

**AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM**

**48<sup>th</sup> MEETING OF THE PARTIES**

**Panama City, Panama**

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**DOCUMENT AIDCP-48-01**

**AIDCP BUDGET**

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**1. BACKGROUND**

The [Agreement on the International Dolphin Conservation Program](#) (AIDCP) is a legally binding multilateral agreement that entered into force in February 1999. The Inter-American Tropical Tuna Commission (IATTC) provides the Secretariat for the Agreement<sup>1</sup>, and performs certain other functions set forth in the Agreement, its Annexes, and other decisions taken by the Parties. In this document, the IATTC staff, as Secretariat for the AIDCP, presents the 2023 accounting of AIDCP funds, the 2024 financial activity forecast, a recommended AIDCP budget for 2025, and the reasons for some significant increases in select categories of budgeted activities programmed to be carried out during that fiscal year and corresponding expenditures.

The principal source of IDCP costs come from the IATTC observer program, which accounted for approximately 76% of the 2023 AIDCP total actual costs. The remainder corresponds to the costs of meetings, administration, and other categories described in [Figure 1](#).

The AIDCP mandates 100% observer coverage of fishing trips by large purse-seine vessels<sup>2</sup> in the Eastern Pacific Ocean (EPO)<sup>3</sup> and stipulates that at least 50% of such trips be covered by the IATTC observer program<sup>4</sup>. The IATTC program provides observers for 100% of trips made by vessels of Parties that do not have a national observer program (currently El Salvador, Peru, and the United States). The national observer programs of the seven Parties that currently have them (Colombia, Ecuador, the European Union,

<sup>1</sup> The Secretariat for the Agreement on the International Dolphin Conservation Program (the Agreement), pursuant to Article VII, paragraph 1(t), and Article XIV, paragraph 3, of the Antigua Convention, is provided by the IATTC.

<sup>2</sup> Carrying capacity greater than 363 mt (IATTC Class 6).

<sup>3</sup> Vessels fishing in the EPO but departing from ports in the WCPO are usually covered by cross-endorsed observers from the Western and Central Pacific Fisheries Commission Regional Observer Program (WCPFC), with which the IATTC has a Memorandum of Cooperation.

<sup>4</sup> For the purposes of this document, the AIDCP On-Board Observer Program refers collectively to the purse-seine observer program administered by the Secretariat, along with the national purse-seine observer programs maintained by some Parties. The observer program administered by the Secretariat and coordinated through the IATTC Field Offices is referred to as the IATTC observer program, so as to avoid possible confusion that might arise from referring to it as the AIDCP observer program.

Mexico, Nicaragua, Panama, and Venezuela), typically cover 50% of the trips by their respective fleets, except the Ecuadorian national program, which covers 33.3%. The remainder of the observer coverage is provided by the IATTC observer program.

The funding of the IATTC observer program expenses is divided between the AIDCP budget, which pays

