

AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

28TH MEETING OF THE PARTIES

DEL MAR, CALIFORNIA (USA)
18 OCTOBER 2013

DOCUMENT MOP-28-06

SUPPLEMENT TO DOCUMENT MOP-27-06, AIDCP BUDGET

1. BACKGROUND

As described in document MOP-27-06, presented at the 27th Meeting of the Parties in June 2013, every year the Secretariat develops a budget with a projected level of income from vessel assessments to cover anticipated expenses, which are based upon actual program needs. Although the Parties agreed that an increase in vessel assessments is warranted, the amount of the increase was not decided.

Within this context, the Secretariat considers that an increase in observer pay rates is necessary, and plans to implement this increase as early as 1 November 2013. This document explains the rationale for this increase, and its impact on the AIDCP budget. It also recommends a corresponding increase in the vessel assessment rate of US\$ 3.05, bringing it to US\$ 18.00 per cubic meter (m³) of well volume.

2. INCREASES IN OBSERVER PAY RATES

The success of the AIDCP observer program is fundamentally based upon having a pool of observers who are properly educated and trained to perform their duties. As was explained at the 27th Meeting of the Parties, it has become increasingly difficult to provide observer coverage for all trips in a timely manner due to a lack of observers. The pay rates for most observers hired by the IATTC program have not changed since 2006, and are affecting the Secretariat's ability to retain their services. Although the pay rate for IATTC observers in some countries was increased in May 2013, there is still a lack of interest among qualified biologists and the program continues to experience a high rate of attrition. As a result, the situation regarding the availability of observers is becoming critical. The pool of observers within the IATTC program is shrinking and, in some instances, this has led to significant delays in the placement of observers. If efforts are not made to improve the recruitment of observers and their retention rate, it is likely that vessels will have to wait for increasingly longer periods of time for an observer to become available.

A full-time observer spending approximately ten months per year at sea earns about US\$ 10,000, a bare subsistence-level income for a family. The current pay rates for IATTC observers compare unfavorably to those for professionals with similar qualifications. Additionally, people generally prefer to work locally, at jobs that allow them to live at home with family and which provide them with a steady income and benefits. The Secretariat therefore considers that the compensation for IATTC observers needs to be increased in order to attract qualified professionals to a job that will require them to be out at sea for long periods of time under sometimes challenging conditions.

The table below shows observer pay rates since 2000. Not reflected is a temporary increase applied in May 2013 to the rates in countries where observer placement had become difficult in an effort to increase observer recruitment and retention.

Accumulated days at sea	Daily pay (US\$)
2000-2006	
0 - 200	25.00
201 - 400	27.90
401 - 600	30.80
601 - 800	33.70
801 - 1000	36.60
>1000	39.50
2006-present	
0 - 200	28.00
> 200	32.00

The Secretariat will raise the IATTC observer pay rates, as follows, in order to promote recruitment and offset the expected attrition of the more senior observers within the next five to seven years.

Planned increase	
0 – 200	48.00
> 200	55.00

By way of comparison, the current and future pay rates for WCPFC¹ observers are as follows:

Grade	Current (US\$)	As of December 2013
1	35.00	45.00
2	42.00	55.00
3	48.00	65.00
4	55.00	-

Almost all current IATTC observers would fall into WCPFC Grades 3 and 4; therefore, even with the planned increase, they will still fall well short of equivalent pay rates that will be implemented in the WCPFC program in December 2013. This provides additional justification that the planned increases are reasonable and necessary.

3. CURRENT FINANCIAL SITUATION AND THE AIDCP DEFICIT

Based upon vessel assessment income for 2013 and expenditures within the IATTC observer program during the first seven months of the year, it appears that the funds available for observer placements will be just enough to cover the current year. This is mainly due to the mid-year addition of four US-flag vessels, whose assessments totaled US\$ 112,535.

In Document MOP-27-06, the Secretariat reported that, as of 31 December 2012, the accumulated deficit of the AIDCP was US\$ 456,647. The income from the exceptional contribution of US\$ 1.00/m³ for 2013, agreed by the 26th Meeting of the Parties in October 2012, would have reduced this considerably; however, in June 2013 the 27th Meeting decided that this income would be not be retained by the Secretariat but shared with the national programs, which increased the projected deficit to US\$ 477,712. At that same meeting, the Parties also decided that, for 2014 only, an exceptional contribution of US\$ 2.00/m³ would be paid by all vessels of classes 1-6 on the IATTC Regional Register, both active and inactive, and that all of the resulting revenues would be retained by the Secretariat and applied toward the accumulated deficit. Assuming that all vessels currently on the Regional Register pay their 2014 assessments in full, US\$ 441,167 should be available to be applied toward the current deficit, thus reducing it to US\$ 28,399.

¹ Western and Central Pacific Fisheries Commission

4. RECOMMENDED VESSEL ASSESSMENT INCREASE

Based on the number of observer sea days in 2012 and the pay grades of the current pool of observers, the planned increase in pay rates is expected to increase the overall costs of the program by approximately US\$ 100,000 per year. In order to offset these additional costs, the current vessel assessment rate needs to be increased by US\$ 3.05, to US\$ 18.00/m³, and the Secretariat recommends that this increase be approved.

Due to the current difficulties in observer recruitment and retention, the Secretariat intends to implement these increases in observer pay rates regardless of whether the Parties approve the recommended increase in vessel assessments. This will inevitably mean that, without the increase in vessel assessments, the funding for the program in 2014 will be insufficient for the entire year, and that placement of observers will cease once the available funds are exhausted.