



CCSBT-EC/0410/12

9. Funding Formula

Purpose

To discuss options for changing the CCSBT funding formula..

Discussion

At CCSBT10 it was agreed that the Secretariat would produce a discussion paper on options for amending the CCSBT funding formula to reduce the disincentive in the existing formula to developing countries involved with the SBT fishery.

The discussion paper was circulated to members out of session on 16 June 2004. A copy is at Attachment A.

For consideration.

Prepared by the Secretariat

**NEW CONTRIBUTION FORMULA FOR CCSBT
DISCUSSION PAPER**

GENERAL BUDGET

Background

The formula for determining member contributions to the annual budget is set out in Article 11, paragraph 2 of the Convention:

“The contribution 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.”

The formula was agreed in 1992 by the three original members, Australia, Japan and New Zealand in the discussions leading up to finalisation of the Convention. The formula’s structure gave a relatively high weighting (30%) to the equal share component to reflect the principle that there was a base level of fishery administration that should be shared equally among the members. However, it was also seen in negotiations at the time as the upper limit that would be fair to New Zealand given its relatively small share of the fishery. As all three original members were advanced industrialized economies, a component to reflect economic wealth was not considered to be particularly relevant or necessary at the time.

All general budgets of the Commission have used the same catch levels for the three original members and the two more recent members, Korea and Taiwan, have also remained at the level agreed at the time of admission. For reference and comparison with options set out in this paper, each member’s contribution to the general budget for 2004 is shown in the table below.

Current Funding Formula
Distribution of 2004 General Budget Among Existing Members

(\$AUS)	Equal Contribution (30%)	Contribution by Quota (70%)	Total Contribution
Australia	105,027	459,820	564,848
Japan	105,027	529,688	634,716
New Zealand	105,027	36,680	141,708
Korea	105,027	99,562	204,589
Taiwan	105,027	99,562	204,589
Total	525,135	1,225,315	1,750,450

At CCSBT10 it was noted that current formula acted as a disincentive to accession to the Convention by developing countries engaged in the fishery.

At CCSBT10, the members agreed that the funding formula for contributions to the special budget for the SRP tagging program in 2004 should be the allocation formula used for the general budget. However, New Zealand considered itself to be disadvantage by the application of this formula because the benefits accrue to members in proportion to the relative share of the fishery. Taiwan associated itself with New Zealand's comments.

It was agreed that funding formulas for the general budget and special budgets for scientific research would be reviewed at CCSBT11. The Secretariat was asked to develop discussion papers on the funding formulas and provide these to members well in advance of CCSBT11. This paper addresses both funding formulas.

Structure of Membership

When the Convention came into effect, the Commission comprised three member countries, Japan Australia and New Zealand. In October 2001, the Republic of Korea joined the Commission and the Fishing Entity of Taiwan's membership of the Extended Commission became effective in August 2002. All five members have industrialized economies (although they would be ranked differently for economic wealth if other RFB formulas were applied). Three members, Japan, Korea and Taiwan conduct high seas fishing in the fishery. Two members, Australia and New Zealand fish almost exclusively in their EEZs.

The CCSBT is currently in active discussion with three countries over accession to the Convention or admission as a cooperating non-member - South Africa, Indonesia and Philippines. These three countries are involved in the fishery, particularly Indonesia, which is fishing in the spawning ground. Indonesia and Philippines have developing economies and fisheries administrations. South Africa is an industrialised economy with a relatively developed fishery administration but low per capita economic wealth. Indonesia and South Africa are range states for SBT. The Philippines is currently fishing in the Indonesian EEZ under licence but has indicated to the CCSBT that it has aspirations to develop their SBT fishery further.

There is a possibility that other nations could enter the fishery. The most likely avenue would be high seas fishing in the Indian Ocean. China is currently catching SBT in small amounts in the Indian Ocean. Exploratory fishing by the European Union was reported at the CCSBT Special Meeting in April 2004. These potential entrants into the fishery would all require industrialized fleets or be from commercial interests flying flags of convenience.

Other Regional Fisheries Bodies' Formulas

Other similar tuna regional fisheries bodies' (RFBs) formulas, such as the Indian Ocean Tuna Commission (IOTC), International Commission for the Conservation of Atlantic Tunas (ICCAT), the Inter American Tropical Tuna Commission (IATTC) and the Commission for the Conservation and Management of Highly Migratory Fish Stock in the Western and Central Pacific, (WCPFC) use three basic components namely, equal shares, national wealth and catch levels. However, in detail, they differ in how they measure and apply these factors and there are some unique arrangements reflecting the history of the body.

Details of each funding formula are set out in **Attachment 1**. Summary weightings of the formula components are shown at **Attachment 2**

Some of these bodies are in the process of amending their contribution formulas. ICCAT agreed to amend its funding formula in 1992 but the agreed formula has not been implemented to date due to insufficient formal ratification/adoption/acceptance by members. IATTC has been considering changes in its funding arrangements since 2001 and these have been reflected in contributions for 2003-2005. However, there is some uncertainty surrounding the formula. Non-members fishing in the Convention area have been asked to make voluntary contributions and the United States, which pays a headquartering payment of \$US1,500,000 per annum, has indicated it is unprepared to

continue with this payment in the future. Both of these matters will have very significant effects on the funding formula for the IATTC in the future.

The distinctive difference between the CCSBT and the other tuna RFBs' formulas is the absence of a component for economic wealth. As mentioned above, this reflects the nature of the original members of the CCSBT.

The economic wealth component of the agreed funding formula for the WCPFC is structured to resolve the difficulty of a country having high aggregate economic wealth but low per capita economic wealth. Both measures are used in a composite index.

The use of a component for economic wealth by other tuna regional fisheries bodies is largely to reflect capacity to pay, where membership includes countries with developing economies. However, the level of participation in the fishery is still a significant component of all funding formulas.

The relative shares of the various components of the RFB funding formulas appears to have been resolved by negotiation and compromise, the levels being set at the point that balanced in members' minds at the time, the tension between capacity to pay and involvement in the fishery.

Despite the inclusion of components in RFB funding formulas to reflect capacity to pay, non-payment of contributions is a real problem for many of the RFBs.

