

AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

46TH MEETING OF THE PARTIES

Victoria, B.C., Canada.

1 August 2023

**DOCUMENT AIDCP-46 INF-A(a) REV
REPORT OF THE CHAIR AND VICE CHAIR**

AD HOC MEETING OF THE WHOLE ON THE AIDCP SURPLUS UTILIZATION (La Jolla, California, EE.UU., 6-7 February 2023)

AGENDA

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1. Opening of the meeting
 2. Discussion of the proposal for the utilization of the AIDCP surplus submitted by the Chair and Vice-Chair of the Meeting of the Parties
 3. Other matters
 4. Closure
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ANNEXES

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1. List of participants
 2. Chair's and Vice-Chair's revised proposal
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On February 6 and 7, the Ad Hoc Meeting of the Whole on the utilization of the AIDCP surplus was held in La Jolla, California, United States, both in person and by video conference. The United States, Nicaragua, Mexico and Venezuela participated in person, and Bolivia, Colombia, Ecuador, El Salvador and Guatemala participated by video conference.

1. Opening of the meeting

The meeting was opened by the chair of the Meeting of the Parties to the AIDCP, Mr. Alvin Delgado of Venezuela.

2. Discussion of the proposal for the utilization of the AIDCP surplus submitted by the Chair and Vice-Chair of the Meeting of the Parties

The joint proposal of the Chair and Vice Chair, Messrs. Alvin Delgado and Julio Guevara of Venezuela and Nicaragua, respectively, was presented. The proposal consists of the way in which the accumulated surplus of the AIDCP, which as of December 31, 2021, reached an amount of \$US 2,430,492, could be utilized.

This proposal stipulates a percentage distribution for the following five items: (a) increase in the daily remuneration of observers during the days at sea; (b) investigation of issues related to the AIDCP; (c) publicizing the achievements of the AIDCP; (d) safety of observers at sea; (e) a contingency fund to cover possible eventualities not contemplated in the AIDCP budget.

In general terms, the proposal was received positively by the participants, who recognized in particular its comprehensive nature in that it took into account the different components that could benefit from the AIDCP-46-INF-A(a) REV. Chair's and Vice-Chair's report re. Ad hoc meeting of the whole on the surplus

surplus resources. However, in view of the need to clarify several points, the meeting proceeded to review the proposal item by item.

It should be noted that the Parties that had initially been in favor of using the surplus only for scientific research were willing to consider using it for the various purposes outlined in the proposal.

a) Percentage to cover the daily remuneration of observers .

It was emphasized that since 2014 there has been no increase in the daily remuneration of observers for days at sea observers. The proposal proposes that the AIDCP surplus cover the increase for all AIDCP observers, both national and IATTC.

One participant expressed that this increase should only be for IATTC observers since the National Programs, whose establishment and operation are the prerogative of the governments, should cover these costs.

The Chair and Vice Chair expressed the view that the AIDCP contemplated in its Annex II, paragraph 1, that there is only one program and, therefore, both the IATTC and national observer programs should be treated in the same way. Not all Parties agreed with this view, and discussion on the allocation of surplus funds to both the IATTC Observer Program and national programs did not reach consensus.

Additionally, it was contemplated that for 2027 and subsequent years the contributions per vessel should be increased. It was established that in order to calculate the rate for this percentage, the average number of days at sea for the 2017-2019 triennium, which were normal operating years, would be used, i.e. considering that the 2020-2021 period would not be included because they were years affected by the COVID pandemic. The approximate amount would be 42% of the surplus, i.e. US\$ 1,020,807.

b) Percentage for dolphin-related research.

As an introduction to this topic, the Secretariat made a presentation on two research projects that are currently being implemented or are about to be implemented: the first, on the separation of mother-calf dolphins in the purse-seine fishery, and the second, on the assessment of dolphin populations (see on the IATTC website: Proposals for scientific research on dolphins)).

The first of the projects will be carried out entirely with contributions from the Mexican industry; while for the second, a pilot trial on new drone-based stock assessment methods has already been carried out. This pilot phase was also financed by the Mexican industry and was carried out on the Mexican government's research vessel Jorge Carranza.

It has been determined that it is important to carry out a second pilot study to refine the evaluation methods, which could be financed mostly with part of the surplus. At the end of the discussion of this item, one delegation expressed concern as to why research was not being carried out in other areas and/or species under the purview of the IATTC. It was explained that this project was on dolphins and that other research should be framed within the IATTC and the regulatory framework of the Antigua Convention. Another delegation requested that Parties be provided with an updated proposal for the dolphin abundance survey, including current figures on the budgetary requirements, so that an informed decision could be made on how much surplus funds should be allocated for this purpose.

