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FORMULA FOR ASSESSMENT OF CONTRIBUTIONS TO THE BUDGET OF THE COMMISSION

Prepared by the Secretariat

1.   At PrepCon III, held in Manila in November 2002, WG.I focused its discussions on the size and scope of the budget of the Commission. Amongst other matters, WG.I considered the likely costs of a Commission secretariat to deliver core functions and science, the costs associated with the various options for providing additional Commission services and the possible mechanisms for funding the participation of developing states consistent with article 30, paragraph 3, of the Convention.

2.   At the end of PrepCon III, WG.I agreed that, at PrepCon IV, it should focus its discussions on:

(a)   the development of a formula for financing the Commission's budget;

(b)   the development of financial regulations for the Commission, including regulations to govern the administration of the special fund established under article 30, paragraph 3, of the Convention;

(c)   finalizing the provisional draft budget for the first year of operation of the Commission.

3.   To facilitate its discussions, WG.I requested the interim secretariat to prepare a paper setting out, inter alia:

(a)   options for the budget funding formula. This advice should include information on the formula adopted or under consideration by other regional organizations;

(b)   information relating to catch in the Convention Area by species, vessel flag and location;

(c)   information relating to methods for calculation of national wealth and recent data from measures and indices of national wealth.

4.   The present document responds to that request. It should be noted that preliminary discussions on the budget funding formula took place at MHLC6 and, to a limited extent, at PrepCon II in Madang. In responding to the request of WG.I, the present paper seeks to reflect the broad trends that emerged from those preliminary discussions, as well as to build upon the

preliminary data provided in earlier working papers (in particular documents MHLC/INF.2/Corr.1 and WCPFC/PrepCon/WP.4). It will further be recalled that, at PrepCon III, the delegation of Korea presented a paper on proposed financial regulations for the Commission, including a scheme of contributions (WCPFC/PrepCon/DP.9). Although there was insufficient time to consider that paper in detail at PrepCon III, some of the suggestions made in that paper have been reflected in the present document.

I. CONTRIBUTIONS FORMULA

5.   The Convention, in article 18, paragraph 2, already gives guidance as to the nature of the scheme of contributions to the budget. It provides as follows:

> "… due consideration shall be given to each member being assessed an equal basic fee, a fee based on national wealth, reflecting the state of development of the member concerned and its ability to pay, and a variable fee. The variable fee shall be based, inter alia, on the total catch taken within exclusive economic zones and in areas beyond national jurisdiction in the Convention Area of such species as may be specified by the Commission, provided that a discount factor shall be applied to the catch taken in the exclusive economic zone of a member of the Commission which is a developing State or territory by vessels flying the flag of that member."

6.   Discussions to date within MHLC and PrepCon have indicated general agreement that the scheme should be based on the considerations set out in the Convention, and the present document has been prepared on that basis. It is suggested that the key issues that need to be considered by WG.I are (a) the methodology for calculating each of the three components of the contributions formula, and (b) the relative weighting to be applied to each component. These factors are considered further below.

7.   While the practices adopted by other fisheries commissions tend to be specific to the particular circumstances of the region concerned, and may not necessarily be relevant to the circumstances of the Western Central Pacific region, it may be noted that other fisheries commissions, including, for example, the Indian Ocean Tuna Commission (IOTC), have adopted a scheme of contributions based on similar considerations to those set out in the Convention. To further facilitate discussions in WG.I, Annex I to the present document contains a summary of the contributions formulae adopted by CCAMLR, IOTC, IATTC, ICCAT and CCSBT.

A. Base fee

8.   The most straightforward component of the contributions formula is the base fee, or fixed component. In general, this element is shared equally among all members of the Commission and is paid in a lump sum at the beginning of each financial year. In previous discussions, the need to keep the base fee as low as possible has been highlighted, particularly by small island developing States. Some PrepCon participants, on the other hand, have suggested that the base fee should account for a substantial proportion of the total contribution by each member in order to promote cost-effectiveness in the budget process.

9.   Table 1 of Annex II shows the effect of a base fee fixed at 10 per cent, 20 per cent and 30 percent of a notional budget of US$ 2 m respectively, divided in equal shares between each potential member of the Commission.

