

INTER-AMERICAN TROPICAL TUNA COMMISSION
COMMITTEE ON ADMINISTRATION AND FINANCE
5th MEETING
Mexico City, Mexico
19 July 2017

DOCUMENT CAF-05-04

**FISCAL YEAR 2016 RESULTS AND BUDGETS FOR FISCAL
YEARS 2018 AND 2019
(1 JANUARY-31 DECEMBER)**

Projected budget, FY 2019	US\$	7,343,193
Requested budget, FY 2018	US\$	7,258,413

1.	Introduction	1
2.	Background	1
3.	The IATTC budget	3
4.	Fiscal year 2016 operational expenditures	5
5.	2016 special projects and programs	9
6.	Status of 2016 Member contributions, as of 31 December 2016	9
7.	Status of Member contributions for 2017.....	10
8.	Requested budget for 2018 and projected budget for 2019.....	11
9.	Justification for increase from the requested budget for 2018 to the projected budget for 2019	12
10.	Summary	13

This document presents the Commission’s financial activity for fiscal year¹ (FY) 2016, an update on the status of the contributions to the operating budget for FY 2017, the requested budget for FY 2018, and a budget projection for 2019.

1. INTRODUCTION

The IATTC’s annual budget is funded by contributions from the [21 Members](#) of the Commission. The budget is agreed by consensus of all Members, in accordance with Article IX.3 of the [Antigua Convention](#). The amount of each Member’s contribution to an agreed annual budget is derived from the formula established in Resolution [C-12-04](#).

The Committee on Administration and Finance (CAF), established by Resolution [C-12-02](#) in 2012, is responsible for providing advice and recommendations on matters related to the budget, financing, and administration of the Commission.

2. BACKGROUND

The [Antigua Convention](#) provides the Commission with a modern framework for its objective of ensuring the long-term conservation and sustainable use of the fish stocks of the eastern Pacific Ocean (EPO) covered by the Convention. The Convention mandates a number of activities that must be carried out by the Commission and its staff; these include the collection and analysis of a wide range of data, which can be used

¹ The IATTC’s fiscal year coincides with the calendar year, 1 January to 31 December

by the staff as a basis for its research, and ultimately for its advice to the Commission regarding matters such as stock abundance and conservation measures. This work requires a broad-based, comprehensive research program, involving the collection and analysis of data from a number of fisheries, as well as ancillary biological and environmental data and, necessarily, a budget adequate to support all of this work.

The resolutions adopted by the Commission can also add to the duties and responsibilities of the staff. For example, implementation of the capacity limitation system (Resolution [C-02-03](#)) is tracked by means of the IATTC [Regional Vessel Register](#) (Resolution [C-11-06](#)). Thus, close coordination with the fisheries authorities and tuna industries of each Member is necessary in order to monitor the movement of vessels within and among fleets, which is in turn reflected in the Regional Register. Programs implementing mandates such as these have budgetary implications because they require both human and technological resources.

The Convention requires that the Commission have a staff qualified in administrative, scientific and technical areas, and sufficient for the “efficient and effective application” of the Convention. To meet this requirement, the Commission maintains an [internationally-recruited staff](#), most of whom work at the Commission’s headquarters in La Jolla, California (USA). Other IATTC staff work at field offices in Manta and Playas (Ecuador), Manzanillo and Mazatlán (Mexico), Panama City (Panama), and Cumana (Venezuela), or at the [research laboratory](#) at Achotines (Panama). The scientific staff’s activities are divided among four programs (Data collection and database, Biology and ecosystem, Stock assessment, and the Bycatch and International Dolphin Conservation Program), each of which is in turn divided into a number of specific projects.

Fundamental to the Commission’s work is the compilation of basic data on the fisheries (*e.g.* activities of fishing vessels, distribution of the fishing effort, and the amount and composition of the catches), which are derived from onboard observer reports, vessel logbooks, cannery receipts, and information submitted by governments. Equally critical are the numerous research activities funded by the Commission’s budget and carried out by IATTC scientific staff in fields such as biology, behavioral studies, stock assessment, and ecology, that monitor not only the targeted stocks, but the health and function of the EPO ecosystem. The [research](#) undertaken at the Achotines Laboratory contributes to the understanding of the early life history, growth, and mortality of tropical tunas and the environmental dynamics that play an important role in the recruitment of fish to the fisheries.

More detailed information on the staff’s [research activities](#) can be found on the IATTC [website](#).

The tuna fishery in the EPO is better documented than any other tuna fishery, and the dynamics of the tuna stocks in the EPO are better understood than those of most other tuna stocks. Accordingly, the IATTC’s research program in the EPO has set standards for, and formed the basis of, study and comparison in other parts of the world, and it is obviously important to maintain the continuity of the research that the staff has been conducting for over sixty years. However, collecting, processing, analyzing, and storing these data come with substantial associated costs.