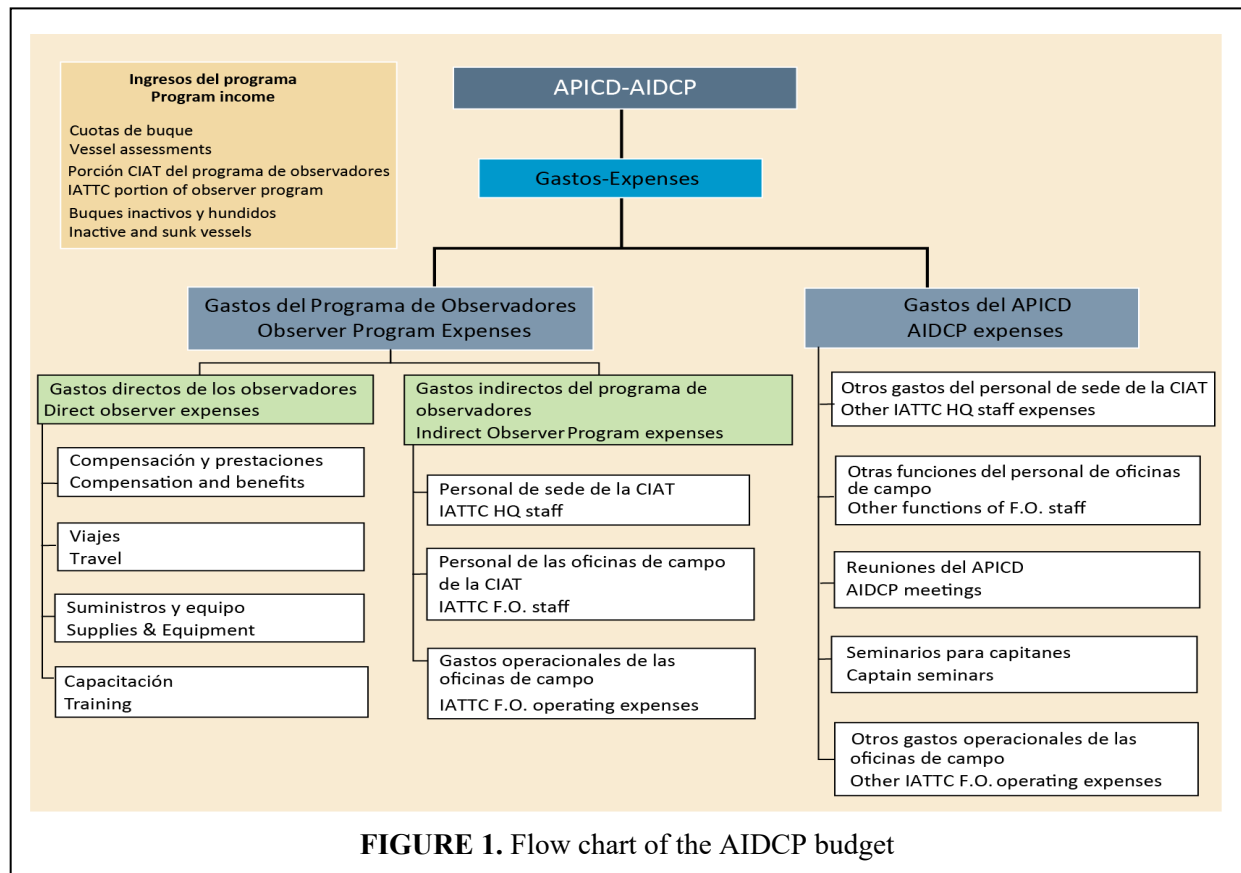


FIGURE 1. Flow chart of the AIDCP budget

70%, and the IATTC budget, which pays 30% (see Document [CAF-11-01](#)). The IATTC’s 30% contribution, agreed at the inception of IATTC’s Tuna-Dolphin Program in 1977, reflects the minimum level of observer coverage required for the data collected to be statistically reliable.

As Secretariat of the AIDCP, the IATTC uses the same accounting system to record all income and expenditures of both the AIDCP and the IATTC. However, their control is managed independently in terms of accounting and financial reporting. Following the recommendations of the AIDCP Parties and the IATTC Members, separate bank accounts have been opened for the AIDCP, and a process has been initiated to determine the possibility of separating the IATTC Secretariat's accounting functions from that of the AIDCP.

## 2. STRUCTURE OF THE BUDGET

As shown in **Figure 1**, the AIDCP Income finances the expenditures that are grouped into two general categories: the Observer Program Expenses, and Other Expenses associated with the other activities related to the general implementation of the AIDCP.

### 2.1. Observer program expenses (70% covered by the AIDCP budget, 30% by the IATTC budget)

**2.1.1. Direct observer expenses** are allocated in this group of expenses as they include all costs incurred directly by the observers to perform their functions as follows:

- **Compensation and benefits** include all remunerations, bonuses, and insurance for IATTC observers. To create and maintain adequate pools of observers, the Secretariat continues to monitor and review observer compensation, recommending increases in compensation as needed. Observer

compensation was last increased in 2014.

- **Travel** includes transportation, off-vessel lodging and meals while observers are on duty status.
- **Supplies and equipment** include data forms, equipment such as observer safety equipment, binoculars and calipers, and related gear repairs, replacement and maintenance.
- **Training** includes costs related to the training venue, travel expenses for instructors, including assistance to observer candidates, training materials, and room and board for both participants and instructors - all of which vary from year to year depending on the number of participants, number of trainings, and their corresponding location. Because of the difficulty to forecast the effective number of observers to be trained, which depends on many factors, such as the number of applications, the level of the demand for observers et cetera, these costs may vary, sometimes significantly, with projected budget needs.

**2.1.2. Indirect observer program expenses:** these expenses correspond to activities carried out by the Secretariat in support of the AIDCP Observer program.

As mentioned in the prior year's budget document, a shift was observed regarding these amounts in the three years of reference (2022, 2023 and 2024) resulting from comprehensive discussions on the actual percentage of time each staff member dedicates to the AIDCP Observer program.

- **IATTC HQ staff:** IATTC staff time in this category is based upon a best estimate of how much time each member of the staff spends performing the following activities in support of the IATTC Observer Program. Some of these functions lie within the Data Collection and Database Program.

Prior to 2022, these costs were allocated in a simplified manner that did not take into account the more precise time allocation methodology as described above, with a blanket allocation of 70% of staff time under the IDCP budget to the indirect Observer program costs and 30% to the **AIDCP expenses (non-Observer)**.

An example of this allocation can be seen in the 2021 column of Table 1, where IATTC staff time under the Indirect Observer Program Costs is US\$ 894,350 (70%) and IATTC staff time under AIDCP Expenses is US\$ 383,293 (30%)<sup>5</sup>.