B. National wealth component

10.   According to the Convention, the national wealth component should reflect the state of development of the member concerned and its ability to pay. Applying these parameters, there appear to be two basic options for calculation of the national wealth component. The first option, which was canvassed during earlier discussions in MHLC and at PrepCon II, is to classify each member of the Commission according to its state of development as measured by gross national product (GNP) or income (GNI). Using this approach, the following formula could be applied:

        (a)   Low income members (L) (where GNI per capita is $745 or less) would contribute a zero share to the national wealth payment. Indonesia, Papua New Guinea and Solomon Islands fall into this category.[1]

        (b)   Middle income members (M) (where GNI per capita is $746 - $9,205) would contribute a 0.5 share to the national wealth payment. Cook Islands, China, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Philippines, Samoa, Tonga, Tuvalu and Vanuatu fall into this category.[2]

        (c)   High income members (H) (where GNI per capita is $9,206 or more) would contribute 8 shares to the national wealth payment. In this category are Australia, Canada, Chinese Taipei, France, Japan, Korea, New Zealand, United Kingdom and United States.[3]

11.   An alternative formula, suggested by the delegation of Korea at PrepCon III, would be to calculate the national wealth component by reference to the scale of contributions to the capital stock of the World Bank. The rationale behind this approach, which leads to a significantly different, but possibly more sophisticated, scale of contributions, is explained in the paper circulated by Korea at PrepCon III.

12.   Tables 2 and 3 of Annex II show the effect of the two options outlined in paragraphs 10 and 11 above for calculation of the national wealth component. Table 4 shows the effect of using the scale of contributions to the capital stock of the World Bank, as in Table 3, but with the application of a floor rate of 0.25 per cent.[4] For the purposes of this analysis, the tables show the effect of the formula on a notional budget of US$2 m, where the national wealth component is given a weighting of 10 per cent, 20 per cent, and 40 per cent of the total budget respectively.

C. Fish production formula

13.   The third component of the budget contribution is the variable fee based, inter alia, on the total catch taken within exclusive economic zones and in areas beyond national jurisdiction in the

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[1] Low income as classified by the World Bank Atlas Method and published in the World Bank List of Economies, July 2002.
[2] Lower middle income and upper middle income as classified by the World Bank Atlas Method and published in the World Bank List of Economies, July 2002. Note that Cook Islands, Nauru and Tuvalu are not listed, but are assumed to be 'lower middle income'.
[3] High income as classified by the World Bank Atlas Method and published in the World Bank List of Economies, July 2002.
[4] The use of a floor rate of 0.03% would produce a potential minimum contribution of US$144, and a potential maximum contribution of US$81,125. Introduction of a 0.25% floor rate would produce a minimum contribution of US$1,116 and a maximum of US$75,312 (at a weighting of 10 per cent of total budget).

Convention Area of such species as may be specified by the Commission. In the information paper prepared for MHLC6 on this issue, it was suggested that the variable fee should be based on the total catches of the four main tuna species of commercial interest in the Convention Area, namely skipjack tuna, yellowfin tuna, bigeye tuna and albacore tuna.

16.   Table 5 of Annex II shows a summary of the average catches of the four main tuna species over the most recent three-year period for which data are available (1999-2001). A three-year average is used since it was suggested at MHLC6 that the data used for purposes of calculating the variable fee should be based on a three-year moving average, because this has the advantage of smoothing production, contributions and Commission income. Table 4 summarizes average catches by (a) archipelagic waters, (b) exclusive economic zones of developing States and territories by vessels flying the flag of the State or territory concerned, and (c) catches in the Convention Area as a whole for all other participants. It must be noted that the table is based on currently-available data provided by SPC-OFP. WG.I will be aware that current SPC datasets do not correspond entirely to the Convention Area and a number of caveats must be taken into consideration, including:

        (a)   concerns over the quality of data available to SPC-OFP on Indonesian and Philippine catch estimates and uncertainty as to the division of catches between archipelagic waters, exlusive economic zones and high seas for those countries, as well as potential overlap;

        (b)   the fact that logsheet coverage for most Pacific Island States is less than 100 percent (although the data are considered reasonable and representative for determining the proportion of catch taken within exclusive economic zones);

        (c)   a large albacore catch (>80,000 t.) for several gears taken in the northern hemisphere of the Convention Area (currently assigned by SPC-OFP to unspecified fleets) has not taken into consideration.

