

South Pacific Regional Fisheries Management Organisation

2 December 2010

Dear colleagues,

As recorded in its report, the First Session of our Preparatory Conference for the Commission of the South Pacific Regional Fisheries Management Organisation made substantial progress on the draft Rules of Procedure and Financial Regulations for the Commission.

One issue on which we were unable to reach agreement in the time available was the formula to be recommended to the Commission for contributions to the annual budget of the Commission. The relevant paragraph in the draft Financial Regulations (4.7) is in square brackets.

Article 15 paragraph 2 of the Convention provides that “[t]he amount of the annual contributions due from each member of the Commission shall be a combination of a variable fee based on its total catch of such fisheries resources as may be specified by the Commission and a basic fee and shall take account of economic status.” In Auckland we had a useful first discussion of the formula that might be recommended to give effect to that provision. But a number of delegations suggested that in order to be confident that the formula would reflect these factors in a manner that was reasonably fair amongst the parties it would be helpful if they could see how it might work in practice in relation to a notional budget. Others suggested that within the catch component there could be different weightings for pelagic and demersal catches and that the component relating to economic status should take account of both gross national income and gross national income per capita.

In the hope that it may assist your preparations for our Second Session and our discussions on this issue in Cali, Colombia, I asked the SPRFMO Interim Secretariat to prepare the attached spreadsheet. It is not a proposal from me as your Chair. It is merely an illustration, in as reasonably realistic a manner as possible, of how a notional budget might be spread amongst a notional number of members with notional combinations of wealth and catches.

When looking at the spreadsheet I suggest the following points should be kept in mind. First, it assumes a Commission membership of fifteen reflecting a reasonably mature phase in the Commission’s development. Obviously the figures for the first financial period of the Commission could be significantly different depending on the number of

parties in that first financial period. Second, Article 15 paragraph 2 of the Convention makes it clear that the Commission may amend the formula for contributions at any time in the future and may well choose to do so should there be a change in the focus of the Commission's work and costs. Third, the percentages used in the spreadsheet for the basic fee, the wealth components, catches and weightings of different kinds of catches are simply examples and are obviously matters for discussion. But that said, although the basic fee should be sufficient to ensure all members have a genuine interest in the work of the Commission, it would seem important that it should not be set at so high a level as to discourage membership by countries in the region with a legitimate interest in the work of the Commission but who do not obtain any benefits through participation in the fisheries.

I hope you may find the spreadsheet of some help if only in clarifying the matters to be discussed on this issue.

I am, of course, aware that we will need to devote much of the time of our Second Session to the review of the Interim Measures in the light of the Report of the 9th Science Working Group from the meeting of the Group in Viña del Mar, Chile from 21-29 October this year.

I anticipate that the draft agenda for our Second Session, which should follow closely the agenda for our First Session, will be posted on the website in the near future.

I look forward to seeing you all and working with you again in Cali.

Yours sincerely,

A handwritten signature in black ink that reads "Bill Mansfield". The signature is written in a cursive, slightly slanted style.

Chair
Preparatory Conference for the Commission of the South Pacific Regional Fisheries
Management Organisation