The staff became involved in research on dolphins by a decision of the Commission in 1976, because of the practice of some purse-seine vessels in the EPO of searching for, and setting on, dolphin herds associated with yellowfin tuna. Since 1999, the IATTC staff has also served as the Secretariat for the [Agreement on the International Dolphin Conservation Program \(AIDCP\)](#), administered the AIDCP’s On-Board Observer Program, and coordinated similar work carried out by various national observer programs under the Agreement. The Commission’s budget covers 30% of the observer program costs; the remaining 70%, along with certain other costs associated with the IDCP, is covered by the budget of the AIDCP, which is funded primarily by assessments paid by participating vessels (see [Document MOP-33-06](#)). The funding level of 30%, established by the Commission at the inception of the Tuna-Dolphin Program in 1977, reflects the level of observer coverage of large purse-seine vessels² required for the data collected to be statistically reliable.

² Carrying capacity greater than 363 t (IATTC Class 6).

The AIDCP mandates 100% observer coverage of fishing trips by large purse-seine vessels in the EPO. The national observer programs of Colombia, the European Union, Mexico, Nicaragua, Panama, and Venezuela cover half of the trips made by their respective fleets, and the observer program of Ecuador covers one-third of the trips made by Ecuadorian vessels. The IATTC observer program covers the rest of the trips made by those fleets, and 100% of the trips by vessels of El Salvador, Guatemala, Peru, and the United States³.

3. THE IATTC BUDGET

For budgetary purposes, the activities of the Commission staff that are funded by Commission Members are divided into six categories:

A	Administration	D	Stock assessment program
B	Data collection and database program	E	Bycatch and AIDCP programs
C	Biology and ecosystem program	F	30% of the AIDCP observer budget

Category A includes those costs not readily allocable to any specific program and which benefit the Commission in its entirety. All other costs are allocated to the program(s) to which they pertain or which they benefit directly.

Category B includes salaries and benefits for staff assigned to the **Data Collection and Database Program**, and field office staff whose duties include obtaining statistical records of the tuna fishery directly from the fishing fleet and processing plants, providing the data necessary for assessing the effects of fishing on the abundance of the stocks. A position has been open since a senior member of the staff resigned in 2014.

Category C includes salaries and benefits for field office staff and scientific staff assigned to projects of the **Biology and Ecosystems Program**, designed to increase the available knowledge of the biology and ecology of tunas, billfishes and associated species in the EPO. This knowledge—along with catch and effort data—is used to parameterize models for assessing the effects of fishing and natural factors on the abundance, sustainability, and ecosystem structure of stocks.

The program encompasses several important activities, grouped into the following categories:

1. Investigations of the biology and behavior of tunas, and deriving population parameter estimates.
2. Tuna tagging experiments to obtain vital information on movements and population structure, along with growth, mortality, and exploitation rates.
3. Determination of the important features of the early life history of the fish and the factors that affect the recruitment of young fish to the exploitable population. This research is conducted at the Achatines Laboratory, and involves field and laboratory investigations of the key environmental and biological factors that control pre-recruitment survival of tunas. The key components of the program are described in Document [SAC-08-09c](#).
4. Studies of key species of billfishes taken by commercial, artisanal and recreational fisheries in the EPO.
5. Ecosystem studies, which includes sampling and analysis of diets and tissues required to understand food-web dynamics, and analysis of biological, ecological and fisheries data to facilitate ecological risk assessment and ecosystem modeling.

Data for these types of research are obtained from sampling catches at ports of landing, analyses of information collected from vessel logbooks and by on-board observers, studies conducted at sea on research and fishing vessels, and laboratory experiments.

A member of the scientific staff allocated to this program retired during 2014; the vacant position was filled in late 2016.

³ US vessels are occasionally covered by observers from the Western and Central Pacific Fisheries Commission program, with which the IATTC has an agreement of mutual endorsement.

Category D includes salaries and benefits for scientific staff assigned to projects of the **Stock Assessment Program** related to the Commission's responsibilities regarding conservation and fisheries management. This program is divided into the following major areas of activity:

1. Conduct stock assessments of tunas, billfishes, dolphins, and other species (*e.g.* sharks and dorado) as deemed necessary by the members.
2. Participate in assessments by other entities of stocks whose habitat includes the EPO (*e.g.* bluefin, albacore, billfishes) or for which hypotheses of stock boundaries are being explored (*e.g.* Pacific-wide assessment of bigeye, billfishes).
3. Evaluate current and proposed management measures, using, for instance, management strategy evaluation (MSE) to test harvest control rules with respect to reference points, and evaluate spatial and temporal closures.
4. Organize workshops on stock assessment methodology (*e.g.* the fall workshop series, in collaboration with the Center for the Advancement of Population Assessment Methodology) and reviews of IATTC stock assessments.
5. Design and evaluate sampling programs for fishery data collection and scientific experiments in the EPO.
6. Analyze biological and fisheries data for input into the stock assessments.
7. Conduct research on stock assessment, stock assessment methodology, and related topics.
8. Provide analytical support for the other IATTC research programs.
9. Provide capacity building for IATTC Members related to data collection, stock assessment, and evaluation of management options.
10. Participate in scientific meetings, scientific bodies, and peer reviews of stock assessments and research.