This time allocation was thoroughly reviewed in 2021 by the Director and Heads of Divisions for the sake of reflecting more accurately and transparently the time spent by each staff on activities related to the AIDCP Observer program and its activities. At the beginning of 2022, a series of changes to the IATTC cost allocations were implemented (see staff allocations in Addendum A), adjusting the manner in which staff salaries were allocated to the various IATTC categories (Administration, finance, and human resources, Policy and compliance, Data collection and database program, Biology program, Stock assessment program, Ecosystem and bycatch program and the management of the observer program) intending to provide a more transparent allocation of actual costs based on staff time spent on each of the categories and their respective programs. What this meant for the AIDCP budget calculations is that IATTC staff efforts in the context of work on the AIDCP were no longer split 70% into Indirect Observer

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<sup>5</sup> It is important to note that a 70/30 partitioning was used in two distinct contexts, so as to avoid possible confusion. In the first instance, the costs of the observer program have traditionally been funded by the AIDCP (70%) and IATTC (30%) budgets, reflecting the determination that in the absence of the 100% observer coverage mandated under the AIDCP, the observer coverage rate for the collection of IATTC data should have been 30%, and so 30% of the total observer program expenses are covered via the IATTC budget. In the second instance, prior to 2022, a universal 70/30 split of the time IATTC staff spent between the Indirect Observer Program Expense categories and the AIDCP Expense categories in support of AIDCP was also used. That is, it was assumed that overall, 70% of IATTC staff time spent on AIDCP issues was related to the observer program and thus included in the Indirect Observer Costs category where it was then subject to the 70/30 split of observer program expenses funded by both the AIDCP Observer Program and IATTC budgets. The remaining 30% of IATTC staff expenses attributable to AIDCP work was then included under AIDCP Expenses, which are 100% funded through the AIDCP budget. We mention this here because we are concerned that the use of a 70/30 split in two completely different contexts may have been a source of confusion for some Parties.

Program Costs and 30% AIDCP Expense categories. Rather, staff time is examined on an individual basis to determine how much of their AIDCP-related efforts are in support of the observer program and how much of it is related to non-observer AIDCP matters (e.g., policy matters related to implementation of the Agreement, finance and administration, meeting document preparation and translation, etc.).

Setting aside the imprecise blanket of 30% of time allocated to the non-observer related AIDCP activities and evaluating the percentage of time dedicated to these activities based on best estimates, led to a substantive increase of that percentage, which is 100% covered through the AIDCP budget (see paragraph 2.2 below).

Thus, this total within the Indirect Observer Program line that was US\$ 894,350 in 2021 was reduced to US\$ 631,467 in 2022 and then further reduced to US\$ 586,633 in 2023 with a final forecasted cost of US\$ 550,991 for 2024; while at the same time the AIDCP Expenses which were US\$ 383,293 in 2021 increased to US\$ 727,742 in 2022, remaining consistent in 2023 at US\$ 711,497.

- **IATTC F.O. Staff** include salaries and benefits in support of the On-Board Observer Program and utilizes allocations specific to each field office location. Each field office allocation is contemplated at the beginning of each year by the Director and the Observer Program Supervisor and is adjusted as needed depending on the focus of work performed at each location. The distributions by field office are described more in detail under the IATTC Field Office operating expenses heading below.

Examples of the key tasks that are related to the On-Board Observer Program and which are performed at Headquarters and Field Offices include the following (tasks shared among locations are marked with \*):

#### **IATTC HQ staff key tasks**

- Observer data entry\*
- Observer data editing\*
- Observer data analysis
- Observer Trainings\*
- Captains Trainings/Workshops\*
- Net Alignments\*
- Coordination, assistance, and exchange of observer data with national programs
- Data inquiries in response to requests coming from Parties to the AIDCP
- AIDCP Participation Statement for the Industry, as well as support in providing fishing records for captains, as requested by the industry.
- Data inquiries coming from scientific staff in support of AIDCP projects or investigations.
- Data inquiries related to the production of AIDCP meeting documents.
- Coordination with national and international authorities and other companies, regarding at-sea emergencies reported by observers using their safety devices\*.

#### **IATTC F.O. Staff key tasks**

- Coordination with vessels and companies regarding observer placement and the timing of vessel departures and arrivals
- Provision of logistical support leading to the observer boarding of the vessel
- Assignment of observers to purse-seine vessels
- Introductory meetings for observer assignment
- Communications with observers at sea
- Debriefing
- Data entry\*
- Data editing\*
- Observer Training\*
- Captains Trainings/Workshops\*
- Net Alignments\*

- Coordination with national and international authorities and other companies, regarding at-sea emergencies reported by observers using their safety devices\*.

**2.2. AIDCP Expenses** aimed at supporting the implementation of the AIDCP and not related to the Observer program which correspond to all other activities that are carried out by the Secretariat in general support of the implementation of the AIDCP are 100% covered by the AIDCP budget. Following the same structure allocation described under the indirect expenses of the observer program described earlier in this document, the staff allocations relevant to the AIDCP direct expenses are as follows:

**2.2.1. Other IATTC HQ staff expenses** needed for oversight and implementation of the AIDCP-related work, including the tasks performed by IATTC field office staff who represent a direct cost which is attributable to the AIDCP. These tasks include, but are not limited to:

- Guiding and coordinating IATTC Field Office personnel in implementation of policies, procedures and resolutions related to the AIDCP, its Annexes and relevant resolutions, and in particular those related to the Onboard Observer Program.
- Monitoring incoming communications from Parties or their vessels regarding implementation of the AIDCP.
- Assisting AIDCP Parties on their investigations regarding possible infractions to the AIDCP operational requirements, and therefore assisting with the pertinent communications with AIDCP Observers.
- Assisting the Director in preparation of responses to requests coming from the Parties or other AIDCP constituents
- Sending compliance related communications to Parties
- Responding to inquiries on the ETP fishery for tuna in association with dolphins, such as inquiries by AIDCP Parties, and by governmental or non-governmental entities, as well as individual researchers and the general public.
- Preparation, post and circulation of meeting documents in the two working languages of the AIDCP and the IATTC including translation
- Financial administration of the AIDCP budget and expenses
- Logistical support for AIDCP meetings
- IT and Technical support for many things, including data bases, web site, and meeting support
- Global oversight of AIDCP by the Director and Head of the Policy and Compliance Division
- Coordination, oversight and execution of AIDCP-related research

**2.2.2. Other functions of the Field office (FO) staff** include a variety of responsibilities. As required by the AIDCP, the IATTC observer program, along with the national observer programs, are responsible to comply with the 100% observer coverage mandated by the AIDCP. The F.O. staff is responsible for debriefing and performing the initial edition of the data collected during each observed trip. Similarly, they are also responsible for ensuring that the data collected is done so in a manner consistent with the high standards expected by the AIDCP Observer program, and an essential tool for this process is the provision of feedback to the observers after each trip.

The staff also manages the local legal and administrative requirements for observers during the contracting process within each country.

Furthermore, their participation is essential in the training process when adding new observers to the observer pool. Similarly, the field office staff are now participating in the AIDCP instructional seminars for captains and crew.

**2.2.3. AIDCP meetings** include a portion of the annual meeting costs related to those days in which the AIDCP takes place as well as other meetings held during the year.

### 2.3. IATTC F.O. facility expenses

As mentioned earlier in this and previous year’s documents, the allocation corresponding to each field office is evaluated at the beginning of each year by the Director and the Observer Program Supervisor and its level is adjusted as needed. In Table 5, field office facilities expenses are included in the Observer Program Expenses a category of **IATTC F.O. operating expenses** appears twice: once under Observer Program Expenses and then again under AIDCP Expenses (Non-Observer) as **Other AIDCP direct expenses**. This reflects the Secretariat’s determination that a portion of F.O. efforts are in direct support of the IATTC observer program, while others are related to the Non-Observer aspects of implementation of the AIDCP. It is for this reason that some field office expenses appear under both categories. The remaining field office operating expenses are attributed directly to the IATTC budget. The relevant portions of these operating expenses could have been discussed in sections 2.1 and 2.2, but by explaining them separately here we can obtain a clearer overview as to how those expenses are allocated by office. The following comparative table shows the way in which the expenses are allocated at each field office among these three categories.

	Field office allocations					
	IATTC Observer Program		AIDCP		IATTC	
	2022	2023/ 2024	2022	2023/2024	2022	2023/ 2024
Manta	37%	40%	16%	10%	47%	50%
Playas	29%	40%	12%	10%	59%	50%
Manzanillo	34%	50%	15%	10%	51%	40%
Mazatlán	36%	50%	15%	10%	49%	40%
Cumaná	70%	70%	10%	10%	20%	20%
Panamá City	50%	70%	21%	20%	29%	10%

The category of “Field office operating expenses” includes, but is not limited to the following expenditures:

- **General operating expenses** includes facilities rent and maintenance, equipment maintenance (excluding computers), storage, utilities, insurance, telephone, office machines and supplies.
- **Purchase and maintenance of computer equipment** includes equipment purchases of hardware such as computers and office machines, and software including license agreements.
- **Printing postage and publication:** includes all costs related to postage and printing needs.
- **Staff travel:** includes mileage, tolls and subsistence costs incurred by F.O. staff members to go to the airport to transport observers to and from ports, vessel management and agency offices, etc.
- **Field office accounting services** includes professional services rendered for preparation of reporting of observer compensation and benefits.
- **Operational costs and purchase of vehicle** includes purchase of vehicles, related maintenance, insurance and fuel costs.
- **Bank and other fees** include bank fees, and other similar costs.

### 3. PROGRAM EXPENSES, 2019-2023

**Table 1** illustrates AIDCP expenses during 2019-2023, broken down by the two expenditure categories (*Observer program expenses* and *AIDCP expenses (non-observer)*) and are further detailed by their respective cost components.