Non-tuna RFBs have a variety of funding mechanisms reflecting their history, purpose and membership:

- The International Pacific Halibut Commission (IPHC) has two members, Canada and the United States, with the administrative budget simply split equally between the two members. The role of the IPHC is to manage the fishery and to undertake a supporting scientific research program. The administrative budget is supplemented by the proceeds of selling fish taken in the course of stock assessment cruises.
- Members of the North Pacific Anadromous Fish Commission (NPAFC) contribute equally to the approved annual budget.
- The Northwest Atlantic Fisheries Organisation recognizes a difference between coastal

states and non-coastal states. 30% of the annual budget is divided equally among the members (same as CCSBT), 10% of the annual budget is divided among coastal states according to catch levels and 60% is divided among all members according to catch levels.

Discussion

Any change to the CCSBT funding formula would require an amendment to the Convention under the terms of Article 21 and would enter into force when the depository had received instruments of ratification/acceptance/approval from all members. Actual implementation of a change is therefore a complex and potentially lengthy process involving members' domestic legislative processes. The CCSBT would need to make a judgment whether the effort to amend the Convention was necessary for the intended purpose.

The decision at CCSBT10 to review the funding formula was based on the disincentive the current formula might represent to potential new members. It is assumed that the CCSBT has no other reasons for wanting to amend the formula.

The minimum entry price (defined as the contribution for membership with zero catch limit) under the CCSBT formula for the next new member is about \$115,000 at current general and SRP budget levels. Compared to other tuna RFBs, this is very high and it is reasonable to assume that there would be some disincentive effect from it for the three countries the CCSBT is encouraging to accede – Indonesia, Philippines and South Africa. To illustrate this point:

- The entry price for Indonesia and Philippines in the WCPFC is less than \$11,000 and their total contributions will be about \$47,000 and \$69,000 respectively. The total payment calculations are based on catches of 369,000 tonnes and 245,000 tonnes respectively.
- The entry price for South Africa under the new ICCAT funding formula will be about \$7,000 and its total current contribution is about \$55,000 for a catch of around 4,400 tonnes.

While the value of the fish is considerably different, the SBT catch limits being offered to Indonesia, Philippines and South Africa are 800 tonnes, 50 tonnes and 30 tonnes respectively, and where SBT is a bycatch.

In considering the specific disincentive from high contribution levels, the influence of other factors on decisions to accede are relevant. It is possible that such factors may be more important. For example, accession or cooperating non-member status requires commitments to conservation and management measures that may be particularly onerous and undeliverable for fisheries management agencies in developing countries. Another example would be the responsibility to enact domestic legislation to put CCSBT management measures into place. If these factors were significant for potential new entrants, modification of the CCSBT's funding formula may not have any impact on decisions to accede to the Convention.

Other issues of relevance are the CCSBT's decisions to create the status of cooperating non-member and a list of large scale vessels authorized to fish for SBT.

Cooperating non-members must comply with the conservation and management measures of the CCSBT and agree to manage to a catch limit. This requires acceptance of obligations equivalent to that of members but not the requirement to contribute to the financing of the CCSBT. In this sense there are advantages for the CCSBT. The financial disincentive of membership is overcome and at the same time the CCSBT's conservation and management measures are enhanced. However, cooperating non-membership is regarded by the CCSBT as a transitional measure towards full accession.

The provisions of the CCSBT resolution creating the list of large scale vessels approved to fish for SBT have the effect of encouraging accession or application for cooperating non-member status. Only members or cooperating non-members can have vessels on the CCSBT list and members will not accept product from vessels not on the list. This represents an incentive to accede or to become a cooperating non-member for any country that has serious aspirations for the fishery and might militate against resistance arising from the cost of becoming a member.

While the Convention encourages the accession of all countries with an interest in the fishery, there is a potential difficulty for the operation of the CCSBT in having additional members with small interests in the fishery. The larger the membership, the more difficult consensus might become.

A new funding formula would have application to existing members at the time of acceptance. An adjustment to the existing formula predicated on the aim of encouraging new members would result in changes to existing members' relative contributions before the effects of new membership came into effect. This is likely to be the first effect of a change in the funding formula.

The various options presented in this paper use the World Bank's measures of total Gross National Income (GNI) and GNI per capita as measures of economic wealth. This is consistent with some other RFBs. However, GNI is expressed in US dollars and relativities between countries can be significantly affected by exchange rate fluctuations where classification of countries is continuous and by a step function. To overcome this rolling three year averages have been used but the effects remain in the longer term. For example, in this paper calculations have used the GNI index for 1999-2001. In this period the exchange rate for the Australian dollar was as low as \$AUS1=\$US.48. Since then the Australian dollar has appreciated to as high as \$AUS1=\$US.80. Other existing members' currencies have also fluctuated across broad ranges. The use of the World Bank's GNI indices could cause existing members' contributions to change in the absence of any movement in their circumstances in the fishery.

Options

In the context of the discussion in this paper four options might be considered;

1. Make no change
2. Simply adjust the relative shares in the current formula so that the equal share component is reduced.
3. Adopt one of the models in place in other RFBs, which have already been structured so the entry price for developing economies is not prohibitive.
4. Construct a new formula

Option 1

This option would not remove the financial disincentive to accession to the Convention. The Commission would have to rely on cooperating non-membership and the list of authorized large scale vessels to encourage engagement by potential non-members. However, amendment of the Convention would not be necessary and existing member contribution proportions would not be disturbed.

Option 2

The current CCSBT two-component formula applies the principle that there is a threshold contribution to reflect a base level of support for the fishery's administration with the remainder being distributed according to the benefit the member derives from the fishery. The current split of 30:70 is a negotiated figure and was not arrived at by implementing any measurable criteria. If the CCSBT considered it important to reduce the impact on less wealthy new entrants the equal share component could be reduced.

Attachment 3 shows how the current formula responds to changing the relative shares of the two components at current budget levels. For existing members, as the equal share component reduces, Australia's and Japan's contributions increase while the contributions from the other three members decrease. New entrants would of course reduce the amounts shown for every member. The Attachment also shows what the entry price (the equal share component) would be for the next new member.

