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Ensuring Sustainable Funding for the Special Requirements Fund (SRF)

WCPFC21-2024-DP02_rev01¹

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Submitted by FFA Members

Article 30 of the WCPFC Convention recognises the special requirements of Small Islands Developing States and Territories (SIDS+T) and stipulates the establishment of a fund to facilitate the effective participation of SIDS+T in the work of the Commission, including its meetings and those of its subsidiary bodies. Accordingly, the WCPFC Financial Regulation 7 establishes the Special Requirements Fund (SRF) to fulfill the purposes outlined in Article 30.

Regulation 7.2 states that the SRF “shall be financed from voluntary contributions and such other sources as the Commission may identify”. The SRF has largely been financed through voluntary contributions and FFA Members sincerely appreciate those that have voluntarily contributed to this fund. However, due to the voluntary nature of its funding, the long-term sustainability of the SRF is uncertain. This was recognised in the report of the Chair of the SRF-IWG in 2018 where a number of proposals were put forth to address this issue but no decision was made (see [WCPFC15-2018-FAC SRF IWG](#)).

Last year, the Commission (WCPFC20) noted with concern that the SRF had been fully depleted ahead of **WCPFC20** and **agreed to adopt a sustainable funding mechanism for the SRF as a matter of urgency**. The FAC Co-Chairs were tasked with advancing intersessional work, including potential revisions to the Financial Regulations, and developing a sustainable funding mechanism for consideration at FAC18 and WCPFC21 this year (WCPFC20 Summary Report paragraph 840 & 841).

This matter is critical to SIDS+T and must be addressed at WCPFC21 this year.

In support of the effort to progress this issue, FFA Members reiterate our proposal from last year, that an additional amount of USD 300,000 be annually added to the budget, sourced from developed Members for the SRF (FAC17 (2023) Summary Report paragraph 27). To this end, FFA Members propose the following WCPFC21 decision language, including amendment to the WCPFC Financial Regulations (see Attachment 1):

¹ Rev1 replaces the original issued on 25 October 2024. The paper contains minor modification to the proposed decision language as well as to the proposed Regulation 7bis.

1. ~~WCPFC21 agrees to include an amount of USD 300,000 annually in the budget, for the Special Requirements Fund (SRF) commencing in 2025, with equal shares to be provided by all developed Members annually. This is moved below.~~
2. WCPFC21 agrees to amend the WCPFC Financial Regulation 7 on Special Requirements Fund, accordingly (see Annex 1).
3. Pursuant to the amended Regulation 7.1b in Annex 1, unless otherwise decided by the Commission, WCPFC21 agrees to include a minimum amount of USD 300,000 annually in the budget, for the Special Requirements Fund (SRF) commencing in 2025, with equal shares to be provided by all developed Members annually.

Annex 1: Proposed revision to the WCPFC Financial Regulations

COMMISSION FOR THE CONSERVATION AND MANAGEMENT OF HIGHLY MIGRATORY FISH STOCKS IN THE WESTERN AND CENTRAL PACIFIC OCEAN FINANCIAL REGULATIONS (updated December 2022)

REGULATION 7

SPECIAL REQUIREMENTS FUND

7.1 A special requirements fund shall be established for the purposes identified in article 30 of the Convention, including:

- (a) assisting developing States Parties, small island developing State members of the Commission and, where appropriate, territories and possessions, with human resources development, technical assistance and transfer of technology in relation to conservation and management of highly migratory fish stocks in the Convention Area and development of fisheries for such stocks; and
- (c) building capacity for activities in key areas such as effective exercise of flag State responsibilities, monitoring, control and surveillance, data collection and scientific research relevant to highly migratory fish stocks on a national and/or regional level.

7.1bis: To ensure the long-term sustainability of the Special Requirements Fund, each developed Member shall provide an annual contribution of USD 33,333 to the fund, commencing in 2025. The annual contribution shall be determined by the Commission.

7.2 **In addition,** the special requirements fund shall **also** be financed from voluntary contributions and such other sources as the Commission may identify. The fund will be administered by the Executive Director, in accordance with the same financial controls as regular budget appropriations.