Category E includes field office staff salaries and benefits as well as that of scientific staff assigned to the **Bycatch Program**'s projects related to the Commission's investigations of dolphins and other species caught incidentally in the tuna fisheries. The Bycatch program is divided into the following major areas of activity:

1. Research and support for the reduction and management of bycatches of non-target species taken in fisheries for species covered by the Antigua Convention.
2. Modeling studies of the selectivities of different fisheries and gears, and their impacts on the ecosystem.
3. Gear workshops; developing recommendations for the adoption of dolphin-saving technology for fisheries involving dolphins, reduction of bycatches on FADs and bycatches of sea turtles in artisanal long-line fisheries, to include advice and technical assistance to fishermen.
4. Support for capacity building with regard to tagging, bycatches, and shark fisheries.
5. Conduct workshops for vessel crews to promote the reduction of impacts of the fishery on non-target species and compliance with IATTC resolutions.

Category F includes a portion of: salaries and benefits of scientific staff performing various tasks in support of the AIDCP that are not included in other programs, direct observer costs (*i.e.* salaries, benefits, travel costs, training, *etc.*) and costs associated with maintaining field offices.

This program is divided into the following major areas of activity:

1. Collection of dolphin data by observers aboard purse-seine vessels.
2. Collection of fishery and biological data by observers on catches and discards of tunas and associated species by the purse-seine fishery. The AIDCP budget covers 70% of the cost of observers on large purse-seine vessels; the IATTC budget covers the other 30%. Data collected by observers is the main source of information on the purse-seine fishery; it is complemented by information abstracted from

the logbooks of vessels of all classes. Only a small proportion of trips by small purse-seine vessels (IATTC classes 1-5) are sampled by observers, usually under certain requirements of the AIDCP and of Resolution [C-17-01](#) on tuna conservation.

3. Training of the observers who collect data for this program.
 4. Editing of the data collected by observers, in support of the Data collection and database program.
- The information is also used to support compliance monitoring with measures established by the IATTC and AIDCP.

4. FISCAL YEAR 2016 OPERATIONAL EXPENDITURES

In **Table 1**, Column 1 shows the original requested budget for 2016; Column 2 shows the reductions made by the Members to individual items, and Column 3 the resulting approved budget. Column 4 shows the actual expenditures in FY 2016, and Columns 5a and 5b the variances between the budgeted and actual costs, resulting in an overall savings.

Table 2 summarizes the financial results, by budget category and line item, as of 31 December 2016.

The following provides additional detail about the individual line items presented in **Table 2**.

HEADQUARTERS SALARIES AND BENEFITS

Salaries: The permanent scientific, administrative, clerical, and technical personnel required to carry out the tasks assigned by the Commission. Headquarters staff salaries are based on US government salary scales.

Group insurance: Includes life, disability, medical, dental and accident insurance. In order to counteract the growing costs of health insurance in the United States, the IATTC now offers employees insurance which allows the option of using health care providers in Mexico.

Social security: Includes contributions to US social security paid by the Commission.

Pension fund (IFCPF): Includes the IATTC's original pension plan, administered by the International Fisheries Commissions Pension Society (IFCPS), which provides level funding over periods of three years based upon actuarial evaluations. As discussed in prior budget documents, and documented in the footnotes to the Commission's Annual Financial Statement audit, the IFCPF has experienced large deficits in prior years, and has not performed as well as expected. The triennial actuarial evaluation in January 2017 again shows a significant deficit, and has been considered in future budget allocations.

403 (b) Retirement plan: In FY 2002, a defined contribution (403(b)) retirement plan, in which all financial risks are assumed by the employee, was introduced for new employees in place of the existing IFCPS defined benefit plan, whereby the fund assumes all risks.