However, a two component model which does not include a factor for national wealth will never satisfactorily depress the total cost of membership to developing countries especially where catch was significant. For example, no matter what the share of the equal contribution is, Indonesia would always have to contribute more than New Zealand at the catch limit recently offered to Indonesia.

Option 3

Most other RFBs use funding formulas which incorporate factors for an equal share, economic wealth and catch levels. Some reflect circumstances particular to the RFB's history and structure. No one model has specific relevance to the CCSBT's circumstances, member structure and fishery.

If the intention was to keep developing countries contributions as low as possible, the new ICCAT funding formula would give the best fit with minimal change to existing members' contributions.

If the intention was to reflect national wealth but also to ensure that there was some reasonable reflection of the benefit being derived from the fishery, the WCPFC would seem the most suitable. This model has a low equal share component; a national wealth component that reflects both total and per capita wealth statistics, which is smooth in application; and a catch based factor to reflect benefit from the fishery. The latter factor is discounted when the catch is by a developing member

in that members' EEZ to reflect the developing country status of many members participating in the fishery. Indonesia and South Africa would all qualify for this discounting factor if adopted by the CCSBT.

Attachments 4 and 5 provide details of how the respective funding formulas would respond to the CCSBT's 2004 budget and the difference from current contribution levels.

Option 4

A replacement funding formula needs to:

- be equitable among members
- reflect the relative benefit being taken by members from the fishery
- recognize capacity to pay
- be capable of accommodating the range of circumstances of the members and potential new members
- require only small adjustments to contributions as circumstances change
- ensure that one component does not overwhelm the intentions of another

Three possible structures for a funding formula to achieve these aims are set out below. The amounts and weightings are indicative only. However weightings are very important for achieving balance between the requirements outlined above.

The formulas do not include a members' GNI in the component to reflect capacity to pay. Incorporation of this factor would cause very large redistributions of existing members' contributions. The formulas use GNI per capita as a proxy for economic wealth.

- (A) - a base payment of 10% of the budget
 - 30% of the remaining funding requirement distributed according to an index of GNI per capita
 - 70% of the remaining funding requirement distributed according to the member's national catch allocation

- (B) - a base payment of \$10,000
 - 90% of the remaining funding requirement assigned to members with per capita GNIs above \$5,000 with relevant member shares distributed in proportion to national catch

allocations

- 10% of the remaining funding requirement assigned to members with per capita GNIs below \$5,000 with relevant member shares distributed in proportion to national catch allocations

(C) - a base payment of \$10,000

- 2% of the remaining budget assigned to members with a GNI per capita less than \$1,000

- 5% of the remaining budget assigned to members with a GNI per capita between \$1,000 and \$10,000

- 93% of the remaining budget assigned to members with a GNI per capita higher than \$10,000

- within each wealth grouping distribute one third equally and the remaining two thirds according to catch

Option (A) adapts the features of the WCPFC model without the differentiation for EEZ fisheries in the catch driven component. This model addresses capacity to pay with a low equal share component and a factor for economic wealth. It places considerable weight on catch in the fishery to reflect the benefit being derived from the fishery. South Africa and the Philippines would benefit but Indonesia would still be required to make a substantial contribution because of the level of its catch limit.

Prior to accession by new members, all existing members' contributions except for Korea would increase. After accession by new members, Australia and Japan would have higher contribution shares while the other three existing members' contributions would stay at about the same level.

Option (B) uses the central concepts of the new ICCAT formula. That is, a share of the budget is first set for members according to their economic wealth. This model provides the opportunity to set low entry prices and for economic wealth to be the main driver of contributions.

The effect of the formula is to significantly reduce the contributions of countries like Indonesia the Philippines and South Africa. For existing members the contributions from Australia and Japan increase while those for Taiwan New Zealand and Korea decrease.

Option (C) was developed to overcome a fundamental problem created by Indonesia for the other two options. While Indonesia has low per capita wealth, it also has a relatively large catch and any formula which is significantly influenced by catch levels, weights Indonesia heavily. This model

also has similarities to the ICCAT formula but has changed the weightings for economic wealth to place Indonesia in a separate group of its own. The effect is to lower Indonesia's contribution to low levels without causing distortions in other members' contributions.

Attachments 6, 7 and 8 show how these three models would distribute the current general budget among existing members, South Africa, Indonesia and the Philippines.

SCIENTIFIC RESEARCH PROGRAM (SRP)

The funding formula for the SRP is not set down in the Convention. Funding of the SRP can be decided in the context of the provisions of the Regulation 6.2 of the Financial Regulations, which relate to Special Funds and expenditure from those funds. Currently, members have agreed to contribute to the cost of the SRP in accordance with the funding formula for the general operating expenses of the Commission.

Other than the IATTC, funding for research conducted directly by RFBs seems mostly to be provided from special assistance payments, aid grants or sponsor institutions. For example, the IOTC is being funded by special assistance from the European Union to implement a tagging program. The NPAFC receives financial support from scientific funding institutions.

The IATTC employs its own scientific staff to conduct stock assessments, provide scientific observers and conduct tagging programs. Some of this research is supported by special payments from members. For example a bigeye tagging program is being supported by Japan. Otherwise the activity is funded from the IATTC budget.

The IPHC uses the proceeds from selling fish taken in stock assessment cruises to help fund in house research. Interested buyers submit a price to the IPHC and the fish landed from an assessment cruise are sold to the buyer who submitted the highest price.

There appears to be no general pattern or principles in place to give guidance to the CCSBT. In addition the CCSBT does not employ scientists and currently the only direct involvement by CCSBT staff in the SRP is the operation of the surface fishery tagging program.

Discussion

The principle discussed by the CCSBT to date for varying the funding formula for the SRP has

been that contributions should reflect the benefit derived from the fishery. National allocations have been suggested as the best reflection of member benefit. However, in some cases catch does not reflect relative benefit. For example, current members are able to take full commercial advantage of their SBT fisheries and take high value product to the limit of their national allocations. Only a small proportion of Indonesia's catch is exported as high value product and if Indonesia were to become a member a formula based on simple catch relativities could be inequitable. In a RFB comprising members with substantial differences in economic wealth, capacity to pay might be relevant.

