



Finance and Administration Committee

FAC(19)04

***Illustrative Budget Contributions for 2019, 2020 and 2021
Under Different Scenarios for the United Kingdom's
Membership of NASCO***

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At the Thirty-Fifth Annual Meeting of the Finance and Administration Committee (FAC), the FAC discussed, briefly, the potential implications of the United Kingdom leaving the European Union (Brexit) on future NASCO budgets. The FAC requested the Secretary to run calculations in time for the 2019 FAC meeting showing forecast budgets that both include and exclude the UK.

This short paper presents the contributions that would be required from the NASCO Parties under three scenarios, depending on whether or not Brexit occurs and, if it does, whether the United Kingdom (UK) would become an independent Party to NASCO. NASCO has been informed that the UK has every intention to be a fully paid-up Party to NASCO, should Brexit occur and the UK no longer be a European Union (EU) Member State. The three illustrative scenarios for the contributions to NASCO required from the Parties are as follows:

Scenario 1. Status quo: European Union Includes the United Kingdom.

Scenario 2. United Kingdom as Independent Party to NASCO.

Scenario 3. United Kingdom not an Independent Party to NASCO and Removed from the European Union.

In Scenario 1, the UK catches are included within the EU catches. In Scenario 2, the UK catches are separate to the EU catches and used to calculate the required contribution from the UK as an independent Party to NASCO. In Scenario 3, the UK catches are completely excluded.

The detailed results are shown in the relevant table on pages 4 – 6. The resulting contributions are shown in the text table below. There are clear differences. Under Scenario 2, with seven NASCO Parties contributing to the budget, all contributions from the existing six Parties are reduced in line with the calculation formula. Under Scenario 3, the contributions from four of the six current Parties increase. The US' contribution remains the same as the status quo scenario and the EU contribution is reduced, with no UK catches incorporated into the EU total catch.

These calculations are illustrative, not definitive, but serve to show how the Parties' contributions could change depending on the outcome of Brexit.

	Adjusted 2019 Contribution £						
	Canada	Denmark (FI & G)	European Union	Norway	Russian Federation	United Kingdom	United States
Scenario 1: UK in EU	71,075	39,896	114,800	282,859	47,120	NA	29,250
Scenario 2: UK Party to NASCO	66,896	35,718	80,204	278,680	42,942	55,489	25,071
Scenario 3 No UK in NASCO	74,431	40,751	88,806	303,208	48,554	NA	29,250
	Adjusted 2020 Contribution £						
	Canada	Denmark (FI & G)	European Union	Norway	Russian Federation	United Kingdom	United States
Scenario 1: UK in EU	65,181	45,543	108,381	273,430	61,913	NA	29,182
Scenario 2: UK Party to NASCO	60,976	41,357	77,991	269,017	57,712	52,001	25,013
Scenario 3 No UK in NASCO	67,626	46,669	85,849	290,133	64,172	NA	29,182
	Forecast 2021 Contribution £						
	Canada	Denmark (FI & G)	European Union	Norway	Russian Federation	United Kingdom	United States
Scenario 1: UK in EU	73,150	50,463	119,432	302,290	68,612	NA	32,313
Scenario 2: UK Party to NASCO	68,503	45,833	85,169	297,468	63,969	57,621	27,697
Scenario 3 No UK in NASCO	75,998	51,728	93,957	321,119	71,144	NA	32,313

Scenario 1. Status quo: European Union Includes the United Kingdom

2019 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2017 Catches (tonnes)

Party	2017 catch (provisional)	2017 catch (confirmed)	2019 contribution (provisional)	2019 contribution (confirmed)	Adjustment
Canada	112	110	71,954	71,075	-879
Denmark (Faroe Islands and Greenland)	28	28	39,926	39,896	-30
European Union	223	225	114,277	114,800	524
Norway	664	667	282,423	282,859	435
Russian Federation	47	47	47,170	47,120	-50
USA	0	0	29,250	29,250	0
Total	1,074	1,077	585,000	585,000	0