<b>TABLE 1. Expenses, 2019-2023 (US\$)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	AIDCP -41-01	AIDCP-43-01	AIDCP-44-01	AIDCP-46-01	AIDCP-48-01
<b>OBSERVER PROGRAM EXPENSES<sup>6</sup></b>					
<b>Direct Observer expenses:</b>					
Compensation and benefits	1,519,790	1,303,168	1,415,276	1,543,687	1,423,114
Travel	69,160	16,548	33,949	63,802	63,700
Supplies and equipment	11,037	11,769	9,652	70,631	77,348
Training	14,983	-	-	9,730	18,342
<b>Subtotal</b>	<b>1,614,970</b>	<b>1,331,485</b>	<b>1,458,878</b>	<b>1,687,851</b>	<b>1,582,504</b>
<b>Indirect Observer Program expenses:</b>					
IATTC HQ staff	744,014	827,298	894,350	631,467	586,633
IATTC F.O. staff	259,923	239,874	242,888	271,656	343,469
Unexpected expenses	-	-	-	-	110,000
IATTC F.O. operating expenses	86,135	68,272	68,464	74,847	94,692
<b>Total observer program expenses</b>	<b>2,705,041</b>	<b>2,466,929</b>	<b>2,664,579</b>	<b>2,665,821</b>	<b>2,717,298</b>
<b>AIDCP EXPENSES<sup>7</sup> (non-observer)</b>					
Other IATTC HQ staff expenses	318,863	349,994	383,293	727,742	711,497
Other functions of F.O. staff			104,080	116,352	77,659
Unexpected expenses	-	-	-	-	30,000
AIDCP meetings	50,282	2,200	-	34,052	41,051
Captain seminars	4,525	1,673	-	-	-
Other AIDCP direct expenses	33,753	11,040	22,963	21,223	18,326
<b>Total, AIDCP non-observer expenses</b>	<b>407,423</b>	<b>364,907</b>	<b>510,336</b>	<b>899,369</b>	<b>878,533</b>
<b>Total, AIDCP Observer Program expenses</b>	<b>3,112,465</b>	<b>2,831,836</b>	<b>3,174,915</b>	<b>3,565,190</b>	<b>3,595,831</b>

<sup>6</sup> Covered 30% by IATTC / 70% by the AIDCP income to the Secretariat

<sup>7</sup> Covered 100% by AIDCP

Through Resolution [A-19-01](#), the Parties approved a portion of the existing surplus as of December 31, 2018, to help fund the replacement of equipment within the national observer programs. This resulted in US\$ 207,269 in total funding earmarked for this purpose. The amount of this money allocated to each national program and the corresponding expenditures made against those amounts through 31 July 2024 are as follows.

<b>Distribution of allocation of funds for national programs, Resolution A-19-01, in US\$ through July 31, 2024</b>						
National Program	Allocation	Amount Distributed	Purchases			Available
			2022	2023	2024	
Colombia	7%	14,716	1,832			12,884
Ecuador	32%	65,704	62,226			3,478
European Union	3%	6,840	4,579			2,261
Mexico	31%	64,253		43,772	6,783	13,698
Nicaragua	4%	8,913	1,868			7,045
Panama	12%	24,872	16,278	1,038	2,258	5,298
Venezuela	11%	21,971	7,733		3,703	10,535
<b>Total</b>	<b>100%</b>	<b>207,269</b>	<b>94,516</b>	<b>44,810</b>	<b>12,744</b>	<b>55,199</b>

#### 4. PROGRAM INCOME, 2023

##### 4.1. Tonnage assessments

The primary source of funding for the AIDCP is the collection of vessel assessment fees. The current vessel assessment rate is US\$ 14.95 per cubic meter (m<sup>3</sup>) of well volume for all Class-6 purse-seine vessels that are listed as active in the IATTC Regional Vessel Register, as presently established in Resolution A-18-01 *on vessels assessments and financing*. This rate was agreed upon in 2014 and, has not been modified since then. All assessment income is shared with the national observer programs, in proportion to their rate of coverage for relevant trips, up to 50%.

The second major source of income consists in the IATTC budgetary contribution to the AIDCP observer program of 30% of the total Observer Program Costs.

Vessels listed in the Regional Vessel Register as inactive or sunk, also pay an assessment rate of US\$ 1.00 per cubic meter (m<sup>3</sup>) pursuant to Resolution A-18-01 mentioned above.

**Table 2** summarizes AIDCP income and expenses in 2023.

<b>TABLE 2. AIDCP sources and uses of funds, 2023, in US\$</b>		<b>Actual</b>
1	Tonnage assessments – Current year size class 6	2,341,555
2	Tonnage assessments – Size class less than 6	25,306
3	Late fees	21,536
4	Tonnage assessments - Inactive and sunk	12,762
5	Tonnage assessments – Prior year size class 6	4,231
	<b>Subtotal AIDCP income</b>	<b>2,405,390</b>
6	IATTC portion of observer program (30%)	815,191
	<b>Total AIDCP income</b>	<b>3,220,581</b>
	<b>Total AIDCP Observer Program expenses</b>	<b>3,595,831</b>
	<b>Excess of expenses over revenue</b>	<b>(375,250)</b>

1. Tonnage assessments paid by all Class-6 vessels on the IATTC [Regional Vessel Register](#) at a rate of US\$ 14.95/m<sup>3</sup>.
2. Tonnage assessments paid by purse-seine vessels smaller than Class-6 required to carry an observer.
3. Includes all late fees paid by vessels on the IATTC [Regional Vessel Register](#).
4. Assessments paid by sunk and inactive Class-6 vessels at a rate of US\$ 1.00/m<sup>3</sup>.
5. Tonnage assessments paid by Class-6 vessels from prior years.



6. The IATTC general budget contribution, which covers 30% of the AIDCP Observer Program expenses.

#### 4.2. Accumulated surplus

Table 3 illustrates the accumulated surplus as of 31 December 2023.