Any consideration of the SRP funding formula would need to have regard to any changes agreed for the general budget funding formula. It may be that an amended general budget formula, if applied to the SRP program, would produce an equitable outcome between members.

Alternative principles might be:

- Capacity to pay
- A small equal payment from all members to demonstrate commitment with the remaining cost distributed according to relative catch.
- A combination of capacity to pay and catch volumes

Capacity to pay formula

Adoption of a capacity to pay principle (say, the non base pay element of Option 4(C) for the general budget) could be regarded as creating inequitable outcomes for members in the light of benefit from the fishery. For example Indonesia with a catch of 800 tonnes would be contributing less than South Africa with a catch of 30 tonnes. It would affect the current contribution shares for existing members. Australia and Japan would be required to make higher contributions.

A catch influenced formula

This option could be achieved by lowering the equal share in the existing formula to less than 30%, or setting a small absolute amount. It would reflect the judgment that that catch levels do represent the benefit to the member from the SBT fishery. The effect would be to shift funding among existing members to those with the larger catches. For potential new members, Indonesia would be required to make a significant contribution and this formula could have an impact on its willingness to accede to the Convention.

A composite catch and capacity to pay formula

The funding formula for this option would resemble Option 4(A) outlined for the general budget, which placed an emphasis on capacity to pay. The impact of this formula would depend on how economic wealth was measured and the weight given to it. A simple measure like the IOTC based on coarse groupings would have less impact on existing distribution patterns than the more complex arrangement of the WCPFC, which would redistribute existing members' shares considerably. The disincentives for Indonesia recognized in Option 2 would be reduced.

Attachment 9 sets out how the three options would redistribute the cost of financing the existing tagging program budget. The weightings assumed for each model are detailed in the attachment.

Other Arrangements

An alternative to modifying the funding formula for the SRP might be to shift the funding source to commercial fishing activity with direct payments to the CCSBT. It is recognized that this is a sensitive issue but there is a precedent in another RFB.

Some members already impose levies on their industries to finance fishery administration and associated research activity. The CCSBT has used the proceeds from the sale of dead fish from the Australian east coast tagging program to supplement the surface fishery tagging program. An extension of these concepts might be to add a small amount of quota to members' fleets with the proceeds of the sale of these fish to be remitted to the CCSBT.

There would be practical difficulties with this arrangement, particularly related to the ownership of the fish, industry cooperation, accountability and the delays between catching and marketing in the distant water fleets of members. To resolve these difficulties the SRP mortality quota could (if domestic regulations would allow) be given to New Zealand and Australia to administer on behalf of the CCSBT. These two members have fresh fish industries, which would allow tight controls and immediate remittance of sale proceeds to the CCSBT. However, the concept is basically fraught for the SBT fishery.

Prepared by the Secretariat

Contribution Formulas Applied by Other Regional Fisheries Bodies

1. Indian Ocean Tuna Commission (IOTC)

The funding of the Commission comes from contributions of Contracting Parties. The Scheme of Contributions described below was adopted at the First Special Session of the Commission in 1997.

- (a) Ten percent of the total budget of the Commission shall be divided equally among all the Members.
- (b) 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.
- (c) 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 as follows and subject to change in the classification thresholds: high income Members shall be weighted by the factor of 8; middle income Members by the factor of 2; low-income Members by the factor of 0.
- (d) 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 EC shall be 1, and the coefficient of other Members shall be one-fifth.

2. International Commission for the Convention 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:

- (a) 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.)

(b) 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.

(c) 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.

3. New ICCAT

At its 1991 Meeting, the Commission adopted the *Basic Principles for the New Method of Calculating Contributions*, which served as the basis for the Conference of Plenipotentiaries (Madrid, 1992) to amend the Convention in regard to the contribution scheme. The main change is that the new contribution scheme divides the Contracting Parties 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 this new scheme is to reduce the financial burden on less developed countries. The new scheme is summarized as follows:

- (a) US\$1,000 for the basic Commission fee and US\$1,000 for each Panel membership.
- (b) Group D countries are assigned [0.25] percent of the budget.
- (c) Group C countries are assigned [1.0] percent of the budget.
- (d) Group B countries are assigned [3.0] percent of the budget.
- (e) Group A countries are assigned the percentage of the Budget remaining after assignment to the other three Groups.

Notes:

Group A: Countries with developed market economies.

Group B: Countries not included in Group A, with per capita GNP exceeding [US\$2,000] (adjusted to 1991 dollar values) and with combined tuna catch and canning exceeding [5,000 MT].

Group C: 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];

Group D: Countries not included in Groups A, B or C.

The US dollar amounts and MT amounts in [] are variables, which may be modified, by Commission decision.

4. Commission for the Conservation and Management of Highly Migratory Fish Stock in the Western and Central Pacific (WCPFC)

Working Group 1 which was held during the sixth session of the Preparatory Conference in April 2004, decided to recommend the adoption of a scheme of contributions determined according to the following formula:

- (a) a 10 per cent base fee divided in equal shares between all members of the Commission;
- (b) a 20 per cent national wealth component based upon an equal weighting of proportional gross national income (calculated on a three-year average) per capita and proportional gross national income (calculated on a three-year average); and
- (c) a 70 per cent fish production component based upon a three-year average of the total catches taken within exclusive economic zones and in areas beyond national jurisdiction in the Convention Area of all the stocks covered by the Convention for which data are available (including the main target tuna species, as well as the four main billfish species (black marlin, blue marlin, striped marlin and swordfish), subject to a discount factor of 0.4 being applied to the catches taken within the EEZ of a member of the Commission which is a developing State or territory by vessels flying the flag of that member.

**REGIONAL FISHERIES BODIES
FORMULA WEIGHTING STRUCTURES¹**

	Equal shares	National wealth	Catch	Other
CCSBT	30%	-	70%	
CCAMLR	87%	-	13%	
IOTC	20%	40%	40%	
Old ICCAT	US\$1,000-5,000 ²	-	66.66%	33.33% ³
New ICCAT		100% ⁴		
IATTC	15%	-	85%	\$US1,500,000 ⁵
WCPFC	10%	20%	70%	

¹ The weightings are broad indicators only. The formulas vary in the detail and how the weightings are calculated. Some of the percentages in the table are amalgamations of formula components. See Attachment 1 for details.