US\$ 1,069,416 (44% of the surplus) could be allocated to this item; or US\$ 947,891 (39%) if approved. In the end, this item was left pending.

c) Percentage for publicizing the achievements of the AIDCP.

The proposal aims at allocating 5% of the surplus, i.e. 121,524, to this concept. One delegation reiterated its position that any funds allocated towards this purpose must be focussed on education of the public on AIDCP-46-INF-A(a) REV. Chair's and Vice-Chair's report re. Ad hoc meeting of the whole on the surplus

the AIDCP and its achievements, and avoid any promotion of the AIDCP Dolphin-Safe label, which is not used by all Parties. After a brief discussion, some Parties suggested that it was important that this allocation be included; therefore, for the next Meeting of the Parties of the AIDCP a program should be presented on how this publicizing could best be carried out.

d) Percentage to support the safety of observers at sea.

The proposal considers that 4% of the surplus, or US\$97,220, be used for effective compliance with Resolution A-18-02 on observer safety at sea, for the next three years (2024-2026). There were no objections to this item and percentage.

e) Percentage of coverage for eventualities not contemplated in the budget.

The proposal indicates that part of the surplus should be used to maintain a reasonable and necessary fund to cover unforeseen events or contingencies that may arise and thus ensure the continued operation of the Program. The amount should be between 5% and 10%. This is still pending to be reviewed.

On the other hand, there was a discussion on income from outstanding contributions from vessels, which as of June 30, 2022, amounted to US\$ 671,548. In this case, it was concluded that the share corresponding to the IDCP and any possible surplus generated as of 2023, will be incorporated as income to the budget for the following year..

It was recalled that the Parties are responsible for the payments of the contributions of the vessels under their flag, including arrears, so that the capacity in terms of well volume of these vessels cannot be used as a transfer, concession, loan or charter with temporary transfer of capacity to another vessel or to another Party unless the corresponding arrears are previously paid. Also, the de-flagging or reflagging to other CPCs of any vessel that has outstanding contribution payments to the IDCP cannot be authorized or included in the IATTC Regional Vessel Register. Some participants considered, and it was so concluded, that this item should not be incorporated in the proposal on the utilization of the AIDCP surplus but rather in the proposal corresponding to the financing of the observer program of the Agreement.

In conclusion, although consensus was not reached to adopt this proposal on the utilization of the surplus, considerable progress was made, which points to the possibility of its approval at the next meeting of the Parties to the AIDCP.

The participating Parties agreed that it is very important to utilize the surplus due to the fact that it is devaluing as a result of inflation, and additionally there should be a mechanism for managing possible future surpluses. Finally, it was also recognized that work should be done to establish financial rules for the AIDCP, as is the case with the IATTC. The Chair undertook, together with the Vice-Chair, to present a proposal in this respect at the next meeting.

3. Other matters

None.

4. Closure

The meeting was closed at 3 PM on 7 February 2023.

Annex 1

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Annex 2

USE OF THE BUDGET SURPLUS PROPOSAL (REVISED) OF THE CHAIR AND VICE CHAIR OF THE MEETING OF THE PARTIES

BACKGROUND AND EXPLANATORY STATEMENT

This proposed Resolution arises from the concern of how to use the surplus generated in the IDCP. Since 2015 a surplus has been generated year after year, which as of December 31, 2021 reached the amount of US\$ **2,430,492**. This surplus is generated from the annual vessel contribution of US\$ 14.95 per cubic meter of well volume in accordance with resolution A-18-01 paragraph 2, and which is largely destined to the Observer Program, which is the driving force and fundamental basis of the AIDCP. This surplus is depreciating year after year as it is not being utilized.

It should be noted that since 2014 there have been no increases in observer remunerations, despite the fact that inflation has increased since then. Since 2019 an increase of ten dollars (US\$ 10.00) per day at sea for observers has been requested and the only way to achieve this is to increase the contribution per cubic meter of well volume of the vessels. Each time this issue has been discussed, some Parties have stated that they were unable to support it due to the financial situation of their industries. At the 45th Meeting of the Parties to the AIDCP (MOP) held in October 2022 in La Jolla, a proposal emerged, which was supported by the majority of the Parties attending that meeting, to finance this increase in observer remunerations with part of the surplus for three years and subsequently increase the contribution per vessel to maintain the costs of this increase.

