

**INTER-AMERICAN TROPICAL TUNA COMMISSION
COMMITTEE ON ADMINISTRATION AND FINANCE**

1ST MEETING

Veracruz, Veracruz Mexico

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**FINANCING FOR THE IATTC REGIONAL OBSERVER
PROGRAM FOR TRANSSHIPMENTS AT SEA, 2013-2014**

1. INTRODUCTION

The IATTC observer program to monitor transshipments at sea by carrier vessels was established by Resolution [C-08-02](#) and is now regulated by Resolution [C-12-07](#). The program is financed in 2013 by China, Korea, Japan, Chinese Taipei, and Vanuatu, the five IATTC Members that participate fully in the program, and operated by the *Marine Resources Assessment Group Ltd.* (MRAG) consortium.

This document presents information on the budget for 2013 and the proposed budget for 2014, matters which are for the Committee to contemplate.

2. CURRENT BUDGET

The operating budget for the program in 2013 is US\$ 1,000,000, split equally between two components: the number of transshipments made and the quantity of fish transshipped. The contributions are calculated in proportion to the activity of the fleets of each participant in each of these two components and are payable in two installments, on 15 January and 15 May, to cover the costs of the first and second semesters, respectively. All contributions for the first half of 2013 have been received (Table 1).

TABLE 1. Distribution of program costs, 2013, US\$					
	Total	First installment	Paid	Second installment	Due
China	231,879	115,939	✓	115,939	15 May
Japan	329,562	164,781	✓	164,781	
Korea	58,188	29,094	✓	29,094	
Chinese Taipei	229,589	114,795	✓	114,795	
Vanuatu	150,782	75,391	✓	75,391	
Total	1,000,000	500,000	✓	500,000	

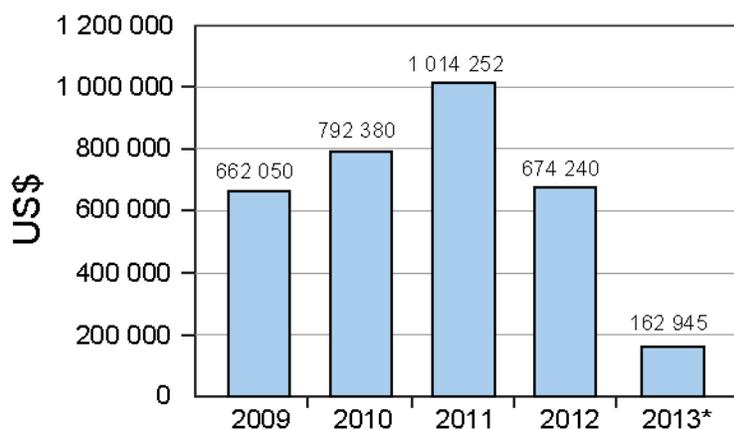
In 2012, payments were made to MRAG for a total amount of US \$ 674,241. The remainder, added to the 2011 surplus of US \$ 14,252, yields a cumulative surplus for 2013 of US \$ 340,011, in addition to the regular budget of US \$ 1 million.

If the level of expenditures during the first three months of 2013 continues in terms of requests for observers and days at sea, the budget of US \$ 1,000,000, plus the aforementioned surplus, will not only be sufficient to cover the costs of the program in 2013, but result in an expected accumulated surplus of approximately US \$ 500,000 at the end of the year. This is due to the reduced number of requests for observers and number of days at sea in both 2012 and 2013, as well as the reduction of some costs by MRAG during the last two years. Table 2 summarizes the financial situation of the program as of 31 March 2013.

Item	Amount
Contributions of first semester (paid)	500,000
Contributions of second semester (to be paid)	500,000
Surplus from 2012	340,011
Total	1,340,011
Payments to MRAG, January-March	162,945
Amount available, April-December, once all contributions are received	1,177,066

Appendix 1a summarizes in greater detail the expenditures in 2011, and Appendix 2b, those of the first quarter of 2013. Figure 1 shows the actual budgets for the program during 2009-2012, and the current budget for 2013. It should be noted that costs show a considerably downward trend since 2011.

FIGURE 1. Program budgets, 2009-2013, in US\$



* 31 of March – Al 31 de marzo

The draft budget for 2014 prepared by MRAG contemplates expenditures of US\$ 850,000. As noted above, it appears that there may be a surplus at the end of 2013 of about \$323,000. It is reasonable to assume that, if current levels of expenditure continue, only an additional US\$ 500,000 will be needed from the participating Members for 2014, instead of the budgeted US\$ 1,000,000. This should be sufficient to cover the expected costs plus unforeseen changes in the current spending trends. Under the agreed cost-sharing formula, the program's budget in 2014 would be distributed as shown in Table 3.

TABLE 3. Basis for distribution of costs

% of budget	Basis	
50%	Number of transshipments in the EPO	1 September 2012- 31 August 2013
50%	Amount of fish transshipped in the EPO	

In November 2013 the Secretariat will inform the participating Members of their contributions to the program para 2014, calculated on the basis of the data specified in Table 3. The first contribution for 2014 is payable by 15 January of that year, and in May 2014 the Secretariat will send a reminder for the second contribution, payable by 15 May.

In order to continue with this program, the Committee needs to recommend to the Commission to:

1. Approve the 2014 budget of US\$ 850,000 and the dates of payment by the participants. The total contributions for 2014 by the Members participating in the program would be US\$ 500,000; the remainder would be covered with the 2012 surplus and the anticipated 2013 surplus.
2. Confirm that the agreed formula currently in use for sharing contributions among the participants in

the program will continue to be used.

Anexo . Appendix 1a

Gastos del programa de observadores, 2012 (US\$)
Observer program costs, 2012 (US\$)

	Costo por unidad	Unidades cobradas	Costo
	Unit cost	Units paid	Cost
Días en el mar Days at sea	339	1,647	557,510
Días de viaje Travel days	334	131	43,730
Capacitación Training	453	-	-
Equipo, materiales, viajes Equipment, materials, travel	-	-	73,001
Total			674,241

Anexo-Appendix 1b

Gastos del programa de observadores, 2013, al 31 de marzo (US\$)
Observer program costs, 2013, to 31 March (US\$)

	Costo por unidad	Unidades cobradas	Costo
	Unit cost	Units paid	Cost
Días en el mar Days at sea	\$339	404	\$136,754
Días de viaje Travel days	\$334	31	\$10,348
Capacitación Training	\$453	-	-
Equipo, materiales, viajes Equipment, materials, travel	-	-	\$15,843
Total			\$162,945