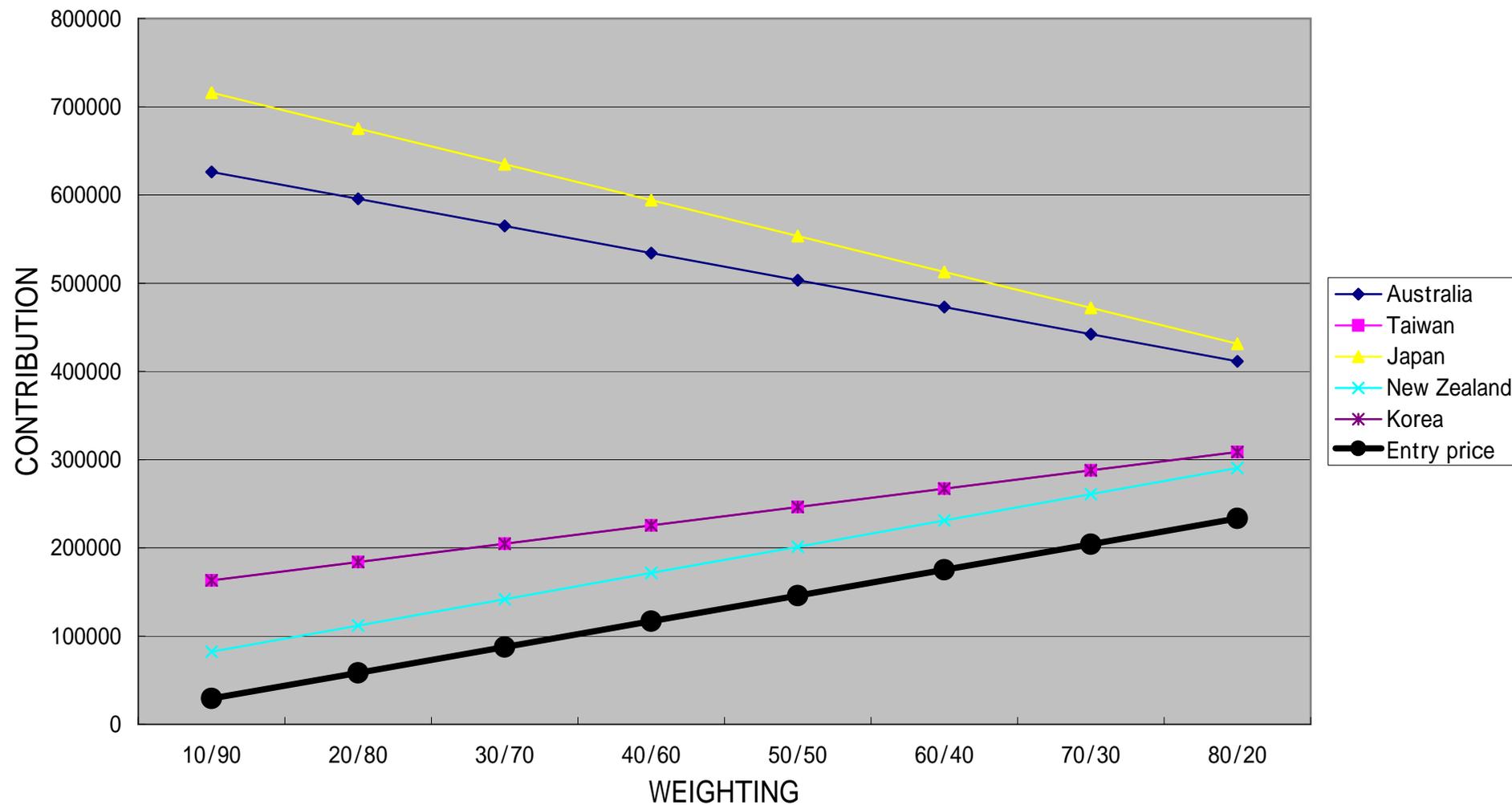
² Contribution varies depending on the number of assessment panels a member participates in.

³ Allocated to members according to participation in assessment panels.