For the above reasons, this proposal was conceived with the aim of using the surplus in 5 portions, as follows:

1. To cover the **increase in observers' remuneration** for 3 years from 2024 to 2026, both from the IATTC and from the national programs, 42% of the surplus would be used, which is equivalent to US\$ **1,020,807**;
2. For **dolphin-related research**, 44 % of the surplus would be used, which is equivalent to US\$ **1,069,416**;
3. To finance the **promotion of the achievements of the AIDCP**, as recommended by the Promotion Working Group and approved by the Parties, 5 % of the surplus would be used, which is equivalent to US\$ **121,525**;
4. To work on the issue of **safety of observers at sea**, 4% of the surplus would be used for 3 years from 2024 to 2026, which is equivalent to an amount of US\$ 97,220;
5. In order to ensure the continuation of the program and its execution, 5% of the surplus, equivalent to US\$ **121,525**, would be set aside to provide a reasonable and necessary **contingency fund**.
6. Without prejudice to the portion corresponding to the national programs according to their percentage of observer coverage, the income from pending vessel contributions, which as of June 30, 2022, represents a total of US\$ 671,548, as well as the contributions corresponding to the IDCP, will be added to the above distribution, and any surplus generated as of 2023 will be incorporated as income to the budget for the following year.

It is important to emphasize that as has already been pointed out, the work of observers is fundamental for the achievements of the AIDCP, so the contributions are intended for the correct functioning of the AIDCP. In this case, using part of the surplus to cover a necessary increase in remunerations is justified and well-deserved.

In order for the percentages of surplus use and the overall amount to be in line with the amount of surplus reached by the end of 2021, in accordance with the proposals presented at the February 2023 meeting, the following should apply:

Concept	Surplus percentage	Surplus amount US \$
Increase in observers' remuneration 2024-2026	42	1,020,807
Dolphin -related research	44	1,069,416
Promotion of the AIDCP achievements	5	121,525
Safety of observers at sea	4	97,220
Contingency fund	5	121,525

DRAFT RESOLUTION ON THE USE OF THE AIDCP BUDGET SURPLUS

The Parties to the Agreement on the International Dolphin Conservation Program (AIDCP):

Bearing in mind the commitment expressed in Article XV of the AIDCP that the Parties shall contribute to the expenses necessary to achieve the objectives of this Agreement, through the establishment and collection of vessel fees;

Considering that the work of the observers has been an important factor in the achievement of the Agreement's achievements;

Considering that the payment of fees based on the volume of wells recorded on the IATTC Regional Vessel Register as stipulated in Resolution A-18-01 has the purpose of ensuring the correct functioning of the AIDCP and considering that the Observer Program is the main basis for this functioning;

Considering that observers have not received an increase in their daily remuneration since 2014, even as inflation has significantly increased the cost of living;

Taking into account that since 2015 the AIDCP has been recording a surplus, which reached US\$ 2,430,492 as of December 2021;

Noting that this surplus continues to depreciate as it is not used;

Agree to use the surplus generated up to December 2021 in the amount of US\$ 2,430,492 as follows:

1. Increase by US\$ 10.00 the daily rate of pay at sea for all AIDCP observers as of January 1, 2024.
2. That 42 % of the surplus, i.e. US\$ 1,020,807, be used to increase the daily remuneration of all AIDCP observers by US\$ 10.00 over the next three (3) years, from 2024 to 2026.
3. That in 2026 an increase in vessel fees per cubic meter of well volume shall be agreed upon in order to cover on a continuous basis for 2027 and subsequent years the increase in observer remuneration, without detracting from the need for future increases to compensate for the effects of inflation.
4. That 44% of the surplus, i.e., US\$ 1,069,416, be used for research on dolphins, as approved by the Parties after analysis and recommendation by the scientific staff of the Inter-American Tropical Tuna Commission (IATTC). The above in accordance with the objective 2 of the AIDCP to eliminate dolphin mortality in the fisher.

5. That 5 % of the surplus, i.e. US\$ 121,525, be used for programs to publicize the achievements of the AIDCP, upon presentation of a program by the Secretariat for the next three (3) years from 20243 to 2026, as approved by the 45th meeting of the AIDCP held in October 2022, based on the recommendations of the Working Group to promote and publicize the AIDCP Dolphin Safe Tuna Certification System, as well as giving due consideration to the positions that suggest not addressing the issue of labeling.
6. That 4% of the surplus, i.e., US\$ 97,220, be used to work on the issue of safety of observers at sea for the next three (3) years from 2023 to 2025;
7. That 5 % of the surplus, i.e., US\$ 121,525, be used to maintain a reasonable and necessary fund to face any contingencies that may arise and thus ensure the continued operation of the Program.
8. Without prejudice to the portion corresponding to the national programs according to their percentage of observer coverage, the income from outstanding vessel contributions which, as of June 30, 2022, represents a total of US\$671,548, as well as the contributions corresponding to the IDCP and any possible surplus generated as of 2023, will be incorporated as income to the budget for the following year.
9. Work should be done immediately on AIDCP financial rules to regulate such situations as surpluses, their use in future years, and in general the way in which the AIDCP budget is managed.