

INTER-AMERICAN TROPICAL TUNA COMMISSION

89TH MEETING

**Guayaquil (Ecuador)
29 June-3 July 2015**

PROPOSAL IATTC-89 B-1

SUBMITTED BY EL SALVADOR

**AMENDMENT TO RESOLUTION C-12-04 ON *AD HOC*
FINANCING FOR FISCAL YEARS 2013-2017 AND BEYOND**

EXPLANATORY MEMORANDUM

The entry into force of the Antigua Convention on 27 August 2010 establishes an updated and strengthened framework for the activities of the Commission aimed at ensuring the long-term conservation and sustainable use of these stocks of tunas and tuna-like species and other species of fish covered by the Convention.

Article IX, paragraph 3, of the Antigua Convention requires the consensus of all Members to determine the level of the budget and the form and proportion of their respective contributions.

Within this framework, the distribution of the allocation of categories by Gross National Income (GNI) used for the contribution formula for Members to the IATTC budget needs to be revised, because the GNI ranking assigned to each category is not proportional to the economic situation of each country, since it can be seen that the ranking of the distribution among categories increases as the category rises. El Salvador. El Salvador's position is that the rankings should be more equitable, or failing that, there should be a greater ranking between category 1 and category 2 since these countries are the least developed of all the Members of the IATTC.

For example, in the case of El Salvador, for the year 2015, the country's contribution increased 52% due to the increase of the country's GNI and consequent rise in category, however, the socioeconomic reality of the country and the resources that are allotted to the country's budget are not aimed at the development of the fisheries sector, but rather at counteracting the high index of social insecurity due to the high degree of violence that has developed in the country, support for programs for alleviating extreme poverty in rural areas, education, *etc.* The Human Development Report for El Salvador (UNDP 2013), concludes that the country has developed a macroeconomic situation which has deteriorated substantially during recent years, giving rise to four main inequalities: precarious fiscal situation; the country consumes more than it produces; low levels of savings and investment; growing trade deficit and modest capacity for attracting direct foreign investment (DFI); in addition to this, it is faced by a challenging social situation in view of social insecurity, high indices of immigration and lack of opportunities, among others.

Given the above, El Salvador is presenting to the Commission a proposal for amendment in order to have a more just distribution of categories, clarifying that this modification would not affect the form in which the formula that was approved *ad hoc* in order to match paragraph 6 of Resolution C-12-04 is calculated.

This proposal seeks to give the developing countries a greater opportunity to advance so that the impulse of the tuna fishery allows an economic growth which will benefit the fishing communities close to the local points of fisheries development.

El Salvador hopes that this proposal for amendment will be discussed; it introduces substantive improvements to Resolution C-12-04, through the adjustment of the GNI rankings of categories 1 and 2, to be hereafter:

The Inter-American Tropical Tuna Commission (IATTC), gathered in Guayaquil (Ecuador), on the occasion of its 89th Meeting:

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Recognizing the importance of equity and stability in the calculation of the contributions of Members to the Commission's budget, and of fully funding the work of the Commission so that it may fulfill its duties and responsibilities;

Giving due consideration to the principle that the proportion of the expenses paid by each Member should be equitable, transparent, and related to its proportion of the total catch of tunas from the Convention Area and other components of the formula used to calculate the contributions, as well as to the consensus of the Members that other factors should be considered in determining their proportional contributions; and

Taking into account the relevant provisions of the Antigua Convention;

Resolves as follows:

1. The following elements shall be used in the determination of the contributions of Members to the IATTC budget until such time as a Member requests review and revision of the contribution formula as provided for in paragraph 6 of this Resolution:
 - a) Each Member's contribution shall be calculated as follows: 10% of the total budget, minus any special contribution, divided equally among all the Members (base contribution); the remaining 90% is shared among the Members, weighted by Gross National Income (GNI) category, as follows:
 - i. An operational component (10%);
 - ii. The catches by their flag vessels (70%);
 - iii. Their utilization of tuna from the Convention Area (10%).

GNI Category	GNI range (US\$)
0.5	< 1.499
1	1.500 - 4.499
2	4.500 - 6.499
3	6.500 - 10.999
4	11.000 - 15.999
5	16.000 - 20.999
5.5	≥ 21.000

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Table 1. GNI categories used for allocating contributions

- b) The weighting factors used in calculating contributions shall be the same as the GNI categories.
- c) Each Member's catch contribution shall be based on the annual average of the catches by its flag vessels in the three most recent years for which catch data are available.
- d) In the determination of a Member's utilization, 50% of the tuna loins included in the calculation shall be attributed to the Member that exported the loins and 50% to the Member that imported them.
- e) 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. That the Director shall inform each Member, at least two months prior to the annual meeting, of its projected contribution for the following two fiscal years.
3. That the contributions of any new Member of the Commission shall be determined on the same basis as the contributions of existing Members, subject to the Commission's financial regulations.
4. That all IATTC non Members which have vessels fishing for fish covered by the Convention, should make, and request their flag vessels to make, voluntary contributions to the Commission, preferably on the same basis as the contributions of existing Members.
5. To invite non-governmental organizations interested in the work of the IATTC to make contributions to the Commission's budget.
6. This *ad hoc* formula shall be used to calculate Members' contributions to the IATTC budget for the years 2013-2017, and indefinitely thereafter, unless a Member indicates that the formula is no longer appropriate and requests that a new contribution formula be considered at the following Annual Meeting of the IATTC. Any Member making a request to reconsider this formula is encouraged to provide an explanation to the Commission of the reasons for its dissatisfaction with it.