17.   Notwithstanding the above concerns, it is considered that the data in Table 5 is sufficiently accurate and representative for the purposes of the present exercise, although it will need to be further refined. However, unless the Commission decides to develop a customised dataset for this purpose, it may be that the Commission will need to take a pragmatic approach to this issue for the first three years of its operations, until the necessary datasets have been developed through the Commission.

18.   Based on the data in Table 5, Table 6 in Annex II shows the effect of the calculation of the variable fee component of a notional budget of US$ 2 m, where the variable fee component is given a weighting of 70 percent of the budget.

19.   The Convention also requires that a discount factor be applied to that part of the catch taken within the exclusive economic zone of a developing State or territory by vessels flying the flag of that developing State or territory. In order to give effect to that requirement, a discount factor of 0.4 has been applied to such catches (shown in column 3 of Table 6).

20.   In addition to the appropriate discount factor, WG.I may also wish to consider whether a distinction should be made (by means of a weighting factor) between different fisheries (e.g. longline and purse seine) in order to avoid higher volume, lower value fisheries carrying a disproportionate burden of the budget. Such a system has been applied by CCAMLR.

21.   Given that a lump-sum payment of the variable fee may cause financial difficulties for some island States, it is suggested that the Commission's financial regulations make provision for the payment of this element of the budgetary assessment in two equal annual instalments. The first payment should be made at the beginning of the Commission's financial year and the second instalment six months after the first payment.

D.   Relative weighting of components

22.   Once WG.I has considered the method of calculation of each of the three components of the budget, it will need to consider the relative weighting to be given to each component. In preliminary discussions at MHLC6 and during PrepCon II it was suggested that a weighting of 10 (base fee), 20 (national wealth) and 70 (variable production) could be applied. However, in discussions at PrepCon III, a proposal was made to apply a weighting of 20 (base fee), 40 (national wealth) and 40 (variable production).

E. Indicative scheme of contributions

23.   It is suggested that WG.I give consideration to the above issues with a view to reaching agreement on the method of calculation for each component of the budget and on the relative weighting to be given to each factor. The tables in Annex II are provided as a guide to the potential impact on the scale of assessment of each of the methods of calculation discussed above.

24.   Given the many variables involved, it has not been considered appropriate to include in this paper a consolidated example of a notional budget apportioned to any one of the above formulae. Should WG.I be able to make progress on the above issues, however, it would be relatively straightforward to produce such an indicative budget.

25.   For the same reasons, it is suggested that WG.I may wish to try to make progress on the formula before it considers how the formula might be reflected in the draft financial regulations of the Commission.

26.   It must be stressed that, in preparing the tables in Annex II, a notional budget of US$ 2 m has been used. This is not intended to prejudice ongoing discussions in WG.I with respect to the size of the budget and, in particular, those issues which are still pending in WG.I, including the cost of additional services and the extent of the special fund for developing countries pursuant to article 30 of the Convention.

II. FINANCING OF THE FIRST FINANCIAL PERIOD

27.   It is inevitable that when the Convention first enters into force, the number of members of the Commission will be less than the number of participants in the Preparatory Conference. By taking an evolutionary approach to the establishment of the Commission, as recommended in WCPFC/PrepCon/WP.7, it is likely that the budget for the first two financial periods of the Commission will be lower than the budget for the third and subsequent years. Nothwithstanding, depending upon the number of members of the Commission at that time, there may also be a need to use additional measures to facilitate the transition from the Preparatory Conference to the Commission proper. Such measures, some of which have been adopted by other new international organizations, may include, for example, temporary adjustments to the scale of contributions to reflect the composition of the Commission as at the date of entry into force or a division of the budget into two or more parts, one to be financed by assessed

contributions in accordance with the agreed formula and one to be financed through voluntary contributions. In addition, depending on the date the Convention enters into force, it may be necessary to adopt a resolution adjusting the first financial period of the Commission to cover a period of more than 12 (but less than 24) months.