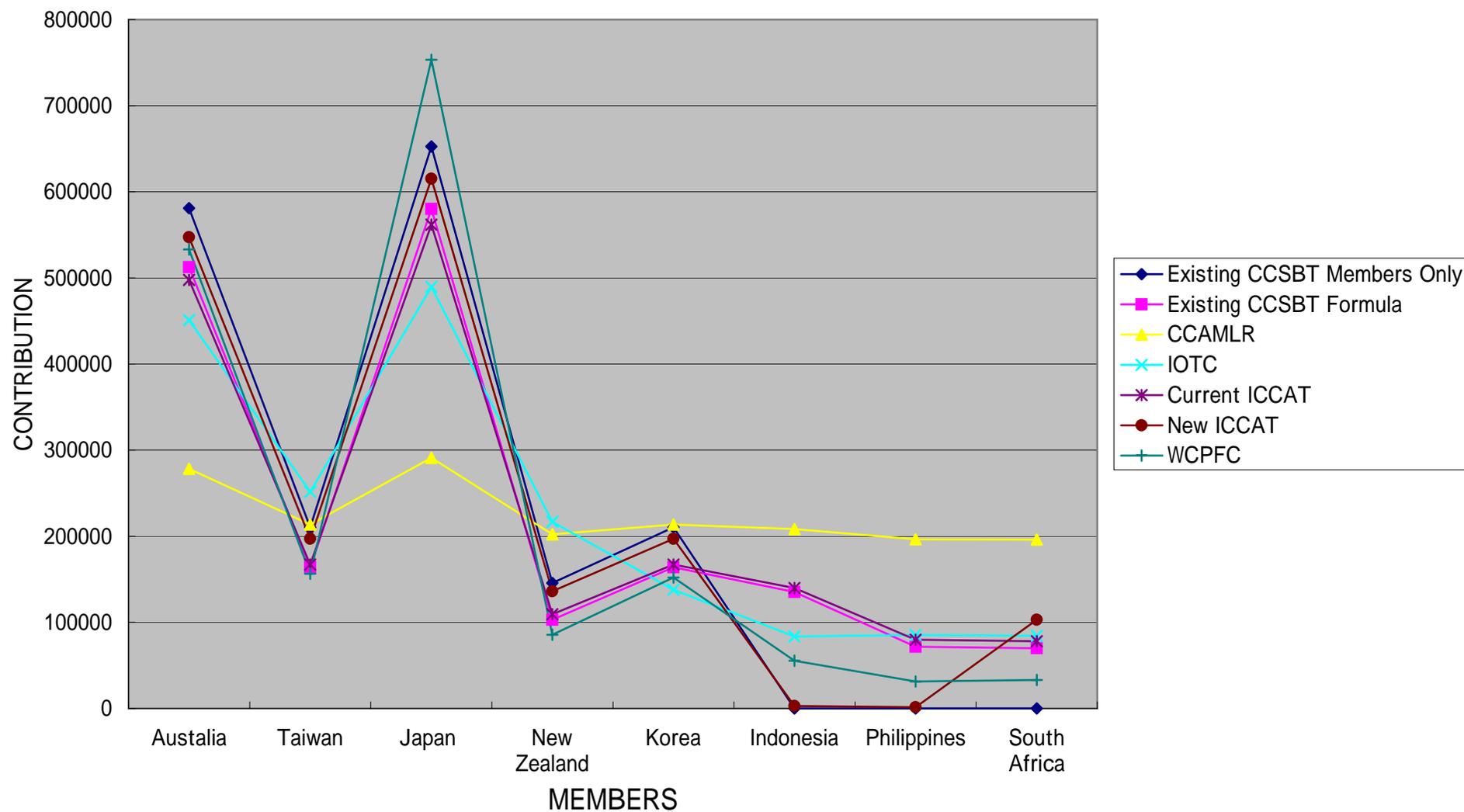
⁴ National wealth is the primary determinate of the contribution level. Catch is used as a secondary allocation factor.

⁵ The USA makes a headquartering payment of \$US1,500,000, which is about one third of the 2004 budget.

