



CFCFA BUDGET AND SOURCES OF FINANCING

**CFCFA First Annual Meeting
28 July 2010, Urumchi (PRC)**

N. Issingarin – CFCFA Chairman



CFCFA BUDGET

- Prepared in accordance with the proposed plan structure and consists of VI sections
- The expenses were estimated on the basis of prices in Almaty where the CFCFA secretariat will be located
- Can vary according to the volume of works, change of staff list, quantity of members, inflation, etc (minimum by 5% per year)

I. SECRETARIAT ACTIVITY, ORGANIZATIONAL ISSUES	215 973	
- CFCFA secretariat activity	114 585	67%
- Executive Board meeting	25 628	
- annual meeting of the Executive Board and General Assembly	75 759	
II. COOPERATION WITH CAREC STRUCTURES (5 events)	24 698	8%
III. PARTICIPATION IN INTERNATIONAL CONFERENCES, MEETINGS (3 events per year)	9 879	3%
IV. COOPERATION WITH MINISTRIES AND AUTHORITIES	26 789	8%
V. ACTIONS ON HARMONIZATION OF INTERNATIONAL TRANSPORTATION (from the funds of projects)	0	
VI. FORMATION OF INFORMATION PLATFORM	17 8720	6%
- website development and Internet promotion	5 2760	
- PR-activity (publication of articles)	10 0000	
- publication of CFCFA booklet	2 5960	
CONTINGENCIES	29 5210	9%

TOTAL CFCFA ANNUAL BUDGET

324 7330



CFCFA EXPENSES ARE DIVIDED IN 4 CATEGORIES:

- salary – **27,5%**,
 - travel expenses (transport, accommodation, per diem) – **45,3%**;
 - third party services – **18,1%**;
 - contingencies – **9,1%**.
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- * We propose to include 4 people in CFCFA Permanent Secretariat: secretary, 2 secretary assistants and accountant (*additional discussion, see “Principles of Secretariat activity”*)

 - * Salaries of Chairman, Vice Chairman and Treasurer elected on a rotational basis are determined taking into account that they are not involved in the operation of secretariat and combine these functions with their main activities



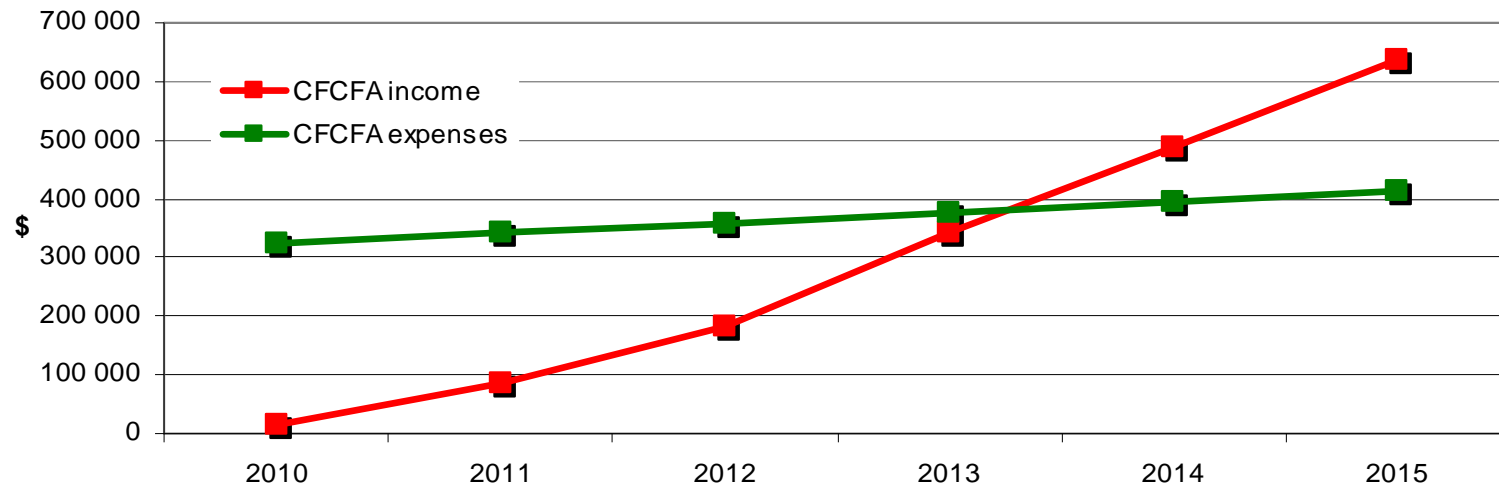
7 POSSIBLE SOURCES OF CFCFA INCOME, \$:

	2010	2011	2012	2013	2014	2015
1 ADB financing	311 000	255 950	176 313	33 628	0	0
2 fees of CFCFA members	8 000	17 000	24 500	44 500	57 000	58 000
<i>minimum fee</i>	500	1 000	1 000	1 500	2 000	2 000
<i>supposed quantity of members</i>	16	17	18	19	20	20
<i>minimum fee among them</i>			5	3	3	2
<i>average extra fee of associations (differentiated)</i>			500	1 000	1 000	1 000
3 trainings	6 000	24 000	30 000	36 000	36 000	36 000
<i>quantity of trainings</i>	3	8	10	12	12	12
<i>CFCFA income</i>	2 000	3 000	3 000	3 000	3 000	3 000
4 Payment for website use to search back load (customers)	0	24 000	60 000	108 000	168 000	240 000
<i>expected quantity of users</i>		10	20	30	40	50
<i>payment for use per month</i>		200	250	300	350	400
5 Payment for advertising on the website	0	16 800	60 000	141 600	208 800	276 000
<i>quantity of advertising banners and links (with rotation)</i>		10	20	30	40	50
<i>payment for banners, links per month</i>		40	50	60	60	60
<i>quantity of pages (personal cabinets for bidding)</i>		2	5	10	15	20
<i>payment for page (cabinet)</i>		500	800	1 000	1 000	1 000
6 Income from participation in the solidary (joint) insurance system	0	2 500	6 000	10 500	16 000	25 000
<i>quantity of participants</i>		5	10	15	20	25
<i>Income from use per year</i>		500	600	700	800	1 000
7 Income from other activities (organization of participation in exhibitions, events, etc.)	0	1 000	1 500	2 000	2 500	3 000
TOTAL: PLANNED INCOME	14 000	85 300	182 000	342 600	488 300	638 000



POSSIBLE SOURCES OF CFCFA INCOME,\$:

1. ADB financing



After the funds from the other sources become available, ADB financing will go down. In 3-4 years CFCFA will reach breakeven (see the chart). CFCFA activity will be coordinated with ADB as before. ADB financing will be focused on:

- support of new associations,
- involvement of experts for solution of CFCFA tasks and conduct of trainings,
- transport and trade development projects initiated by CFCFA,
- support of expansion of CFCFA activity, unplanned activities



POSSIBLE SOURCES OF CFCFA INCOME, \$:

2. CFCFA membership fees

- for the first year – 500 US dollars, which later will increase. The amount of fee shall be determined in accordance with CFCFA Constitution during the annual meeting
- the amount of annual fee for each association shall be calculated according to the type of association's activity, quantity of its members and other criteria (algorithm is to be worked out), but it can not be lower than established minimum fee
- minimum annual fee shall be paid by the newly established association during 3 years of its operation maximum. It can be paid also by ADB at the discretion of ADB
- from the moment of CFCFA breakeven, the entry fee can be implemented



POSSIBLE SOURCES OF CFCFA INCOME, \$:

3. CFCFA trainings*

- will be arranged by secretariat on the basis of training centers of associations of CAREC countries with the involvement of international experts and trainers whose work will be paid by ADB
- Income from trainings shall be divided proportionally between participating association and CFCFA

4-5. CFCFA website*

If “promoted”, it can become a considerable source of CFCFA income, as it:

- provides trading floor, possibility of search of back load (customers) for transport facilities;
- provides information support for organization of transportation, is a platform for cooperation.

Income will be gained from:

- subscriber’s payment for use of information on back load (customers);
- use of advertising resources (banners, links);
- use of personal page for bidding etc.

6. CFCFA income can be received from the implementation of **solidary (joint) insurance system.**

7. CFCFA income can also be gained from the other sources: organization of participation in various CFCFA actions, purchase of securities, assistance in participation in public private investment projects, etc.

Receipt of income is possible in 3-5 years, it will be needed to determine principles of income use

**proposed as priority projects*



THANK YOU FOR ATTENTION!

N. Issingarin – CFCFA Chairman