28.   In order to ensure a smooth transition, it is also recommended that the Preparatory Conference Organizational Fund should be transferred to the Commission immediately upon entry into force. The Fund should, however, remain open for further contributions following entry into force, including from participants in the Preparatory Conference that have not yet completed the necessary steps to become members of the Commission. To ensure the necessary flow of funds into the Commission at an early stage, and to encourage early ratification or accession, it may also be agreed that, for a limited transitional period, voluntary contributions made to the Fund after entry into force may be set off against future assessments against the budget of the Commission.

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Contributions formulae applied by selected regional fisheries organizations

I. COMMISSION FOR THE CONSERVATION OF ANTARCTIC MARINE LIVING RESOURCES (CCAMLR)

The CCAMLR contributions formula is not fixed. The Commission adopted the latest contributions formula in 2001 to cover the years 2002, 2003 and 2004. Prior to 2001 the contributions formula was last reviewed and agreed in 1996. The current formula includes a base fee levied equally across all members plus a contribution calculated on the basis of harvesting activity. The Commission agreed in 2001 that contributions from harvesting activities should account for at least 3 per cent of the total contributions. In 2002 the harvesting portion of the contributions formula provided 3.1 per cent of the total contributions.

The current formula for calculating the budget contribution from harvesting activities is based upon a contribution unit that is defined as either 1 tonne of toothfish species or 10 tonnes of krill or 5 tonnes of any other harvested resource. Harvesting members contribute at the rate of 13% of the total Member contributions per 100,000 contribution units. As harvest levels increase the portion of the total contributions recovered on the basis of harvesting activity will increase. All members involved in harvesting activities are required to pay a minimum harvest based contribution of A$ 1,000.

Under the CCAMLR formula the contribution from harvesting is calculated and then the balance of the total budget is apportioned equally across all members. The percentage of total contributions that may be levied against an individual member of the Commission is not able to be greater than 25 per cent. In 2002 the basic fee (or non-fishing fee component of the contributions) was approximately A$ 95,000 per member.

CCAMLR does not differentiate between developed and developing States in the calculation of contributions.

II. COMMISSION FOR THE CONSERVATION OF SOUTHERN BLUEFIN TUNA (CCSBT)

The contributions formula for CCSBT is established within the Convention on the Conservation of Southern Bluefin Tuna. Article 11 (2) of the Convention sets the contributions formula as follows:

> " 2. The contributions to the annual budget from each Party shall be calculated on the following basis:
>
> (a)   30% of the budget shall be divided equally among all the Parties; and
>
> (b)   70% of the budget shall be divided in proportion to the nominal catches of southern bluefin tuna among all the Parties."

As is clear from the above there is no provision within the CCSBT contributions formula to differentiate between members on the basis of development status.

III. INDIAN OCEAN TUNA COMMISSION (IOTC)

The contributions formula for IOTC is similar to that of WCPFC in that it also includes an element related to 'national wealth.' In the case of IOTC this is based on GNP per caput, averaged over a three-year period. Unlike WCPFC, and owing to the broader membership, the IOTC formula also differentiates between those members that have a fishing interest in the Convention Area and those that do not. The IOTC formula is as follows:

- Ten percent of the total budget of the Commission shall be divided equally among all the Members.

- Ten percent of the total budget shall be divided equally among the Members having fishing operations in the Area targeting species covered by the Commission.

- Forty percent of the total budget shall be allocated among the Members on the basis of per caput GNP for the calendar year three years before the year to which the contributions relate, weighted according to the economic status of the Members in accordance with the World Bank classification and subject to change in the classification threshold, high income Members shall be weighted by a factor of 8; middle income Members by a factor of 2; low-income Members by a factor of 0.

- Forty percent of the total budget shall be allocated among the Members in proportion to their average catch in the three calendar years beginning with the year five years before the year to which the contributions relate, weighted by a coefficient reflecting their development status. The coefficient of OECD members and the EC shall be 1, and the coefficient of other Members shall be one-fifth.

IV. INTERNATIONAL COMMISSION FOR THE CONSERVATION OF ATLANTIC TUNAS (ICCAT)

Article X of the ICCAT Convention sets out the formula for calculating the contributions of Contracting Parties to the Commission's budget. The basic procedures are as follows:

- US$ 1,000 for the basic Commission fee and US$ 1,000 for each Panel membership (e.g., if a Contracting Party participated in three Panels, then this part of the contribution would amount to US$ 4,000.)

