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Report from the Intersessional Working Group on the Special Requirements Fund

WCPFC21-2024-07
31 October 2024

Submitted by FAC Co-Chairs



FINANCE AND ADMINISTRATION COMMITTEE
Eighteenth Session
Suva, Fiji (Hybrid)
27 November to 3 December 2024

Report from the Intersessional Working Group on the Special Requirements Fund

FAC18-2024-03
31 October 2024

Submitted by FAC Co-Chairs

Purpose

1. The FAC Co-Chairs sought expressions of interest from CCMs to support intersessional work to consider options to establish a sustainable financing mechanism for the SRF in accordance with the recommendations from FAC17.

FAC17 recommendations

- *66. FAC17 recommended that the Commission adopt a sustainable funding mechanism for the SRF as matter of urgency. FAC17 noted the proposal from FFA members that USD300,000 per year be added annually to the budget starting from 2025, for the SRF, to be sourced equally from developed CCMs.*
- *67. FAC17 noted the advice from the Secretariat that the current Financial Regulations do not allow for ongoing financial contributions to be collected from a subset of CCMs for funding the SRF, and would need to be amended to assess contributions only on developed CCMs.*
- *68. FAC17 recommended that the FAC Co-Chairs work with interested CCMs, to consider options, including potential revisions to the Financial Regulations, and Principles, guidelines and operational procedures for the Commission's Special Requirements Fund, and to conduct any further work to support the proposed implementation of a sustainable funding mechanism for the SRF to be considered at FAC18 and WCPFC21.*

Process

2. Nominations were received from Cook Islands, New Zealand, Canada, and Australia, with the US requesting to join later in the process.
3. In accordance with Para 68 of the FAC17 recommendations, the co-chairs circulated an email seeking comments and views on sustainable finance options on 16 September 2024.

4. The options were based around the target identified by FFA members of \$300,000 per year in funding for the SRF.
 - *Option 1a – Developed CCMs contribute an equal share (\$300,000/9 = \$33,333 each)*
 - *Option 1b – Non- SID CCMs contribute an equal share (\$300,000/12 = \$25,000 each)*
 - *Option 2a – Developed CCMs each contribute a share of the agreed SRF amount per the contribution formula*
 - *Option 2b – Non-SID CCMs each contribute a share of the agreed SRF amount per the contribution formula*
 - *Option 3 – Funding to be included in the core budget and all CCMs pay a share*
5. An excel spreadsheet providing full details and a financial breakdown of each of these options is included at attachment A.
6. Comments were received from Australia, Canada, New Zealand and FFA members with participants preferring to share ideas via email. Participants advised the Co-Chairs that a meeting wasn't necessary.
7. There was mixed support for options 1 and 2, with participants noting that option 3 may not be viable given it requires Small Island developing States to contribute funding to support their own travel. It was noted this isn't consistent with the intent of the SRF fund and was opposed by FFA members. No additional ideas or options were identified by participants regarding other funding sources for the SRF.

Proposed approach

8. To make progress on this important matter, the co-chairs invite all CCMs to consider options 1a/b and 2a/b and come prepared to FAC18 and WCPFC21 with a position on the adoption of a sustainable financing arrangement for the SRF.
9. Subject to member consideration of a preferred financing mechanism, the WCPFC Financial Regulations need to be updated to enable the additional collection of funds. This could be achieved through the addition of a new Sub-Clause inserted at Annex 1 as follows:

Proposed New Sub-clause 7.2a: *To ensure the long-term sustainability of the Special Requirements Fund, the following members [insert list] shall provide an annual contribution of [USD...], commencing in [year]. This mandatory annual contribution shall be supplementary to the voluntary contributions and any other funding sources as determined by the Commission.*

10. The Co-Chairs note that this is a longstanding issue and a sustainable funding mechanism for the SRF is essential to support effective participation of small island developing states and Tokelau in the in the work of the Commission and its subsidiary bodies.

Option 1a Developed CCMs contribute an equal share

CCM	Total
Australia	\$ 33,333
Canada	\$ 33,333
European Union	\$ 33,333
France	\$ 33,333
Japan	\$ 33,333
Korea	\$ 33,333
New Zealand	\$ 33,333
Chinese Taipei	\$ 33,333
United States of America	\$ 33,333
	\$ 300,000

Option 1b Non-SID CCMs contribute an equal share

CCM	Total
Australia	\$ 25,000
Canada	\$ 25,000
China	\$ 25,000
European Union	\$ 25,000
France	\$ 25,000
Indonesia	\$ 25,000
Japan	\$ 25,000
Korea	\$ 25,000
New Zealand	\$ 25,000
Philippines	\$ 25,000
Chinese Taipei	\$ 25,000
United States of America	\$ 25,000
	\$ 300,000

Option 2a Developed CCMs each contribute a share of the agreed SRF amount per the contribution formula

CCM	Contribution percent	Extrapolated percentage	Total
Australia	1.83%	3.10%	\$ 9,289
Canada	1.55%	2.62%	\$ 7,868
European Union	4.12%	6.97%	\$ 20,914
France	1.77%	2.99%	\$ 8,985
Japan	14.52%	24.57%	\$ 73,706
Korea	12.82%	21.69%	\$ 65,076
New Zealand	1.60%	2.71%	\$ 8,122
Chinese Taipei	11.77%	19.92%	\$ 59,746
United States of America	9.12%	15.43%	\$ 46,294
	59.10%	100.00%	\$300,000

Option 2b Non-SID CCMs each contribute a share of the agreed SRF amount per the contribution formula

CCM	Contribution percent	Extrapolated percentage	Total
Australia	1.83%	2.68%	\$ 8,039
Canada	1.55%	2.27%	\$ 6,809
China	4.70%	6.88%	\$ 20,647
European Union	4.12%	6.03%	\$ 18,099
France	1.77%	2.59%	\$ 7,776
Indonesia	2.15%	3.15%	\$ 9,445
Japan	14.52%	21.26%	\$ 63,787
Korea	12.82%	18.77%	\$ 56,319
New Zealand	1.60%	2.34%	\$ 7,029
Philippines	2.34%	3.43%	\$ 10,280
Chinese Taipei	11.77%	17.24%	\$ 51,706
United States of America	9.12%	13.35%	\$ 40,064
	68.29%	100.00%	\$300,000

Option 3 Funding to be included in the core budget and all CCMs pay a share

CCM	Contribution percent	Total
Australia	1.83%	\$ 5,492
Canada	1.55%	\$ 4,662
China	4.70%	\$ 14,090
Cook Islands	0.59%	\$ 1,759
European Union	4.12%	\$ 12,366
Federated States of Micronesia	6.41%	\$ 19,241
Fiji	0.76%	\$ 2,277
France	1.77%	\$ 5,316
Indonesia	2.15%	\$ 6,446
Japan	14.52%	\$ 43,570
Kiribati	5.90%	\$ 17,694
Korea	12.82%	\$ 38,473
Marshall Islands	3.88%	\$ 11,629
Nauru	4.33%	\$ 13,004
New Zealand	1.60%	\$ 4,798
Niue	0.39%	\$ 1,174
Palau	0.40%	\$ 1,204
Papua New Guinea	2.27%	\$ 6,806
Philippines	2.34%	\$ 7,028
Samoa	0.52%	\$ 1,564
Solomon Islands	1.17%	\$ 3,503
Chinese Taipei	11.77%	\$ 35,312
Tonga	0.46%	\$ 1,379
Tuvalu	1.48%	\$ 4,429
United States of America	9.12%	\$ 27,364

Vanuatu	3.14%	\$	9,420
	100.00%	\$	300,000

Option 4 No change