

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

9TH MEETING

Phoenix, Arizona, USA

28 July 2022

CHAIR'S REPORT

AGENDA

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1. Opening of the meeting	
2. Adoption of the agenda	
3. Review of the financial audit report	
4. Review of proposed budgets for 2023 and 2024	CAF-09-01
5. Financial contributions of Members:	
a) Regular budget (Resolution C-15-05)	
b) Special Fund for promoting institutional capacity-building (Resolution C-14-03)	CAF-09-02
c) Program to monitor transshipments at sea (Resolution C-12-07)	CAF-09-03
d) Other	
6. Other business	
7. Recommendations to the Commission	
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ANNEXES

1. List of attendees

The ninth meeting of the Committee on Administration and Finance was held in Phoenix, Arizona, on 29 July 2022.

1. Opening of the meeting

In the absence of a Chair of the Committee, the meeting was opened by the Director *ad interim* of the IATTC, Ambassador Jean-François Pulvenis, and, at his suggestion, the Committee unanimously appointed Mr. Marco Valleta, of the European Union, to chair the meeting, which he kindly accepted.

2. Adoption of the agenda

The provisional agenda was adopted without any changes.

3. Review of the financial audit report

The Secretariat reported that the financial audit report was delivered to Commissioners and Heads of Delegation. No comments were presented.

4. Review of proposed budgets for 2023 and 2024

Mrs. Nora G. Roa, from the IATTC staff, presented Document [CAF-09-01](#). She explained the financial activity of the Commission in 2021 and the status of contributions to its 2022 budget; she also made a detailed presentation of the budget requested for 2023, as well as the projected budget for 2024.

She commented that the IATTC requires US\$ 8,904,385 to operate in 2023, that is, the same amount as the previous year's budget, with only an increase to take into account inflation, which impacts all expenses related to the activities of the Commission, both at headquarters and abroad, including the continuing rise in the cost of materials, goods, and services that are necessary for the Commission's operations. In response to a question from the European Union, it was clarified that an inflation increase of 3.3% had been calculated, which was lower than what later proved to be its real value.

She also recalled that these activities continue to grow, not only due to the broader mandate derived from the Antigua Convention, but also in response to the wishes and demands of its Members, which requires a greater amount of budgetary resources to cover the cost of these activities. She emphasized that it was therefore essential that the Commission give due consideration to the level of funding requested and adopt the budget.

Japan highlighted a surplus of around US\$ 1,403,304 between the budget that had been approved for 2021 and what had actually been spent during this year and asked what consequences this could have in terms of the budget under discussion. The Secretariat replied that this surplus represented only a fraction of the contributions in arrears to the Commission's budget, which in June 2022 amounted to approximately US\$ 7.85 million. She also recalled that the issue of short surpluses had been discussed in the past and it had been agreed that they could not be used to finance current and recurring activities, but only for exceptional expenses or investment.

5. Financial contributions of Members to the Commission

a. Regular budget (Resolution [C-15-05](#))

- i. The Secretariat stressed that, in order for the Commission and its staff to carry out their duties fully and effectively in compliance with the Antigua Convention, it is essential that all Member contributions to the budget be paid on time. For this reason, it is particularly important to promptly resolve the situation of outstanding arrears, which as of 30 June 2022 amounted to **US\$ 7,850,740**, almost equivalent to a one-year budget. In addition, three of these Members (Ecuador, Venezuela and Kiribati) are more than two years in arrears, with the consequences derived from the application of Article XV, paragraph 4, of the Antigua Convention, which disqualifies them from taking part in decision-making, unless the Commission decides otherwise.

Panama stated that it recently paid US\$700,000 and plans to pay US\$800,000 more. Panama also reiterated its commitment to keep up with its financial contributions soon. Venezuela also stated that it is committed to settling its debts to the IATTC and it is exploring mechanisms to pay.