- One-third of the budget not covered by the basic Commission membership fee of US$ 1,000 and Panel membership is contributed by the Contracting Parties in proportion to the payment of such fees.

- The remaining two-thirds of the budget not covered by the basic fee of US$ 1,000 for Commission membership and Panel fees is distributed in proportion to the total of the round weight of catch of Atlantic tuna and the net weight of canned products of such fishes.

The budget of the Commission was initially based in US Dollars and the basic fees continue to be shown in that currency. However, since 1992 the base currency has been Spanish Pesetas, in accordance with a Commission decision, and the Budget and Contributions Tables that are transmitted to the Contracting Parties are all prepared in Pesetas. Contributions may be made in either currency.

At its 1991 Meeting, the Commission adopted a set of basic principles for a new method of calculating contributions. This set of principles served as the basis for an amendment to the ICCAT Convention at a Conference of Plenipotentiaries in Madrid in 1992. Under the new scheme set out in the Madrid Protocol of 1992 (not yet in force), the Contracting Parties are divided into four groups (essentially based on economic development and per capita GNP, and on tuna catch and canned production), with every country in each group being assigned a portion of the Commission's total budget. The intent of the new scheme is to reduce the financial burden on less developed countries. The new scheme is summarized as follows:

- US$ 1,000 for the basic Commission fee and US$ 1,000 for each Panel membership.

- Group D countries (i.e. countries not included in Groups A, B or C) are assigned 0.25 percent of the budget.

- Group C countries (i.e. countries not included in Groups A or B, with per capita GNP exceeding US$ 2,000 or whose combined catch and canned production exceeds 5,000 MT) are assigned 1.0 percent of the budget.

- Group B countries (i.e. countries not included in Group A, with per capita GNP exceeding US$ 2,000 and with combined tuna catch and canning exceeding 5,000 MT) are assigned 3.0 percent of the budget.

- Group A countries (i.e. countries with developed market economies) are assigned the percentage of the Budget remaining after assignment to the other three Groups.

V. INTER AMERICAN TROPICAL TUNA COMMISSION (IATTC)

Under the 1949 Convention establishing the IATTC, the expenses incurred by the Commission shall be paid by the Contracting Parties through contributions in the form and proportion recommended by the Commission and approved by the Contracting Parties. The proportion of joint expenses to be paid by each Party shall be related to the proportion of the total catch from the fisheries covered by the Convention utilized by that Party, i.e. used for domestic consumption in the territory of that Party or that is the object of commercial transactions the financial benefits of which accrue to individuals or firms whose proprietors or stockholders are domiciled in the territory of that Party.

The IATTC is presently reviewing its contributions formula and it is proposed that the original formula be replaced by a formula which includes a base fee, a variable fee based on development status and a fee based on participation in the fishery. The recommendations of a working group on finance in 2001 were that the base fee would constitute 4 per cent of the budget, with a 6 per cent operational contribution. There would then be a contribution based on participation, divided into 'catch' (50 percent) and 'utilization' (40 percent). All contributions would be subject to a weighting factor based on development status. The basic indicator used for this purpose would be the World Bank classification of GDP per capita income.

It should be noted that the revised formula has not yet been agreed by the Commission.