7.3 The Executive Director shall establish a process for notifying the members of the Commission annually of the level of available funds in the special requirements fund, which shall include a timeline and a format for the submission of applications for assistance.

7.4 In accordance with the provisions of article 30, paragraph 4, of the Convention, developing States Parties, particularly small island developing States and, where appropriate, territories and possessions, will be eligible to receive assistance from the special requirements fund.

7.5 Those eligible, in accordance with Regulation 7.4, may submit an application for assistance from the fund. An application may also be submitted by an appropriate subregional or regional organization or arrangement on behalf of one or more of those eligible. Any application should specify how it relates to the purposes identified in Regulation 7.1 and include a description of the desired outputs of the project or expenditure and an itemization of anticipated costs.

7.6 The Commission shall consider the applications for assistance. The Commission shall be guided by the purposes of the fund, the provisions of the Convention, the financial needs of the applicant and the availability of funds, with priority given to small island developing States and, where appropriate, territories and possessions. Assistance shall be provided on an impartial basis. Consideration of applications shall also include an assessment of whether any existing sources of assistance are available. Decisions by the Commission on assistance from the fund shall take into account the size of the fund and the need for cost-effectiveness.

7.7 The Executive Director shall submit an annual report to the Commission on the status of the fund, including a financial statement of contributions to and disbursements from the fund. Recipients of assistance shall be required to provide to the Executive Director a report on the purpose and outcome of each approved project and a summary of expenditures.

7.8 Financial Regulation 7.5 and 7.7 on the application process and reporting requirements, respectively, shall be waived for:

- a) one traveler from each small island developing States and Participating Territories delegation to meetings of the Annual Session of the Commission and its subsidiary bodies; and
- b) the travel for the Chairs of SC, TCC, FAC Co-Chair and the WCPFC Vice Chair from SIDS to the Annual Session.

CMM 2013-06 Assessment

a. Who is required to implement the proposal?

The proposal is for developed CCMs to annually contribute an equal amount to make up the sum of USD 300,000 for the SRF.

b. Which CCMs would this proposal impact and in what way(s) and what proportion?

The proposal provides for developed CCMs to each contribute an equal amount, to make up the sum of USD 300,000 annually for the SRF. The proposal:

- Implement Article 30: The proposal supports SIDS without transferring disproportionate burden to SIDS.
- Simple and transparent: The equal-share approach is straightforward, easy to calculate, and administer. Each of the developed Members contribute the same amount, making the process transparent and easy to manage.
- Ensure equitable responsibility: Since developed Members generally have stronger economies and larger financial capacities, this option ensures they contribute equally to the SRF in line with their ability to pay. It also prevents developing countries, in particular SIDS, from bearing any of the financial burden, which aligns with the principle of supporting more vulnerable states.
- Predictable and provide for budget stability: With each developed Member contributing a fixed amount, it ensures predictability in contributions and facilitates easier financial planning for all Members involved. In addition, the SRF will have a consistent, reliable source of funding annually, reducing uncertainty in its operation.
- Fosters quick implementation: The simplicity and fairness of the equal-share model helps avoid lengthy negotiations that might occur if the contribution formula is used.

c. Are there linkages with other proposals or instruments in other regional fisheries management organizations or international organizations that reduce the burden of implementation?

The Assistance Fund under Part VII of the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (UNFSA) provides financial assistance to developing States Parties to the Agreement to assist in the implementation of the Agreement in accordance with Part VII of the Agreement. However, we understand that this fund too has been depleted.

d. Does the proposal affect development opportunities for SIDS?

The proposal will positively contribute to the SIDS opportunities to participate in the work of the Commission as SIDS+T work on management measures and framework to develop our fisheries.

e. Does the proposal affect SIDS domestic access to resources and development aspirations?

As mentioned above, the proposal will positively impact SIDS

f. What resources, including financial and human capacity, are needed by SIDS to implement the proposal?

The proposal is for developed CCMs to contribute financially to the SRF in order to assist SIDS.

g. What mitigation measures are included in the proposal?

None as SIDS will not be negatively affected. On the other hand, SIDS will be positively impacted through this contribution by developed CCMs.

h. What assistance mechanisms and associated timeframe, including training and financial support, are included in the proposal to avoid a disproportionate burden on SIDS?

None.