TABLE 3 Status of AIDCP funds on 31 December 2023		US\$
Surplus on 31 December 2022		2,569,351
2023 deficit		(375,250)
<b>Surplus on 31 December 2023</b>		<b>2,194,101</b>

A significant factor affecting the continued operational deficits is that the vessel assessment rate has not been increased for over a decade, which means that the income is not commensurate with the level of expenses needed to carry on with all the activities related to the implementation of the observer program in full compliance with the AIDCP.

#### 4.3. Outstanding tonnage assessments

As shown in Table 4, as of 31 July 2024, sixteen vessels currently have outstanding assessments from 2012-2024 totaling US\$ 768,847, of which US\$ 464,074 pertains to the IATTC observer program, with the remainder of US\$ 304,773 due to two national programs (US\$ 49,878 (ECU) and US\$ 254,895 (VEN)).

TABLE 4. Vessels with assessments outstanding, as of 31 July, 2024 <sup>8</sup>			
Vessel		Arrears	
Flag	Name	Years	US\$
ECU	<i>Alize</i>	2024	5,651
ECU	<i>Don Ramón</i>	2023-2024	56,571
ECU	<i>Gold Tuna</i>	2024	14,373
ECU	<i>Tuna II</i>	2024	7,384
ECU	<i>Vicente</i>	2021-2023	82,902
PER	<i>Don Juan</i>	2024	12,037
VEN	<i>Albamar I</i>	2012-2024	160,378
VEN	<i>Atlántico</i>	2019-2024	9,762
VEN	<i>Carmela</i>	2022-2024	48,746
VEN	<i>Cayude</i>	2023-2024	37,660
VEN	<i>Curimagua</i>	2023-2024	44,763
VEN	<i>Falcón</i>	2024	26,838
VEN	<i>Guayacán</i>	2020	12,745
VEN	<i>Las Aves</i>	2019-2020	4,700
VEN	<i>Rocinante</i>	2014-2024	105,512
VEN	<i>Tunapuy</i>	2012-2024	138,785
<b>Total</b>			<b>768,847</b>

### 5. RECOMMENDED BUDGET, 2025

Projecting future AIDCP budgetary needs and making allowances for unpaid assessments requires the Secretariat to rely on the previous year's fiscal results to forecast future needs; however, direct observer program expenses can fluctuate greatly depending on the number and duration of trips made, the cost of travel, local observer availability, the use of cross-endorsed observers, *etc.* Similarly, revenue can vary according to how much capacity is active each year, assessments paid in a timely manner, vessels changing flag, prior year assessment payments and late fees paid.

Table 5 presents actual expenses for the 2023 fiscal year, the Secretariat's best estimate of anticipated income and expenditures in 2024, and the 2025 recommended budget.

<sup>8</sup> Payments made after 1 August will be presented at the Meeting of the Parties.

TABLE 5. 2023-2025 budgets (US\$)	2023	2024	2025
	Actual	Forecast	Recommended
<b>AIDCP INCOME</b>			
Tonnage assessments – Current year size class 6	2,341,555	2,343,656	2,343,656
IATTC contribution to the AIDCP Observer Program (30%)	815,191	810,640	820,000
Tonnage assessments – Size class less than 6	25,306	10,132	-
Late fees	21,536	28,404	-
Tonnage assessments - Inactive and sunk	12,762	5,321	5,321
Tonnage assessments – Prior year size class 6	4,231	17,570	-
<b>TOTAL OPERATIONAL INCOME</b>	<b>3,220,581</b>	<b>3,215,723</b>	<b>3,168,977</b>
<b>OBSERVER PROGRAM EXPENSES<sup>9</sup></b>			
<b>Direct Observer expenses:</b>			
Compensation and benefits *	1,423,114	1,570,482	1,560,000
Travel *	63,700	101,028	85,000
Supplies and equipment	77,348	71,875	76,875
Training	18,342	-	30,000
<b>Subtotal</b>	<b>1,582,504</b>	<b>1,743,385</b>	<b>1,751,875</b>
<b>Indirect Observer Program expenses:</b>			
IATTC HQ staff *	586,633	550,991	559,086
IATTC F.O. staff *	343,469	359,260	372,442
Unexpected expenses *	110,000	-	-
Field office operating expenses			
General operating expenses	37,924	38,955	39,929
Purchase and maintenance of computer equipment	1,299	4,238	4,344
Printing, postage, and publication	13,094	10,216	10,471
Staff travel	2,389	3,631	3,722
Field office local accounting services	8,655	9,864	17,671
Field office vehicle purchase and maintenance	28,358	17,332	17,765
Bank and other fees	2,973	1,742	1,786
<b>Total, Observer program expenses</b>	<b>2,717,298</b>	<b>2,739,614</b>	<b>2,779,091</b>
<b>AIDCP EXPENSES (NON-OBSERVER)<sup>10</sup></b>			
Other IATTC HQ staff expenses *	711,497	736,540	821,484
Other functions of F.O. staff *	77,659	80,091	82,693
Unexpected expenses *	30,000	-	-
AIDCP meetings	41,051	50,000	50,000
Other field office operating expenses			
General operating expenses	8,807	12,300	12,608
Purchase and maintenance of computer equipment	312	1,025	4,000
Printing, postage, and publication	556	1,025	1,051
Staff travel	2,743	1,025	1,051
Field office local accounting services	617	4,734	5,932
Field office vehicle purchase and maintenance	4,165	7,000	7,175
Bank and other fees	1,126	1,487	1,524
<b>Total, Other expenses</b>	<b>878,533</b>	<b>895,227</b>	<b>987,518</b>
<b>TOTAL AIDCP PROGRAM EXPENSES</b>	<b>3,595,831</b>	<b>3,634,841</b>	<b>3,766,609</b>
Revenue over/(under) expenditures	<b>(375,250)</b>	<b>(419,118)</b>	<b>(597,632)</b>

