium GNI, high GNI per capita, medium pelagic catch	\$6,786	\$2,071	\$13,550	\$8,315	\$0	\$30,721	\$620,000	\$27,000	17,000	0	
Lower medium GNI, high GNI per capita, medium pelagic catch	\$6,786	\$969	\$16,561	\$12,228	\$0	\$36,543	\$290,000	\$33,000	25,000	0	
Lower medium GNI, low GNI per capita, no catch	\$6,786	\$802	\$4,517	\$0	\$0	\$12,104	\$240,000	\$9,000	0	0	
Lower medium GNI, medium GNI per capita, high pelagic catch	\$6,786	\$468	\$6,022	\$220,109	\$0	\$233,384	\$140,000	\$12,000	450,000	0	
Lower medium GNI, low GNI per capita, low pelagic catch	\$6,786	\$404	\$4,517	\$1,957	\$0	\$13,663	\$120,911	\$9,000	4,000	0	
Lower medium GNI, high GNI per capita, high demersal catch	\$6,786	\$367	\$12,044	\$0	\$62,972	\$82,170	\$110,000	\$24,000	0	1,000	
Low GNI and GNI per capita, no catch	\$5,000	\$194	\$4,416	\$0	\$0	\$9,610	\$58,000	\$8,800	0	0	
Low GNI and GNI per capita, medium pelagic and demersal catch	\$6,786	\$4	\$2,710	\$6,359	\$9,446	\$25,304	\$1,100	\$5,400	13,000	150	
Low GNI and GNI per capita, high pelagic catch	\$6,786	\$2	\$2,308	\$45,978	\$0	\$55,075	\$700	\$4,600	94,000	0	
<b>Total</b>	<b>\$100,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$450,000</b>	<b>\$150,000</b>	<b>\$1,000,000</b>	<b>\$44,910,711</b>	<b>\$298,900</b>	<b>920,000</b>	<b>2,382</b>	

For GNI data see: <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNI.pdf>  
<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>

For GNI per capita based on Purchasing Power Parity see:

This example with the weights below and an annual budget of: \$1,000,000

Base Fee	10%
GNI	15%
GNI per capita	15%
Pelagic catch	45%
Demersal catch	15%
	100%

The numbers highlighted in blue may be changed to give different examples