- ii. Some delegations made comments on their contributions:
 - Nicaragua requested that the reference to its outstanding contributions in the document that had been presented be corrected, as it did not reflect recent payments.
 - Peru requested that the amount of its estimated contribution for 2023 be reviewed, as it was based on information that had been mistakenly provided to the Secretariat;
 - Korea requested that, in the future, the Secretariat circulate more in advance the estimated contributions for the following fiscal year, which must be considered by the Committee and approved by the Commission;

- To a question raised by China regarding the increase in its contribution, the Secretariat responded that it was due to its change of category in the World Bank table used for the weighting factor applied in the formula for the calculation of contributions.
- iii. Regarding the cost-sharing of the enhanced monitoring program established under Resolution C-21-04, including the definition of the amounts of individual contributions, the discussion showed that there was no agreement among the members of the Committee on this issue. Some argued that these costs should be shared exclusively among the Members actually participating in the program, while others believed that all Members should contribute, albeit in a weighted manner, because the program and its results are beneficial to the Commission as a whole. The Committee was unable to reach consensus and agreed that the Commission should consider this issue in order to seek a solution acceptable to all.
- iv. Ecuador raised the issue of financial contributions to the budget of the Commission from Cooperating non-Members and proposed establishing an obligation similar to that of other RFMOs such as the WCPFC. Although welcomed by several participants, this issue was left for future consideration.

b. Special fund for promoting institutional capacity-building (resolution [C-14-03](#))

Mr. Ricardo Belmontes, from the Commission's staff, presented Document [CAF-09-02 - Special fund for promoting institutional capacity-building](#) in developing Members, established by Resolution C-14-03. He reported that the fund balance was US\$ 389,856 as of 30 June 2022.

The activities planned and approved to be carried out with resources from the fund in 2020 and 2021 were not conducted due to the restrictions of the COVID-19 pandemic. Thus, the implementation of such activities is pending and is intended to be carried out for the remainder of 2022 and 2023, in addition to continue supporting attendance to meetings of the IATTC and the Scientific Advisory Committee (SAC).

In line with the above, the following activities are planned to be carried out with resources from the fund, as the pandemic allows:

1. Development of data collection and scientific infrastructure for fisheries management, especially with work in the shark fishery and with the support of resources from the GEF-ABNJ 2 for up to US\$ 800,000 for 3 years.
2. Capacity-building seminar/workshop for decision makers responsible for IATTC matters from developing CPCs.
3. Capacity-building seminar/workshop for officials in charge of monitoring IATTC and AIDCP matters from developing CPCs.
4. Annual IATTC scholarship for scientific capacity in developing CPCs.
5. Participation of representatives of developing Members in the annual meeting of the IATTC and its subsidiary bodies.

The Committee agreed to recommend to the Commission to approve these activities, highlighting the need to use the Fund primarily to build capacity in developing Members and not only to support attendance to meetings of the IATTC and its subsidiary bodies.

c. Program to monitor transshipments at sea (Resolution [C-12-07](#))

Mr. Ricardo Belmontes, from the Commission's staff, presented Document [CAF-09-03 - Regional program of observers for transshipments at sea](#). His presentation was focused on the financial component of the program since the operational section had already been presented at the meeting of the Scientific Advisory Committee and the compliance section would be reviewed by the Compliance Committee.

He reported that a decision should be made to renew the contract with MRAG for three more years with an increase in costs, but freezing them for that three-year period. Likewise, a US\$ 1,440,000 budget is requested for 2023, which is the same as that for the previous year. Cost increases would be covered by the surplus from the last few years, which is estimated to be around US\$ 350,000 by the end of 2022.

Japan asked why the cost increase, at about 20%, was much higher than the rate of inflation. The Secretariat responded that, at this time, not only inflation had been taken into account but also the increase in observer salaries according to their experience, from US\$ 250 to US\$ 270 per day at sea.

The Committee agreed to renew the contract with MRAG for three years and approve the requested 2023 budget.

6. Other business

No other business was discussed.

7. Recommendations to the Commission

The Committee agreed to make the following recommendations to the Commission:

1. Approve a budget for the IATTC for 2023 for a total amount of US\$ 8,904,395, on the understanding that the individual contributions would still have to be defined, taking into account that agreement had not yet been reached on how the budgeted cost of the enhanced monitoring program would be distributed in application of Resolution C-21-04.
2. Approve the activities planned for 2022-2023 to be supported by the Special Fund for promoting institutional capacity-building established by Resolution C-14-03, as mentioned in Document [CAF-09-02 - Special Fund for promoting institutional capacity-building](#).
3. Approve a budget of US\$ 1,440,000 for the observer program to monitor transshipments at sea in 2023 and renew the contract with MRAG for three years.

8. Adjournment

The meeting was adjourned at 13:30 on 28 July 2022.