

INTER-AMERICAN TROPICAL TUNA COMMISSION

WORKING GROUP ON FINANCE

10TH MEETING

ANTIGUA, GUATEMALA
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IATTC BUDGET CONTRIBUTION FORMULA

The Commission adopted the current budget contribution formula in 2007 (Resolution [C-07-05](#)), after negotiations that extended over nine meetings of the Finance Working Group. The Parties agreed that the formula would be applied to the budget for financial year (FY) 2009, and would continue in use until the annual meeting of the IATTC following the entry into force of the Antigua Convention. Therefore, the entry into force of that Convention on 27 August 2010 opens the door for a re-examination of the contribution formula, to determine if further adjustments are warranted. This document provides some background and reference materials that may be relevant to these discussions.

1. PAST CONTRIBUTION FORMULA IN THE 1949 CONVENTION

The 1949 Convention, Article I, paragraph 3, provided the following guidance:

“Each High Contracting Party shall determine and pay the expenses incurred by its section. Joint expenses incurred by the Commission shall be paid by the High Contracting Parties through contributions in the form and proportion recommended by the Commission and approved by the High Contracting Parties. The proportion of the joint expenses to be paid by each High Contracting Party shall be related to the proportion of the total catch from the fisheries covered by this Convention utilized by that High Contracting Party.”

Pursuant to this guidance, the most recent IATTC formula, agreed in 2007, provides that each member’s contribution shall be calculated as follows:

A base contribution of 10% of the total budget, minus any special contributions, is divided equally among all the members (base contribution). The remaining 90% is allocated among members within three separate components, each of which is weighted by the member’s Gross National Income (GNI) category. The GNI categories are as follows:

Category	GNI range (US\$)
0.5	< 1,499
1	1,500 - 3,499
2	3,500 - 6,499
3	6,500 - 10,999
4	11,000 - 15,999
5	16,000 >

The GNI weighting is applied to three budget components: (1) an operational component (10% of the total budget); (2) a national catch component based on annual average of the catches by a member’s flag vessels in the three most recent years for which catch data are available (65% of the total budget); and (3) a utilization component attributed to members in whose territory tuna products from the eastern Pacific Ocean are consumed (15% of the total budget). In calculating utilization, 50% of the tuna loins included in the calculation are attributed to the member that exported the loins and 50% to the member that

imported them. Additionally, in the case of a member that is also a member of the Western and Central Pacific Fisheries Commission, only 50% of catches made by its flag vessels in the overlap area between the two Commissions shall be included in the calculation of that member's contribution based on catch.

2. FINANCIAL CONTRIBUTIONS UNDER THE ANTIGUA CONVENTION

Article XV, paragraph 1, of the Antigua Convention provides as follows regarding financial contributions:

“The amount of the contribution of each member of the Commission to the budget shall be determined in accordance with the scheme which the Commission shall adopt, and amend, as required, in accordance with Article IX, paragraph 3, of this Convention. The scheme adopted by the Commission shall be transparent and equitable for all members and shall be set out in the financial regulations of the Commission.”

Although transparency and equity are required for a contribution formula under the Antigua Convention, the specific reference to utilization is not included. This does not mean that the current formulation, which includes this element, could not also be adopted under the Antigua Convention, but rather that its inclusion is no longer an absolute requirement.

3. OPTIONS FOR ARRIVING AT A NEW CONTRIBUTION FORMULA UNDER THE ANTIGUA CONVENTION

Although the Commission would need to reach renewed consensus¹ in order to continue using the most recent contribution formula in Resolution [C-07-05](#), the simplest way forward would be to extend this formulation for use under the Antigua Convention, with perhaps a provision for a mandatory review at a certain date in the future. This option, with a chart illustrating example contributions and including new members of the Commission, will be presented by the Commission staff at this meeting of the Working Group.

If some elements or apportionments under the current formula are now unacceptable, the members might elect to retain the general framework of the current formula, making necessary adjustments to the elements and/or apportionments to reach consensus on its suitability. Agreeing to make use of the current formula as the basis for arriving at a new formula might be most efficient, as those elements are the result of extensive negotiations. The staff will be able to provide various examples of the effects of any such adjustments during the meeting in Antigua, based on the views and preferences of the members.

¹ Article IX, paragraph 3, states that decisions on the budget and those on the form and proportion of the contributions of members shall be taken by consensus of all the members