TABLE 1. 2016 budget	1	2	3	4	5a	5b
	Requested	Reduction	Approved	Actual	US\$	%
HEADQUARTERS SALARIES AND BENEFITS:						
Salaries	3,385,423	(173,858)	3,211,565	3,208,128	(3,437)	(0.09)
Employee benefits:						
Group insurance:						
Medical insurance	360,000	(40,000)	320,000	308,110	(11,890)	(3.72)
Life, disability and personal accident insurance	23,000	(1,000)	22,000	27,743	5,743	26.10
Workmen's compensation insurance	30,000	(30,000)	-	14,504	14,504	100.00
Social security	220,000	(5,000)	215,000	219,806	4,806	2.24
Pension fund (IFCPF)	465,000	-	465,000	410,461	(54,539)	(11.73)
403 (b) Retirement plan	232,127	(20,000)	212,127	238,641	26,514	12.50
Subtotal, Headquarters salaries and benefits	4,715,550	(269,858)	4,445,692	4,427,393	(18,299)	
OPERATING COSTS:						
Field office facilities and related supplies	124,020	(10,000)	114,020	74,856	(39,164)	(34.35)
Field office staff salaries	505,000	-	505,000	500,533	(4,467)	(0.88)
Headquarters office expenses	176,710	(10,000)	166,710	154,225	(12,485)	(7.49)
Purchase and maintenance of computer equipment	100,000	(10,000)	90,000	77,126	(12,874)	(14.30)
Vehicles:						
Purchases	35,000	(35,000)	-	-	-	-
Operational (fuel, maintenance, etc.)	10,305	-	10,305	18,859	8,554	83.00
Parking	15,000	-	15,000	12,704	(2,296)	(15.31)
Insurance, licenses and permits	22,000	(2,000)	20,000	3,337	(16,663)	(83.32)
Printing documents, mail, and publications	10,000	(2,000)	8,000	20,216	12,216	152.70
Staff travel	169,420	(33,000)	136,420	96,272	(40,148)	(29.43)
IATTC meetings (excluding annual meetings)	65,000	-	65,000	77,340	12,340	18.98
Contracts:						
Annual audit and tax reporting	32,000	-	32,000	21,683	(10,317)	(32.24)
Payroll services	10,000	-	10,000	11,354	1,354	13.54
Other professional services	183,000	(173,000)	10,000	21,092	11,092	110.92
Bank and other fees	10,000	-	10,000	6,143	(3,857)	(38.57)
Subtotal, Operating costs	1,467,455	(275,000)	1,192,455	1,095,739	(96,716)	
Subtotal, Headquarters salaries and benefits + Operating costs	6,183,005	(544,858)	5,638,147	5,523,132	(115,015)	
Observer program	829,642	(44,642)	785,000	822,988	37,988	4.76
TOTAL Operating budget	7,012,647	(589,500)	6,423,147	6,346,120	(77,027)	

TABLE 2. Operational expenses, in US\$, by budget category and line item, 2016 ⁴	A	B	C	D	E	Subtotal IATTC	F	TOTAL
HEADQUARTERS SALARIES AND BENEFITS:								
Salaries	716,444	523,666	901,021	643,182	423,815	3,208,128	157,507	3,365,635
Employee benefits								
Group insurance:								
Medical insurance	65,015	70,871	89,209	49,153	33,862	308,110	15,947	324,055
Life, disability and personal accident insurance	4,716	11,132	5,114	2,368	4,412	27,742	620	28,362
Workmen's compensation insurance	5,869	2,399	3,220	1,738	1,279	14,505	809	15,314
Social security	48,479	37,539	62,552	41,269	29,966	219,805	10,346	230,151
Pension fund (IFCPF)	14,991	87,612	185,348	47,067	75,444	410,462	16,017	426,479
403 (b) Retirement plan	44,071	18,536	23,465	46,929	105,640	238,641	7,858	246,499
Subtotal headquarters salaries and benefits	899,585	751,755	1,269,929	831,706	674,418	4,427,392	209,104	4,636,495
OPERATING COSTS:								
Field office facilities and related supplies	-	51,236	522	-	23,098	74,856	30,167	105,023
Field office staff salaries	-	212,875	195,096	-	92,562	500,533	77,836	578,369
Headquarters office expenses	18,344	1,456	130,071	134	4,220	154,225	-	154,225
Observer costs	-	-	-	-	-	-	505,882	505,882
Purchase and maintenance of computer equipment	22,279	6,542	37,119	6,781	4,405	77,126	-	77,126
Vehicles:								
Purchases	-	-	-	-	-	-	-	-
Operational (fuel, maintenance, etc.)	7,474	-	11,070	132	183	18,859	-	18,859
Parking	12,704	-	-	-	-	12,704	-	12,704
Insurance, licenses and permits	2,645	20	672	-	-	3,337	-	3,337
Printing documents, mail and publications	4,258	31	15,283	644	-	20,216	-	20,216
Staff travel	43,426	2,491	29,428	19,089	1,838	96,272	-	96,272
IATTC meetings (excluding annual meetings)	40,157	2,435	71	34,677	-	77,340	-	77,340
Contracts:								
Annual audit and tax reporting	21,683	-	-	-	-	21,683	-	21,683
Payroll services	11,354	-	-	-	-	11,354	-	11,354
Other professional services	3,495	-	17,259	-	338	21,092	-	21,092
Bank and otheuuur fees	5,323	-	820	-	-	6,143	-	6,143
Subtotal operating costs	193,142	277,086	437,411	61,457	126,644	1,095,740	613,885	1,709,625
TOTAL operating costs	1,092,727	1,028,841	1,707,339	893,163	801,062	5,523,132	822,988	6,346,120