\* Budget items with significant fluctuations are explained in [Section 5.1](#).

<sup>9</sup> Covered 30% by the IATTC, 70% by tonnage assessments.

<sup>10</sup> Covered 100% by the AIDCP

## **5.1. Explanation of significant fluctuations for select categories**

Five items in the forecast 2024 budget reflect significant decreases and increases from previous years' expenditures.

### **5.1.1. Observer compensation and benefits**

Observer compensation is dependent upon the number of days out at sea and the bonus payments earned. The days out at sea will vary every year and can only be estimated. Based upon current year data, the number of days observers have recorded out at sea is much higher than previous years; resulting in an unusually higher than expected Observer compensation and benefit expense for 2024.

**5.1.2.** Observer travel has also increased in accordance with the number of trips to date. Due to the high volume of trips, observer travel expenses are anticipated to be higher than usual. However, the 2025 recommended budget was maintained at the 2023 expenditure level in anticipation that the trip activity will normalize.

### **5.1.3. Observer training**

The Secretariat holds observer training courses to interested participants requiring a degree in marine biology or with a similar science discipline to maintain a pool of observers to provide on-board placement service to the international purse-seine fleet. As mentioned earlier in this document, the AIDCP mandates 100% observer coverage of fishing trips by large purse-seine vessels in the Eastern Pacific Ocean (EPO); therefore, it is important to maintain an adequate number of observers.

As noted in document AIDCP-47-01, in June 2023, the Secretariat held a training course at Panama City with 13 participants, including one for the Panamanian Observer Program. Of these, 11 participants were selected to be observers on the purse-seine fleet, four of whom were women: resulting in the successful placement of a female candidate on a vessel for the first time in the history of the AIDCP Observer Program. The Secretariat does not see a need for observer training in 2024, as the current observer pool seems to be sufficient to provide the service. For this reason, the US\$ 30,000 originally budgeted in 2024 now shows a zero forecasted expense with a similar recommended 2025 budget of US\$ 30,000 with the expectation of conducting a training course in that year.

### **5.1.4. IATTC HQ staff and Other IATTC HQ staff expenses**

As described above, an updated analysis of the work performed by both headquarter and field office staff charged to this budget provided evidence that the respective allocations did not properly reflect the right proportion of work performed within each category. For that reason, a reallocation was made effective at the onset of fiscal year 2022 within the Observer Program and AIDCP listed expenditures. The impact of this reallocation can be seen within **Table 5**, affecting both the 2024 forecast as well as the 2025 recommended budget. A decrease can be noted from 2022 to 2023, resulting from a modification in the functions of three staff members, thereby affecting their time allocation to activities in the program (see **Addendum A**).

In document CAF-11-01 a request for two additional staff was included impacting the AIDCP Observer program expenses. These two positions within the Policy and Compliance and Finance Divisions have a combined cost of approximately US\$ 80,000 which is reflected in *Other IATTC HQ staff expenses* within the *AIDCP Expenses (Non-observer)*.

### **5.1.5. F.O. staff and Other functions**

Similarly, both an increase and decrease, respectively, can be noted that result from a re-evaluation of the distribution of the percentages used in each of these two budget line items as described in the comparative table in the Observer Program Expenses section.

On 20 February 2024, a memo was circulated to the IATTC Commissioners and Heads of Delegation as well as the AIDCP Parties reporting on the urgent need to terminate the contracts of two Secretariat field office staff members whereby the total cost of the final compensation was expensed in 2023 in the amount of US\$ 200,000. Applying the F.O. expense allocations, approximately US\$ 60,000 was charged to the

IATTC budget while the balance was added in **Table 5** as an *Unexpected* expense charged to both the Observer Program expenses of US\$ 110,000 and AIDCP Program expenses of US\$ 30,000.

## 5.2. Recommendation not incorporated into the 2025 recommended budget

### 5.2.1. Supplies and equipment: observer safety equipment and subscriptions

In October 2018, the 38<sup>th</sup> Meeting of the Parties adopted Resolution [A-18-02](#) on improving observer safety at sea: *safety equipment*, which specified that observers be provided with (1) an independent two-way satellite communication device, and (2) a waterproof personal life-saving beacon. The Secretariat identified the InReach SE+ and ResQLink 400/406 as the most suitable devices ([MOP-36 INF-A](#)).

