

INTER-AMERICAN TROPICAL TUNA COMMISSION

WORKING GROUP ON FINANCE

FIRST MEETING

La Jolla, California, USA

October 7-10, 1999

REPORT OF THE CHAIRMAN

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- A Proposal for financing the IATTC presented by Panama
- B IATTC budget contributions, FY 2001, based on IOTC formula

The IATTC Working Group on Finance held its first meeting in La Jolla, California, USA, on October 7-10, 1999, in conjunction with the 65th meeting of the IATTC, which took place on October 4-10. Dr. William Hogarth of the United States served as Chairman.

The meeting was called to order on October 7 at 2:45 p.m. The Chairman called the attendees' attention to two documents, Background Paper 3, *Possible systems of allocation of contributions to the budget of the Inter-American Tropical Tuna Commission*, prepared by the IATTC staff, and a proposal for financing submitted by Panama (Appendix A). He pointed out that since the creation of the IATTC most of its budget has been paid by the United States, but that it is getting more difficult to get appropriations from the U.S. Congress. The representative of the United States agreed with the Chairman, and stated that it would be better for the IATTC if reductions in the U.S. contributions were agreed upon by the Commission than if they were imposed by the U.S. Congress.

The representative of the United States indicated that his country would be willing to contribute \$2,800,000¹ for the 2000 fiscal year (FY 2000; October 1, 1999-September 30, 2000) and \$2,400,000 for FY 2001, and the representative of Mexico indicated that his country would be willing to contribute \$1,000,000 for FY 2000. The IATTC's recommended budget for FY 2000 is \$4,701,333, and a budget of \$4,785,849 has been tentatively agreed on for FY 2001. In fact, the actual contributions have been less than the recommended budgets for many years, so a target of \$4,400,000 for FY 2000 was used. Under these circumstances the other members of the IATTC would be asked to contribute approximately \$600,000 for FY 2000 and \$1,385,000 for FY 2001. (There are currently eleven members of the IATTC in all, but additional countries are likely to join in the near future.)

The 1949 Convention establishing the IATTC requires that the contribution of each member be related to the proportion of the catch of tunas in the eastern Pacific Ocean (EPO) "utilized" by that member. Also, there has traditionally been a minimum contribution of \$500 for each member that does not utilize tunas caught in the EPO. "Utilization" is not defined in the Convention itself but in letters exchanged between Costa Rica and the United States, the two original members of the IATTC, at the time the Convention was negotiated. The definition of utilization could be modified without amending the Convention.

The systems of assigning contributions employed by the International Commission for the Conservation of Atlantic Tunas and the Indian Ocean Tuna Commission (IOTC) and the system proposed for the Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean were reviewed. The contributions of the members to the IATTC budget under the IOTC system, with base payments of: (1) (total budget x 0.1)/(number of members); (2) \$5,000; and (3) \$20,000, are shown in Appendix B.

It was pointed out that recent international agreements and proposed agreements call for transparency, and that information on utilization of tunas is much more difficult to obtain than information on landings of tunas.

The representatives of several nations noted that the \$500 minimum contribution had not been changed since the IATTC was created, and that it should perhaps be increased. One scheme called for 20 percent of the budget to be divided equally among the members, but the representative of Panama pointed out that this would be an exorbitant amount for a country with only a small tuna industry.

The representative of France stated that his country's position was that the financing of the IATTC should not be restructured until a new convention was adopted.

¹ All figures are in US dollars

The representatives of several countries stated that requests for funds for the IATTC budget for FY 2000, and, in one case, FY 2001, had already been submitted to their respective congresses, and it was too late to revise these.

The IATTC's income from money paid by the vessel owners to pay the costs of placing observers on their boats was noted, but it was agreed that this is not related to its regular budget.

Several drafts of a resolution for financing the IATTC were considered, and one was presented to the plenary.

Financing of the IATTC will be considered further at the next meeting of the Working Group, scheduled for February 9-10, 2000.

The meeting was adjourned on October 10, 1999, at 12:30 p.m.

Appendix A.

PROPOSAL FOR FINANCING THE IATTC PRESENTED BY PANAMA

(US\$)	Base contribution	GDP (A)	Catch (B)	Utilization (C)	A(B+C)	% of total	Variable assessment	Contribution
France	1,000	26,672	-	2,186	58,304,992	1	43,472	44,472.07
Japan	1,000	36,589	40,913	17,363	2,132,260,564	34	1,589,809	1,590,808.55
Mexico	1,000	3,417	58,875	103,412	554,534,679	9	413,459.78	414,459.78
USA	1,000	28,857	27,558	74,738	2,951,955,672	47	2,200,971.34	2,201,971.34
Costa Rica	1,000	2,522	1,501	14,287	39,817,336	1	29,687.71	30,687.71
Ecuador	1,000	1,586	55,898	49,762	167,576,760	3	124,944.85	125,944.85
Panama	1,000	3,032	8,763	-	26,569,416	0	19,810.10	20,810.10
Vanuatu	1,000	1,509	33,796	-	50,998,164	1	38,024.11	39,024.11
Venezuela	1,000	3,151	67,438	30,526	308,684,564	5	230,154.50	231,154.50
El Salvador	1,000	1,708	-	-	-	0	-	1,000.00
Nicaragua	1,000	444	-	-	-	0	-	1,000.00
Total	11,000				6,290,702,147	100	4,690,333.00	4,701,333

Appendix B.