3 *Note. A positive adjustment represents an underpayment in 2019.*

NASCO Budget Contributions for 2020 and Forecast Budget Contributions for 2021 (Pounds Sterling)

Party	2018 catch (provisional)	2020 contribution	Adjustment from 2019	2020 adjusted contribution	2021 forecast contribution
Canada	90	66,061	-879	65,181	73,150
Denmark (Faroe Islands and Greenland)	40	45,572	-30	45,543	50,463
European Union	192	107,857	524	108,381	119,432
Norway	595	272,995	435	273,430	302,290
Russian Federation	80	61,963	-50	61,913	68,612
USA	0	29,182	0	29,182	32,313
Total	997	583,630	0	583,630	646,259

Contributions are based on the official returns.

Column totals in both tables can be in error by a few pounds due to rounding.

Scenario 2. United Kingdom as Independent Party to NASCO

2019 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2017 Catches (tonnes)

Party	2017 catch (provisional)	2017 catch (confirmed)	2019 contribution (provisional)	2019 contribution (confirmed)	Adjustment
Canada	112	110	67,775	66,896	-879
Denmark (Faroe Islands and Greenland)	28	28	35,747	35,718	-30
European Union	142	145	79,214	80,204	990
Norway	664	667	278,245	278,680	435
Russian Federation	47	47	42,992	42,942	-50
	81	80	55,956	55,489	-466
USA	0	0	25,071	25,071	0
Total	1,074	1,077	585,000	585,000	0

Note. A positive adjustment represents an underpayment in 2019.

NASCO Budget Contributions for 2020 and Forecast Budget Contributions for 2021 (Pounds Sterling)

Party	2018 catch (provisional)	2020 contribution	Adjustment from 2019	2020 adjusted contribution	2021 forecast contribution
Canada	90	61,855	-879	60,976	68,503
Denmark (Faroe Islands and Greenland)	40	41,387	-30	41,357	45,833
European Union	127	77,001	990	77,991	85,169
Norway	595	268,582	435	269,017	297,468
Russian Federation	80	57,761	-50	57,712	63,969
	66	52,030	-29	52,001	57,621
USA	0	25,013	0	25,013	27,697
Total	998	583,630	437	584,067	646,259

Contributions are based on the official returns.

Column totals in both tables can be in error by a few pounds due to rounding.

Scenario 3. United Kingdom not an Independent Party to NASCO and Removed From European Union

2019 Budget Contributions (Pounds Sterling) Adjusted for Confirmed rather than Provisional 2017 Catches (tonnes)

Party	2017 catch (provisional)	2017 catch (confirmed)	2019 contribution (provisional)	2019 contribution (confirmed)	Adjustment
Canada	112	110	75,437	74,431	-1,007
Denmark (Faroe Islands and Greenland)	28	28	40,797	40,751	-46
European Union	142	145	87,809	88,806	997
Norway	664	667	303,075	303,208	134
Russian Federation	47	47	48,632	48,554	-78
USA	0	0	29,250	29,250	0
Total	993	997	585,000	585,000	0

Note. A positive adjustment represents an underpayment in 2019.

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NASCO Budget Contributions for 2020 and Forecast Budget Contributions for 2021 (Pounds Sterling)

Party	2018 catch (provisional)	2020 contribution	Adjustment from 2019	2020 adjusted contribution	2021 forecast contribution
Canada	90	68,633	-1007	67,626	75,998
Denmark (Faroe Islands and Greenland)	40	46,715	-46	46,669	51,728
European Union	127	84,852	997	85,849	93,957
Norway	595	289,999	134	290,133	321,119
Russian Federation	80	64,249	-78	64,172	71,144
USA	0	29,182	0	29,182	32,313
Total	932	583,630	0	583,630	646,259

Contributions are based on the official returns.

Column totals in both tables can be in error by a few pounds due to rounding.