⁴ A (Administration); B (Data collection and database); C (Biology and ecosystem); D (Stock assessment); E (Bycatch and AIDCP); F (30% of the AIDCP observer program)

OPERATING COSTS

Field office facilities and related supplies: includes rent, utilities, insurance, telephone and office supplies for the Commission's field offices.

Field office staff salaries: includes costs related to permanent field office staff, as well as related taxes and benefits.

Observer costs: includes the required IATTC funding of the IDCP, which covers 30% of all direct observer costs such as wages, taxes, insurance, travel, equipment, and training. The amount is based upon the requested AIDCP budget in document [MOP-35-06](#), and is subject to change once the Parties to the AIDCP approve the budget for 2018.

Headquarters office expenses: includes utilities, insurance, telephone, and office supplies for the La Jolla office and the Achotines Laboratory.

Purchase and maintenance of computer equipment: Includes major equipment purchases such as computers, software, licensing agreements, and office machines.

Purchase and operational costs of vehicles: includes purchase of vehicles and related maintenance, and fuel costs.

Parking: includes purchase of staff parking permits.

Insurance, licenses and permits: includes all vehicle and property insurance, vehicle registrations and regulatory agency fees.

Printing and postage: includes all costs related to postage and printing needs.

Staff travel: includes travel and subsistence costs incurred by IATTC staff members to attend meetings or workshops sponsored by third parties. This line item does not include IATTC meetings.

IATTC meetings (excluding annual meetings): includes travel and subsistence costs incurred by IATTC staff members to attend IATTC meetings and includes costs for simultaneous interpretation services.

Contracts: includes legal and professional fees, auditing and payroll services, short-term contracts with specialists, and casual labor costs.

Bank and other fees: includes bank fees and other similar costs.

Line items with significant variances (> US\$ 15,000 and 10%) between the budgeted and actual costs (**Table 1**) were:

1. **Pension fund (IFCPF)** (US\$ (54,539); (11.73)): Represents extraordinary contribution to be sent to the IFCPF.
2. **403 (b) Retirement plan** (US\$ 26,514; 12.50): Represents the reduction to the 2016 initial budget request.
3. **Field office facilities and related supplies** (US\$ (39,164); (34.35%)): Field office costs have been kept to a minimum due to budget constraints.
4. **Insurance, licenses and permits** (US\$ (16,663); (83.32%)): Costs related to lab permits and licenses have been lower than anticipated, as was insurance for older vehicles.
5. **Staff travel** (US\$ (40,148); (29.43%)): Staff members were successful in obtaining support from sponsoring organizations to attend meetings requiring travel, thus keeping these costs to a minimum during 2016.

Although **IATTC meetings** was not considered a significant variance, it is worth noting that approximately US\$ 33,000 in non-budgeted costs were incurred for the extraordinary meeting in October.

5. 2016 SPECIAL PROJECTS

The IATTC staff routinely seeks and receives funding from alternative sources to support its activities. Consequently, in addition to the Commission's regular operations, several projects in which the staff is involved are funded separately by the Members or other interested parties. The information on these projects is included for illustrative purposes only, as their budgets are determined, approved, and accounted for separately, and are not part of the IATTC's regular budget. For instance, since 2007 the IATTC staff has raised an annual average of US\$ 106,000 in supplementary funding for research at the Achotines Laboratory, in addition to the US\$ 274,000 from the IATTC regular budget for utilities, fish food, and other supplies, and salaries for 20 locally-contracted staff, included in the Biology and Ecosystem Program.

Table 3 summarizes the income and expenses related to those funds received during 2016. Some of these projects (the IATTC/AIDCP performance review, the 2016 annual meeting, the 2016 capacity meeting, and travel costs for the Director candidates) were partially or wholly funded with the Member contributions, while others were funded separately. "Other projects" includes sundry funds remaining from previous projects that were exhausted during 2016.

The 2016 approved budget included US\$ 70,000 to hold the annual meeting in La Jolla; however, actual costs exceeded the budgeted amount by over US\$ 90,000. This was mainly due to attendees choosing to stay at other hotels, requiring the IATTC to pay for the meeting rooms, as well as the first night of the non-utilized reserved block of rooms.