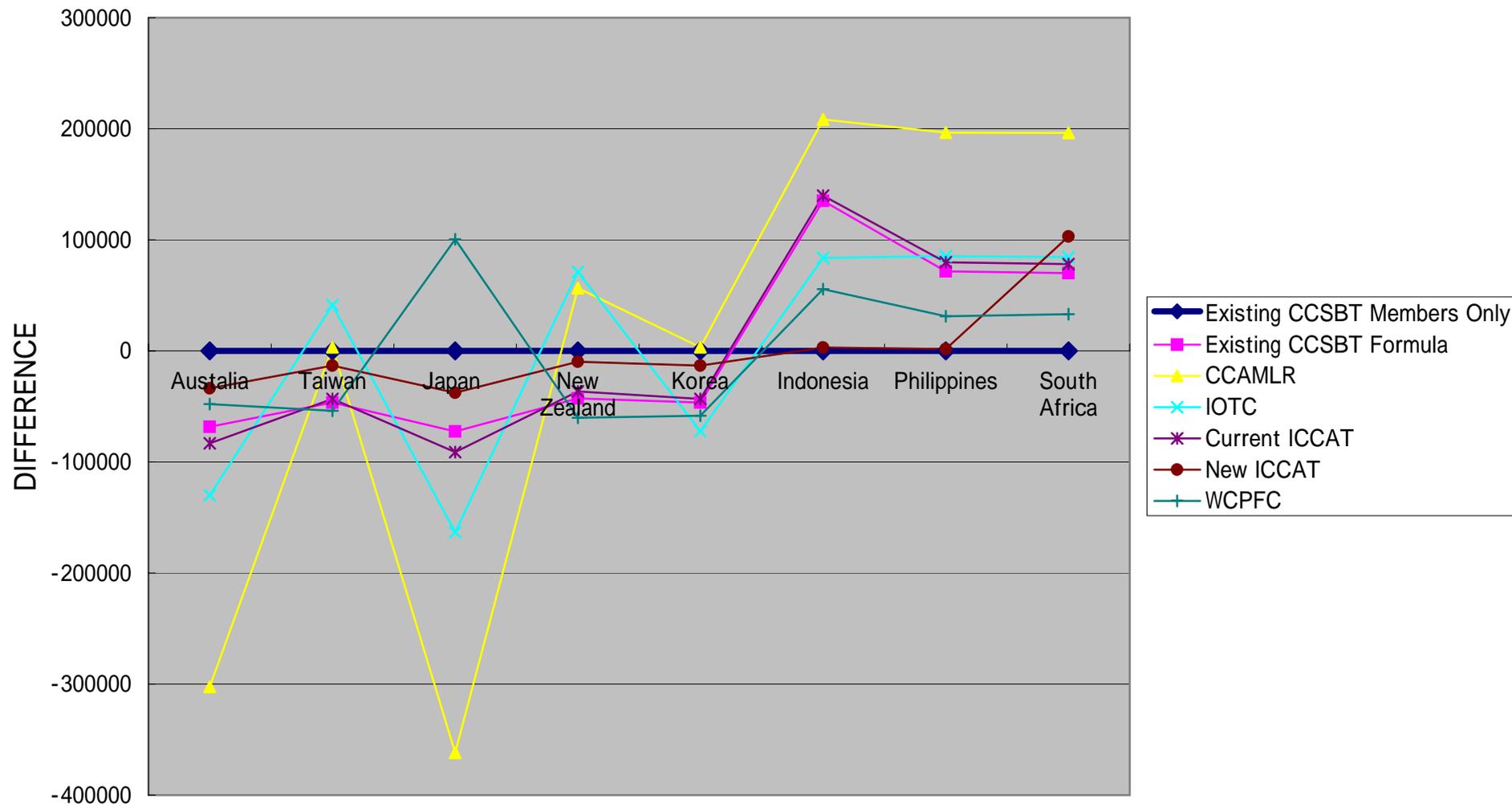
CHANGING THE RELATIVE SHARES OF THE TWO COMPONENTS AT CURRENT BUDGET LEVELS



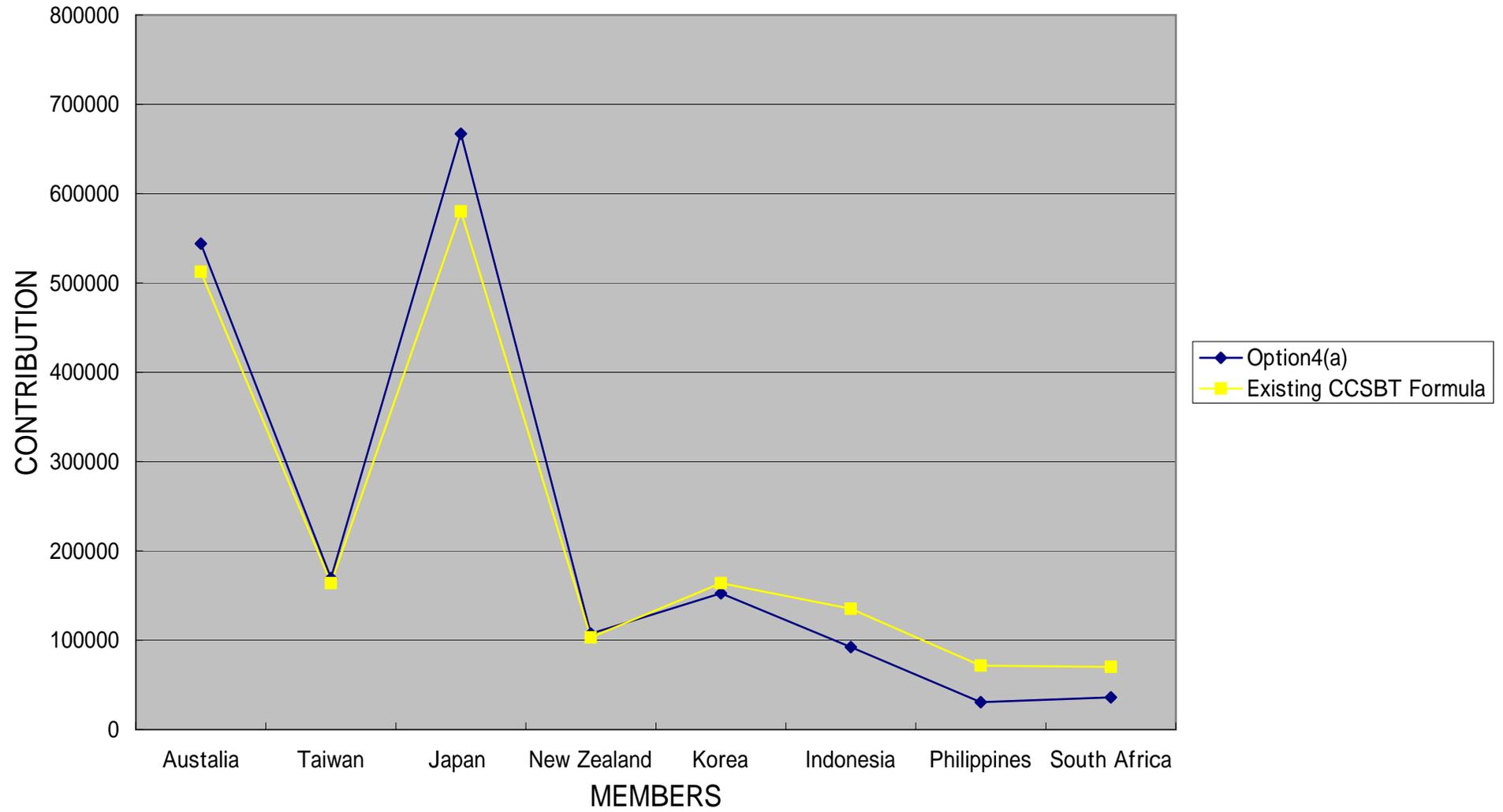
APPLICATION OF OTHER RFB FORMULAS TO THE CCSBT'S BUDGET