All InReach devices were successfully purchased and distributed in 2020 to all AIDCP programs. 2021 was the first full year where deployment of devices was completed, with annual service plans purchased and budgeted for in the amount of approximately US\$ 60,000 through 2024. Table 6 shows the number of deployed devices compared to the number of deployed observer trips. As with many of the issues on this report, deployment of devices was sometimes hindered by restrictions derived from the COVID-19 pandemic. The safety devices are now five (5) years of age and may soon begin to require replacement. The Secretariat recommends that a minimum of US\$ 26,000 be added to the budget to allow for the potential replacement of failing equipment.

Flag	Trips/units deployed by program			Total trips	% Trips assigned
	National program	IATTC	Total		
Colombia	25	23	48	48	100
Ecuador	126	256	382	382	100
EU-UE (ESP)	6	12	18	18	100
Mexico	102	93	195	195	100
Nicaragua	9	12	21	21	100
Panama	46	56	102	102	100
Peru	NA	3	3	3	100
El Salvador	NA	15	15	15	100
United States	NA	20	20	20	100
Venezuela	18	18	36	36	100
<b>Total</b>	<b>332</b>	<b>508</b>	<b>840</b>	<b>840</b>	<b>100</b>

Addendum A	2021			2022			2023		
	IATTC obs. prog.	AIDCP	IATTC	IATTC obs. prog.	AIDCP	IATTC	IATTC obs. prog.	AIDCP	IATTC
Position	A <sup>1</sup>	B <sup>2</sup>	C ***	A *	B **	C ***	A *	B **	C ***
Director	0.14	0.06	0.80	-	0.20	0.80	-	0.20	0.80
Administration	0.18	0.08	0.75	-	0.25	0.75	-	0.25	0.75
Policy Advisor	0.25	0.11	0.65	-	0.35	0.65	-	0.35	0.65
Policy Advisor	0.25	0.11	0.65	-	0.35	0.65	-	0.35	0.65
Compliance and data analysis	0.56	0.24	0.20	0.40	0.40	0.20	0.40	0.30	0.30
Program Policy	0.25	0.11	0.65	0.25	0.25	0.50	-	0.30	0.70
Administration & Finance	0.21	0.09	0.70	-	0.30	0.70	-	0.30	0.70
Finance	0.11	0.05	0.85	-	0.15	0.85	-	0.15	0.85
Finance	0.11	0.05	0.85	-	0.15	0.85	-	0.15	0.85
Finance	0.11	0.05	0.85	-	0.15	0.85	-	0.15	0.85
Admin support	0.11	0.05	0.85	-	0.15	0.85	-	0.15	0.85
Admin support	0.11	0.05	0.85	-	0.15	0.85	-	0.15	0.85
Translation	0.14	0.06	0.80	-	0.20	0.80	-	0.20	0.80
Technological support	0.14	0.06	0.80	0.11	0.10	0.79	0.11	0.10	0.79
Coord. of Scientific Research	0.11	0.05	0.85	-	0.15	0.85	-	0.15	0.85
Data analysis and reporting	0.14	0.06	0.80	-	0.20	0.80	-	0.20	0.80
Data analysis and reporting	0.07	0.03	0.90	0.10	-	0.90	0.10	-	0.90
Data analysis and reporting	0.18	0.08	0.75	-	0.25	0.75	0.10	-	0.90
Bycatch specialist				0.10	-	0.90	0.10	-	0.90
Data analysis and reporting				0.10	-	0.90	0.10	-	0.90
Data analysis and reporting	0.07	0.03	0.90	-	0.10	0.90	-	0.10	0.90
Data analysis and reporting	0.14	0.06	0.80	0.10	0.03	0.87	0.10	0.03	0.87
Data analysis	0.14	0.06	0.80	0.10	0.03	0.87	0.10	0.03	0.87
Data analysis	0.11	0.05	0.85						
Data entry	0.35	0.15	0.50	0.45	0.05	0.50	0.45	0.05	0.50
Data entry	0.55	0.24	0.21						
Head of program	0.55	0.24	0.21	0.80	0.20	-	0.15	0.05	0.80
Data Editor	0.56	0.24	0.20	0.70	0.05	0.25	0.70	0.05	0.25
Data Editor	0.56	0.24	0.20	0.80	-	0.20	0.80	-	0.20
Technological support	0.14	0.06	0.80	0.11	0.10	0.79	0.11	0.10	0.79
Technological support	0.14	0.06	0.80	0.11	0.10	0.79	0.11	0.10	0.79
Technological support	0.14	0.06	0.80	0.11	0.10	0.79	0.11	0.10	0.79
Technological support							0.11	0.10	0.79
Technological support	0.14	0.06	0.80	0.11	0.10	0.79			

\* Percentage of activities specifically related to the observer program  
(70% AIDCP / 30% IATTC)

\*\* Percentage of other AIDCP-related activities (100% AIDCP)

\*\*\* Staff expenses 100% IATTC

<sup>1</sup> Reflects an estimated 70% of the total percentage related to the observer program and the AIDCP

<sup>2</sup> Reflects an estimated 30% of the total percentage related to the observer program and the AIDCP