The program for monitoring transshipments at sea by longline vessels is funded separately (see Document [CAF-05-05c](#)).

The special fund for strengthening the institutional capacity of developing countries established by Resolution [C-14-03](#) is essential to ensure the substantial and effective participation of those countries in the activities of the Commission, including its meetings. The fund is financed by a 2% levy added to the operating budget, and thus proportionally to each Member's contribution (see Document [CAF-05-05b](#)). In 2016 this amounted to US\$ 131,085, based on the approved operating budget of US\$ 6,554,250 for that year.

TABLE 3. Special projects, 2016, in US\$	Income	Expenses	+/(-)
Collection of data on bycatches of sharks (GEF/FAO)	229,765	229,765	-
IATTC/AIDCP Performance review	138,002	138,002	-
2016 annual meeting	82,358	175,622	(93,264)
2016 capacity meeting	15,990	15,990	-
Travel costs for Director candidates	11,835	11,835	-
Western Pacific out-of-area activity	78,601	57,266	21,336
Dolphin population assessment (EU/ISSF/Mexico)	67,265	67,265	-
Testing of non-entangling and biodegradable FADs (EU/ISSF)	63,368	63,368	-
Simulation testing of reference points	42,583	42,583	-
Contracts for services at Achotines Laboratory	38,840	22,204	16,636
Pacific Tuna Tagging	27,210	27,239	(29)
Nutritional studies of yellowfin tuna	20,400	-	20,400
Shark mitigation studies (ISSF)	11,620	11,620	-
CAPAM (UCSD)	6,668	6,668	-
Other projects	7,150	3,295	3,855
Total	841,654	872,720	(31,066)
Transshipment program	1,056,479	1,056,479	-
Capacity-building fund	110,665	33,829	76,836

6. STATUS OF 2016 MEMBER CONTRIBUTIONS, AS OF 31 DECEMBER 2016

As noted in the introduction, the Commission's primary source of income is the contributions of its Members. **Table 4** summarizes the status of the contributions specified in Resolution [C-15-06](#) received during 2016:

	Payments of past arrears	Budget contributions		Total
		2016	2017	
Belize	-	45,506	-	45,506
Canada	-	122,147	-	122,147
China	-	103,300	-	103,300
Costa Rica	-	78,892	-	78,892
Ecuador	-	1,159,626	-	1,159,626
El Salvador	-	62,400	-	62,400
European Union	-	360,763	-	360,763
France	-	101,460	-	101,460
Guatemala	14,337	29,527	-	43,864
Japan	-	350,029	-	350,029
Korea	-	184,896	-	184,896
Mexico	-	952,017	-	952,017
Nicaragua	-	62,478	-	62,478
Panama	218,099	-	-	218,099
Peru	5,084	42,509	-	47,593
Chinese Taipei	-	170,553	-	170,553
United States of America	-	1,746,553	-	1,746,553
Vanuatu	18,572	47,366	28,106	94,044
Total contributions	256,092	5,620,022	28,106	5,904,220
Unpaid 2016 contributions at year end		1,154,210 ⁵		
2016 approved budget		6,774,232		

As of 31 December 2016, past-due contributions totaled US\$ 4,026,173, an increase of almost US\$ 900,000 from the previous year. **Table 5** shows in greater detail the status of the contributions of Members that are in arrears. This shortfall significantly impacted the ability of the Commission staff to perform the functions mandated by the Antigua Convention and requested by the Members.

	Previous years						2016		Total, 31-DEC-16
	2011	2012	2013	2014	2015	Total, 31-DEC-15	Owed	Paid	
China	*	*	*	*	*	*	128,486	103,300	25,186
Colombia	*	*	*	*	46,748	46,748	309,591	-	356,339
Guatemala	*	*	*	*	14,337	14,337	43,863	43,864	14,336
Kiribati	*	*	*	*	31,839	31,839	33,191	-	65,030
Panama	416,641	492,817	435,910	396,980	356,551	2,098,899	359,070	218,099	2,239,870
Peru	*	*	*	*	5,084	5,084	52,624	47,593	10,115
Venezuela	*	*	46,679	440,056	425,841	912,576	402,721	-	1,315,297
Vanuatu	*	*	*	*	18,572	18,572	47,336	65,908	-
Total	416,641	492,817	482,589	837,036	898,972	3,128,055	1,376,882	478,764	4,026,173

* No outstanding arrears during those years.