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Annex II

Tables

Table 1: Base fee component

	Base fee (notional budget of US$2 m)		
	10%	*20%*	*30%*
Australia	$7,692.31	$15,384.62	$23,076.92
Canada	$7,692.31	$15,384.62	$23,076.92
China	$7,692.31	$15,384.62	$23,076.92
Cook Islands	$7,692.31	$15,384.62	$23,076.92
FSM	$7,692.31	$15,384.62	$23,076.92
Fiji	$7,692.31	$15,384.62	$23,076.92
France	$7,692.31	$15,384.62	$23,076.92
French Polynesia *			
Indonesia	$7,692.31	$15,384.62	$23,076.92
Japan	$7,692.31	$15,384.62	$23,076.92
Kiribati	$7,692.31	$15,384.62	$23,076.92
Korea	$7,692.31	$15,384.62	$23,076.92
Marshall Islands	$7,692.31	$15,384.62	$23,076.92
Nauru	$7,692.31	$15,384.62	$23,076.92
New Caledonia *			
New Zealand	$7,692.31	$15,384.62	$23,076.92
Niue	$7,692.31	$15,384.62	$23,076.92
Palau	$7,692.31	$15,384.62	$23,076.92
Papua New Guinea	$7,692.31	$15,384.62	$23,076.92
Philippines	$7,692.31	$15,384.62	$23,076.92
Samoa	$7,692.31	$15,384.62	$23,076.92
Solomon Islands	$7,692.31	$15,384.62	$23,076.92
Chinese Taipei	$7,692.31	$15,384.62	$23,076.92
Tonga	$7,692.31	$15,384.62	$23,076.92
Tuvalu	$7,692.31	$15,384.62	$23,076.92
United Kingdom	$7,692.31	$15,384.62	$23,076.92
USA	$7,692.31	$15,384.62	$23,076.92
Vanuatu	$7,692.31	$15,384.62	$23,076.92
Total	**$200,000.00**	**$400,000.00**	**$600,000.00**

Notes:

* The potential contribution of French Polynesia and New Caledonia will need to be considered in relation to the draft rules of procedure on the participation of territories

Table 2: National wealth component based on income group
Source of data: World Development indicators database, World Bank, 2002

	Income group	Index	% share of NWC	National wealth component (notional budget of US$2 m)		
				10%	20%	40%
Australia	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
Canada	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
China	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Cook Islands *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
FSM *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Fiji	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
France	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
*French Polynesia ** *			0.000%	$0.00	$0.00	$0.00
Indonesia	L	0	0.000%	$0.00	$0.00	$0.00
Japan	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
Kiribati	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Korea	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
Marshall Islands *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Nauru *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
*New Caledonia ** *			0.000%	$0.00	$0.00	$0.00
New Zealand	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
Niue *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Palau *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Papua New Guinea	L	0	0.000%	$0.00	$0.00	$0.00
Philippines	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Samoa	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Solomon Islands	L	0	0.000%	$0.00	$0.00	$0.00
Chinese Taipei ***	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
Tonga *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Tuvalu *	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
United Kingdom ****	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
USA	H	8	10.127%	$20,253.16	$40,506.33	$81,012.66
Vanuatu	M	0.5	0.633%	$1,265.82	$2,531.65	$5,063.29
Total		**79**	**100**	**$200,000.00**	**$400,000.00**	**$800,000.00**

Notes:

* Not listed in UNDP report: treated as (M)

** The potential contribution of French Polynesia and New Caledonia will need to be considered in relation to the draft
rules of procedure on the participation of territories

*** Chinese Taipei treated as (H)

**** UK (in respect of Pitcairn Islands) treated as (L)

Table 3: National wealth component based on capital stock contribution to World Bank
Source: IBD Report 2002

	% contribution to IBD capital stock (2002)	Adjusted % contribution to NWC	National wealth component (notional budget of US$2 m)		
			10%	20%	40%
Australia	1.56	3.751%	$7,501.80	$15,003.61	$30,007.21
Canada	2.85	6.853%	$13,705.22	$27,410.44	$54,820.87
China	2.85	6.853%	$13,705.22	$27,410.44	$54,820.87
Cook Islands *	0.03	0.072%	$144.27	$288.53	$577.06
FSM *	0.03	0.072%	$144.27	$288.53	$577.06
Fiji	0.06	0.144%	$288.53	$577.06	$1,154.12
France	4.42	10.628%	$21,255.11	$42,510.22	$85,020.44
French Polynesia **					
Indonesia	0.95	2.284%	$4,568.41	$9,136.81	$18,273.62
Japan	8.08	19.428%	$38,855.49	$77,710.99	$155,421.98
Kiribati	0.03	0.072%	$144.27	$288.53	$577.06
Korea	1.01	2.428%	$4,856.94	$9,713.87	$19,427.75
Marshall Islands	0.03	0.072%	$144.27	$288.53	$577.06
Nauru *	0.03	0.072%	$144.27	$288.53	$577.06
New Caledonia **					
New Zealand	0.46	1.106%	$2,212.07	$4,424.14	$8,848.28
Niue *	0.03	0.072%	$144.27	$288.53	$577.06
Palau	0.03	0.072%	$144.27	$288.53	$577.06
Papua New Guinea	0.08	0.192%	$384.71	$769.42	$1,538.83
Philippines	0.44	1.058%	$2,115.89	$4,231.79	$8,463.57
Samoa	0.03	0.072%	$144.27	$288.53	$577.06
Solomon Islands	0.03	0.072%	$144.27	$288.53	$577.06
Chinese Taipei ***	1.56	3.751%	$7,501.80	$15,003.61	$30,007.21
Tonga	0.03	0.072%	$144.27	$288.53	$577.06
Tuvalu *	0.03	0.072%	$144.27	$288.53	$577.06
United Kingdom ****	0.03	0.072%	$144.27	$288.53	$577.06
USA	16.87	40.563%	$81,125.27	$162,250.54	$324,501.08
Vanuatu	0.04	0.096%	$192.35	$384.71	$769.42
Total	**41.59**	**100.000%**	**$200,000.00**	**$400,000.00**	**$800,000.00**