INDIAN OCEAN TUNA COMMISSION

Scheme for the Calculation of Contributions to the Administrative Budget of the Commission

1. Ten percent of the total budget of the Commission shall be divided equally among all the Members.
2. Ten percent of the total budget of the Commission shall be divided equally among the Members having fishing operations in the Area targeting species covered by the Commission.
3. Forty percent of the total budget shall be divided 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.
4. Forty percent of the total budget shall be divided 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.

IATTC budget contributions, FY 2001, based on IOTC formula, using GDP in place of GNP
 Contribuciones al presupuesto de la CIAT, AF 2001, basadas en la fórmula de la CTOI, usando PIB en
 lugar de PNB

	Average catch Captura media 1994-1996	<i>Per capita</i> GDP classification ² Clasificación por PIB per cápita ¹	Catch indexed to per capita GDP Captura indizada a PIB per cápita	Shares indexed to GDP Porción indizada a PIB	Contribution by GDP Contribución por PIB	Contribution by catch Contribución por captura	Base payment Cuota base
IOTC formula – Fórmula de CTOI							
Costa Rica	-	1	-	2	119,646	-	43,508
Ecuador	58,938	1	11,788	0	-	84,309	43,508
El Salvador		1	-	0	-	-	43,508
France	-	2	-	8	478,585	-	43,508
Japan	57,852	2	57,852	8	478,585	413,778	43,508
México	143,563	1	28,713	2	119,646	1,026,805	43,508
Nicaragua	-	1	-	0	-	-	43,508
Panamá	7,836	1	1,567	2	119,646	11,210	43,508
USA	32,538	2	32,538	8	478,585	232,724	43,508
Vanuatu	43,567	1	8,713	0	-	62,321	43,508
Venezuela	58,158	1	11,632	2	119,646	83,192	43,508
Total	402,453		152,803	32	1,914,340	1,914,340	478,585

¹ 1 = 1996 *per capita* GDP < US\$4000 – PIB per cápita 1996 < US\$4000; 2 = 1996 *pe capita*
 GDP > US\$4000 – PIB per cápita 1996 > US\$4000

IATTC budget contributions, FY 2001, based on IOTC formula, using GDP in place of GNP
 Contribuciones al presupuesto de la CIAT, AF 2001, basadas en la fórmula de la CTOI, usando PIB en
 lugar de PNB

	Average catch Captura media 1994-1996	<i>Per capita</i> GDP classification Clasificación por PIB per cápita	Catch indexed to per capita GDP Captura indizada a PIB per cápita	Shares indexed to GDP Porción indizada a PIB	Contribution by GDP Contribución por PIB	Contribution by catch Contribución por captura	Base payment Cuota base
With US\$5000 base payment – Con cuota base de US\$5000							
Costa Rica	-	1	-	2	146,120	-	5,000
Ecuador	58,938	1	11,788	0	-	102,964	5,000
El Salvador		1	-	0	-	-	5,000
France	-	2	-	8	584,481	-	5,000
Japan	57,852	2	57,852	8	584,481	505,334	5,000
México	143,563	1	28,713	2	146,120	1,254,006	5,000
Nicaragua	-	1	-	0	-	-	5,000
Panamá	7,836	1	1,567	2	146,120	13,690	5,000
USA	32,538	2	32,538	8	584,481	284,219	5,000
Vanuatu	43,567	1	8,713	0	-	76,111	5,000
Venezuela	58,158	1	11,632	2	146,120	101,600	5,000
Total	402,453		152,803	32	2,337,925	2,337,925	55,000
With US\$20000 base payment – Con cuota base de US\$20000							
Costa Rica	-	1	-	2	135,808	-	20,000
Ecuador	58,938	1	11,788	0	-	95,697	20,000
El Salvador		1	-	0	-	-	20,000
France	-	2	-	8	543,231	-	20,000
Japan	57,852	2	57,852	8	543,231	469,670	20,000
México	143,563	1	28,713	2	135,808	1,165,504	20,000
Nicaragua	-	1	-	0	-	-	20,000
Panamá	7,836	1	1,567	2	135,808	12,724	20,000
USA	32,538	2	32,538	8	543,231	264,160	20,000
Vanuatu	43,567	1	8,713	0	-	70,740	20,000
Venezuela	58,158	1	11,632	2	135,808	94,430	20,000
Total	402,453		152,803	32	2,172,925	2,172,925	220,000