7. STATUS OF MEMBER CONTRIBUTIONS FOR 2017

The operating budget for the current year, FY 2017, is US\$ 5,755,757, plus US\$ 849,624 in additional

⁵ See **Footnote 6** in notes to the audited financial statements dated 18 May 2017.

funding for the AIDCP Observer Program, and US\$ 132,108 for the capacity-building fund, for a total agreed budget of US\$ 6,737,489, as reflected in Resolution [C-16-07](#).

Table 6 shows the status of unpaid contributions, totaling US\$ 3,774,479 as of 31 May 2017:

	Previous years	FY 2016	FY 2017	Total
China	-	25,186	149,021	174,207
Colombia	46,748	309,591	279,534	635,873
El Salvador	-	-	62,460	62,460
Guatemala	-	-	29,131	29,131
France	-	-	99,939	99,939
Kiribati	31,839	33,191	33,424	98,454
Nicaragua	-	-	58,702	58,702
Panama	1,403,728	359,070	477,072	2,239,870
Peru	-	-	1,363	1,363
Venezuela	-	-	374,480	374,480
Total	1,482,315	727,038	1,565,126	3,774,479

Despite the requirement that all contributions be paid by 1 March of the corresponding year, as of 31 May 2017 24% (US\$ 1.6 million) of the 2017 budget contributions established in Resolution [C-16-07](#) are still pending (**Table 6**), and are thus considered in arrears. Given that most of the contributions due in any given year are not paid before the established deadline, the Members may wish to consider creating additional incentives or penalties to improve compliance with that obligation.

8. REQUESTED BUDGET FOR 2018 AND PROJECTED BUDGET FOR 2019

Table 7 presents the budgets for 2016 - 2019, by budget category. Column 1 shows actual expenditures in 2016, and Column 2 the differences from the approved budget for 2017 (Column 3). Columns 4-8 extend this to the requested budget for 2018 and the projected budget for 2019.

Category	1	2	3	4	5	6	7
	FY 2016 (actual)	Difference 2016-2017	2017 (approved)	Difference 2017-2018	2018 (requested)	Difference 2018-2019	2019 (projected)
A	1,092,727	13,653	1,106,380	85,637	1,192,017	11,328	1,203,345
B	1,028,841	29,658	1,058,499	67,084	1,125,583	10,697	1,136,280
C	1,707,336	150,822	1,858,158	172,210	2,030,368	19,295	2,049,663
D	893,163	8,504	901,667	130,791	1,032,458	9,812	1,042,270
E	801,062	29,991	831,053	54,987	886,040	8,420	894,461
F	822,988	26,636	849,624	-	849,624 ⁷	23,566 ⁷	873,190
Total	6,346,120	259,264	6,605,381	510,709	7,116,090	83,119	7,199,209
CBF			132,108	10,214	142,322	1,662	143,984

Increase from approved 2017 to requested 2018 operational budgets:

The proposed increase of US\$ 510,709 from 2017 to 2018 includes funding for the following:

1. Salaries and benefits (US\$ 370,709):

⁶ Payments made subsequent to 31 May will be presented at the 5th Meeting of Committee on Administration and Finance in July.

⁷ Amount is based upon the AIDCP budget request for 2017 (Document [MOP-35-06](#)); subject to change when 2018 and 2019 budgets are approved by the AIDCP Parties.

- a. Reflects an increase to the original 2017 budget request as presented in 2015 taking into consideration the salaries of two open positions filled in late 2016 and 2017 for (US\$ 234,647)
 - b. To obtain an insurance policy for employees while on business travel (US\$ 14,000)
 - c. A 2% COLA (cost-of-living adjustment) increase in salaries and benefits (US\$ 122,062)
2. **Pension fund (US\$ 50,000):**
Special contribution toward the accumulated deficit of the IFCPF.
 3. **Field office facilities and related expenses (US\$ 15,000):**
Several field office vehicles are over ten years old and require replacement.
 4. **Field office staff salaries (US\$ 10,000):**
A 2% COLA (cost-of-living adjustment) increase in salaries and benefits.
 5. **Purchase and maintenance of computer equipment (US\$ 10,000):**
Adjusted to reflect anticipated needs.
 6. **Purchase of vehicle (US\$ 10,000):**
The trade-in value of vehicles depreciates every year, requiring additional funding to replace. Head-quarter vehicles are over ten years old.
 7. **Running costs of vehicles (US\$ 14,000):**
This item was under-budgeted, requiring additional funding to cover anticipated costs and anticipated increase in insurance for newer vehicles.
 8. **Printing and postage (US\$ 8,000):**
To preserve its library, the IATTC is currently binding its reports, requiring additional funding. In addition, it takes into consideration the increasing cost of postage, and publication.
 9. **IATTC meetings (excluding annual meetings) (US\$ 15,000):**
This item was under-budgeted in 2017, requiring additional funding to cover anticipated costs as the cost of travel continues to rise.
 10. **Annual audit and tax reporting (US\$ 3,000):**
This item was under-budgeted in 2017, requiring additional funding to cover anticipated costs.
 11. **Payroll services (US\$ 5,000):**
This item was under-budgeted in 2017, requiring additional funding to cover anticipated costs.
- 9. JUSTIFICATION FOR INCREASE FROM THE REQUESTED BUDGET FOR 2018 TO THE PROJECTED BUDGET FOR 2019**

Table 8 shows the information in **Table 7** in greater detail, reflecting a 2% COLA salary increase and two senior scientific staff replacements not previously budgeted for.