Notes:

* Not subscribers. Floor rate of 0.03 used.

** The potential contribution of French Polynesia and New Caledonia will need to be considered in relation to the draft rules of procedure on the participation of territories

*** Chinese Taipei allocated subscription rate equivalent to Australia

**** UK in respect of Pitcairn Islands

Table 4: National wealth component based on capital stock contribution to World Bank (floor rate of 0.25%)
Source IBD Report 2002

	% contribution to IBD capital stock (2002)	Adjusted % contribution to NWC	National wealth component (notional budget of US$2 m)		
			10%	20%	40%
Australia	1.56	3.482%	$6,964.29	$13,928.57	$27,857.14
Canada	2.85	6.362%	$12,723.21	$25,446.43	$50,892.86
China	2.85	6.362%	$12,723.21	$25,446.43	$50,892.86
Cook Islands *	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
FSM *	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Fiji	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
France	4.42	9.866%	$19,732.14	$39,464.29	$78,928.57
French Polynesia					
Indonesia	0.95	2.121%	$4,241.07	$8,482.14	$16,964.29
Japan	8.08	18.036%	$36,071.43	$72,142.86	$144,285.71
Kiribati	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Korea	1.01	2.254%	$4,508.93	$9,017.86	$18,035.71
Marshall Islands	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Nauru *	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
New Caledonia					
New Zealand	0.46	1.027%	$2,053.57	$4,107.14	$8,214.29
Niue *	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Palau	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Papua New Guinea	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Philippines	0.44	0.982%	$1,964.29	$3,928.57	$7,857.14
Samoa	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Solomon Islands	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Chinese Taipei **	1.56	3.482%	$6,964.29	$13,928.57	$27,857.14
Tonga	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Tuvalu *	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
United Kingdom *	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
USA	16.87	37.656%	$75,312.50	$150,625.00	$301,250.00
Vanuatu	0.25	0.558%	$1,116.07	$2,232.14	$4,464.29
Total	**44.8**	**100.000%**	**$200,000.00**	**$400,000.00**	**$800,000.00**

Notes:
* not subscribers. Floor rate applied.
** Chinese Taipei allocated subscription rate equivalent to Australia
*** Pitcairn Island

Table 5: Summary of average catches of YF, SK, BE, ALB, 1999-2001
Source: SPC-OFP data