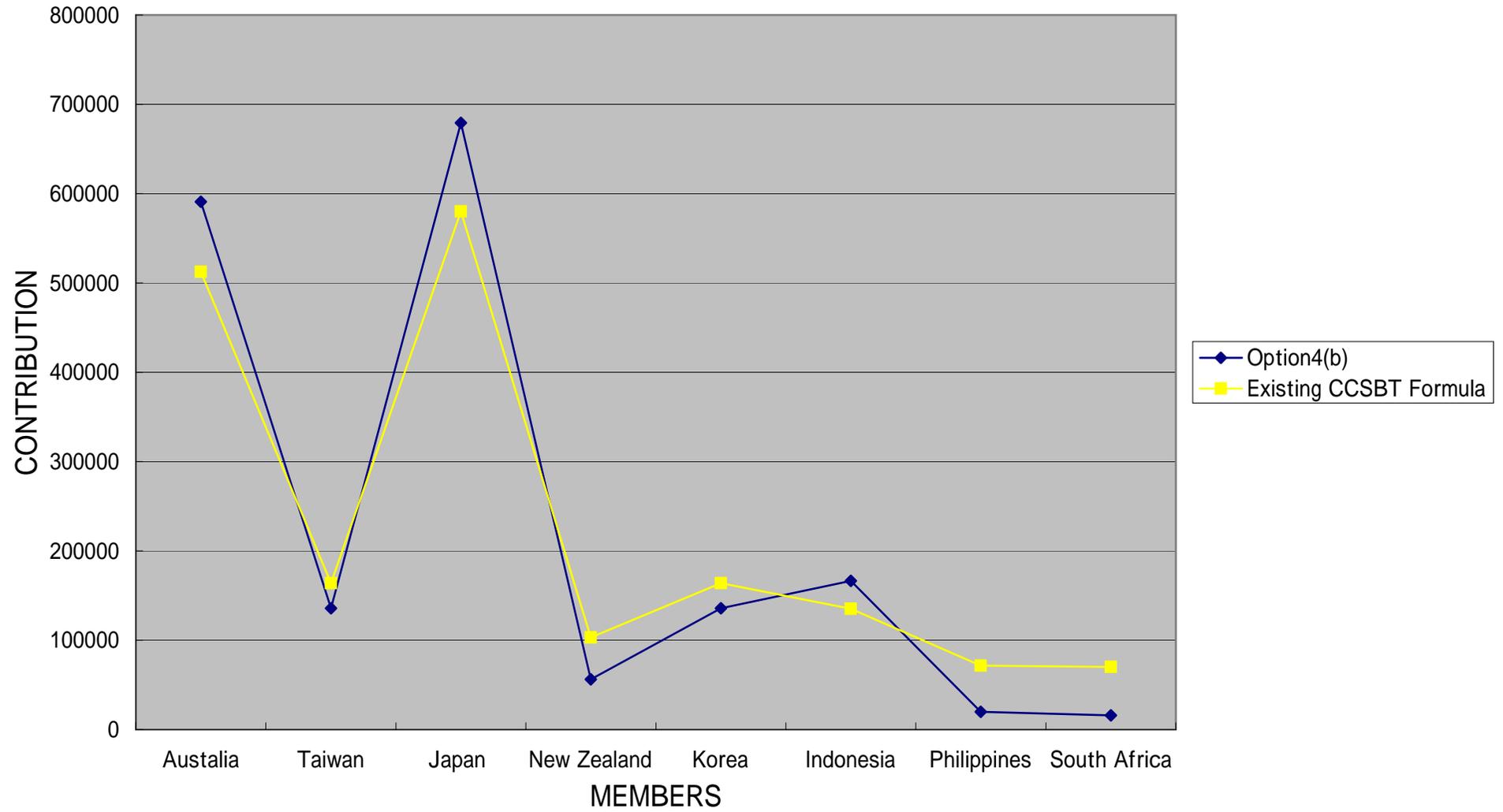
DIFFERENCE IN MEMBERS CONTRIBUTIONS BETWEEN CCSBT AND OTHER RFB FUNDING FORMULAS



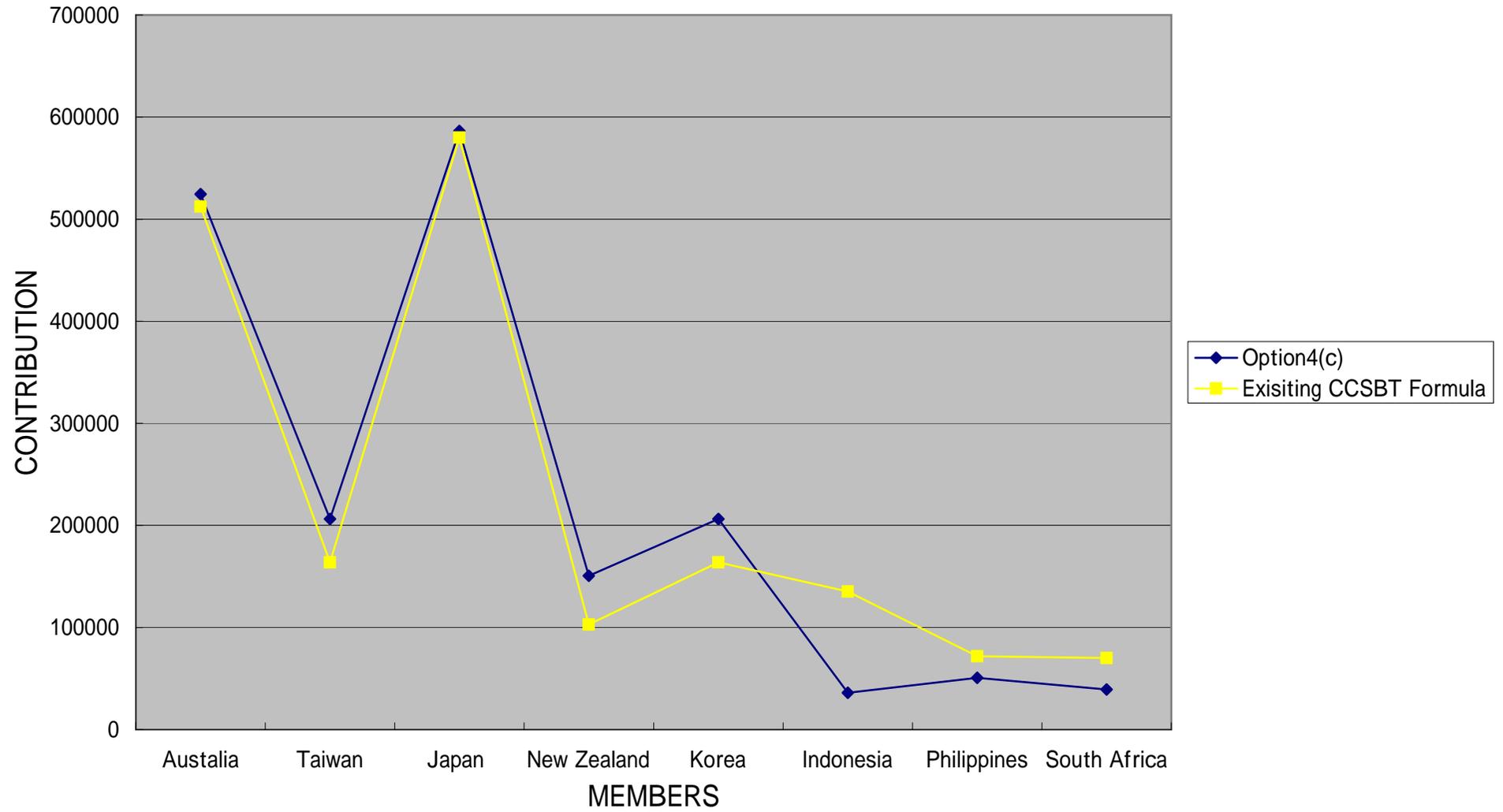
OPTION4(A)



OPTION4(B)



OPTION4(C)



NEW FUNDING FORMULAS FOR THE SPECIAL BUDGET