TABLE 8. Comparative figures, in US\$, by budget line item, FYs 2017-2019			
	2017	2018	2019
	(approved)	(requested)	(projected)
HEADQUARTERS SALARIES AND BENEFITS:			
Salaries	3,214,952	3,547,928	3,600,000
Group insurance:			
Medical insurance	347,000	347,000	353,940
Life, disability and personal accident insurance	23,460	28,000	28,560
Workmen's compensation insurance	-	14,000	14,000
Social security	234,201	239,323	244,000
Pension fund (IFCPS)	515,000	565,000	565,000
403 (b) Retirement plan	240,929	255,000	260,100

Subtotal, Headquarters salaries and benefits	4,575,542	4,996,252	5,065,600
OPERATING COSTS:			
Field office facilities and related supplies	85,000	100,000	100,000
Field office staff salaries	505,000	515,000	525,000
Headquarters office expenses	175,910	175,910	179,428
Purchase and maintenance of computer equipment	90,000	100,000	100,000
Vehicles:			
Purchases	20,000	30,000	-
Operational (fuel, maintenance, etc.)	24,305	38,305	39,071
Parking	15,000	15,000	15,000
Insurance, licenses and permits	6,000	6,000	6,120
Printing and postage	12,000	20,000	20,400
Staff travel	120,000	120,000	122,400
IATTC meetings (excluding annual meetings)	65,000	80,000	81,600
Contracts:			
Annual audit and tax reporting	32,000	35,000	35,700
Payroll services	10,000	15,000	15,300
Other professional services	10,000	10,000	10,200
Bank and other fees	10,000	10,000	10,200
Subtotal, Operating costs	1,180,215	1,270,215	1,260,419
ANNUAL MEETINGS:			
Meeting venue	-	-	-
Subtotal, Salaries and benefits, Annual meetings, and Operating costs	5,755,757	6,266,467	6,326,019
AIDCP program⁸	849,624	849,624	873,190
Total, Operating costs	6,605,381	7,116,091	7,199,209
Capacity Building Fund⁹	132,108	142,322	143,984
TOTAL BUDGET	6,737,489	7,258,413	7,343,193

Since 2005, an administrative fee has been charged on all contracts for services provided by the IATTC staff to third parties that are neither covered in the IATTC nor AIDCP budgets. This includes research contracts and grants, as well as the placement of observers on vessels operating outside the IATTC Convention Area, and is included under **Other contract revenue** in the audited financial statements. This income is in addition to the regular budget, and is used to cover unexpected costs not included in the approved budget.

10. SUMMARY

The Director and the staff of the Commission recognize the need to minimize costs while ensuring that they fulfill their functions in compliance with the Antigua Convention and carry out the tasks assigned by the Members. The budget needs first to keep pace with inflation, which affects all expenditures related to the activities of the Commission, both at headquarters and abroad, in view of the continuously rising costs of the supplies and goods that must be purchased as a normal part of the function of the Commission, as well as for all activities associated with meetings and the implementation of projects and programs. With regard to staff, cost of living adjustments should be made to salaries and related benefits on an annual basis. It is important also to recall that the scope of the activities of the Commission and its staff continues to expand, as noted within the context of this document, not only because of the broader mandate derived from the

⁸ Amount is based upon the AIDCP budget request for 2017 (Document [MOP-35-06](#)), and is subject to change.

⁹ Actual amount is dependent upon the approved operational budget.

Antigua Convention, but also in response to the wishes and demands of the Members. It is therefore essential that the Commission give due consideration to the levels of funding requested in this document and adopt the requested budget for 2018 in the amount of US\$ 7,258,413. Finally, it must be stressed that, for the Commission and its staff to fulfill their functions in compliance with the Antigua Convention fully and efficiently, it is essential that all Member contributions to the budget be paid in a timely manner, and that the situation related to the pending arrears of some Members be promptly resolved.

Due to the continued growth of the IATTC activities, it is essential to consider adding funds to fully fund activities proposed at the annual Scientific Advisory Committee.

Detailed proposals for specific activities that should be considered individually and that require additional funding to the budget outlined in this document will be presented in a separate document.