1	2 Average catches taken in archipelagic waters	3 Average catches taken in EEZ of developing States and territories by own flag vessels	4 Average catches taken in Convention Area (Incl. EEZ of developed countries)	5 Total
Australia		0.00	6,348.00	6,348.00
Canada		0.00	270.00	270.00
China		0.00	7,901.00	7,901.00
Cook Islands		0.00	0.00	0.00
FSM		2,769.00	13,949.00	16,718.00
Fiji	5,999.00	1,139.00	1,157.00	8,295.00
France		0.00	0.00	0.00
French Polynesia		6,295.00	189.00	6,484.00
Indonesia	281,339.00	70,334.00	0.00	351,673.00
Japan		0.00	389,748.00	389,748.00
Kiribati		2,100.00	4,934.00	7,034.00
Korea		0.00	188,404.00	188,404.00
Marshall Islands		1,767.00	12,983.00	14,750.00
Nauru		0.00	0.00	0.00
New Caledonia		1,634.00	32.00	1,666.00
New Zealand		0.00	14,578.00	14,578.00
Niue		0.00	0.00	0.00
Palau		100.00	0.00	100.00
Papua New Guinea	31,338.00	14,345.00	21,701.00	67,384.00
Philippines	163,766.00	40,942.00	25,362.00	230,070.00
Samoa		4,757.00	520.00	5,277.00
Solomon Islands	10,441.00	10,884.00	4,014.00	25,339.00
Chinese Taipei		0.00	267,216.00	267,216.00
Tonga		1,200.00	117.00	1,317.00
Tuvalu		0.00	0.00	0.00
United Kingdom		0.00	0.00	0.00
USA		0.00	148,411.00	148,411.00
Vanuatu		0.00	27,761.00	27,761.00
Total	**492,883.00**	**158,266.00**	**1,135,595.00**	**1,786,744.00**

Notes:
Pending better data, it is assumed that 80 per cent of Indonesian and Philippine 'EEZ' catch is taken in archipelagic waters

Table 6: Indicative breakdown of variable fee component
Source: SPC-OFP data

1	2 Average catch of SK, BE, YF, ALB in Convention Area (1999-2001)	3 Average catch by own vessels in own EEZ (developing countries) discounted at 0.4	4 Total catch (after application of discount factor)	5 Adjusted percentage share of budget component	6 Indicative share of 70% total budget (notional budget of US$2.2 m)
Australia	6,348.00	0.00	6,348.00	0.53%	$7,400.78
Canada	270.00	0.00	270.00	0.02%	$314.78
China	7,901.00	0.00	7,901.00	0.66%	$9,211.34
Cook Islands	0.00	0.00	0.00	0.00%	$0.00
FSM	13,949.00	2,769.00	15,056.60	1.25%	$17,553.66
Fiji	1,157.00	5,999.00	3,556.60	0.30%	$4,146.44
France	0.00	0.00	0.00	0.00%	$0.00
French Polynesia	189.00	6,295.00	2,707.00	0.23%	$3,155.94
Indonesia	0.00	70,335.00	28,134.00	2.34%	$32,799.88
Japan	389,748.00	0.00	389,748.00	32.46%	$454,385.73
Kiribati	4,934.00	2,100.00	5,774.00	0.48%	$6,731.59
Korea	188,404.00	0.00	188,404.00	15.69%	$219,649.85
Marshall Islands	12,983.00	1,767.00	13,689.80	1.14%	$15,960.18
Nauru	0.00	0.00	0.00	0.00%	$0.00
New Caledonia	32.00	1,634.00	685.60	0.06%	$799.30
New Zealand	14,578.00	0.00	14,578.00	1.21%	$16,995.69
Niue	0.00	0.00	0.00	0.00%	$0.00
Palau	0.00	100.00	40.00	0.00%	$46.63
Papua New Guinea	21,701.00	14,345.00	27,439.00	2.28%	$31,989.62
Philippines	25,362.00	40,942.00	41,738.80	3.48%	$48,660.97
Samoa	520.00	4,757.00	2,422.80	0.20%	$2,824.61
Solomon Islands	4,014.00	10,884.00	8,367.60	0.70%	$9,755.32
Chinese Taipei	267,216.00	0.00	267,216.00	22.25%	$311,532.42
Tonga	117.00	1,200.00	597.00	0.05%	$696.01
Tuvalu	0.00	0.00	0.00	0.00%	$0.00
United Kingdom	0.00	0.00	0.00	0.00%	$0.00
USA	148,411.00	0.00	148,411.00	12.36%	$173,024.21
Vanuatu	27,761.00	0.00	27,761.00	2.31%	$32,365.02
Total	**1,135,595.00**	**163,127.00**	**1,200,845.80**	**100.00%**	**$1,400,000.00**

Notes:
* Catch taken in the Convention Area (excluding archipelagic waters of Fiji, Indonesia, PNG, Philippines and Solomon Islands and developing country EEZ catch in column 3)
** Catch taken in EEZ of developing States and territories by vessels flying the flag of that developing State or territory. Discounted by a factor of 0.4