

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

CHAIRMAN’S REPORT

AGENDA

	Documents
1. Opening of the session	
2. Adoption of the agenda	
3. Review of the financial audit report	
4. Review of budgets for 2018 and 2019	CAF-05-04
5. Financial contributions of Members:	
a) Regular budget (Resolution C-16-07)	CAF-05-05b
b) Special fund for promoting institutional capacity-building (Resolution C-14-03)	CAF-05-05c
c) Program to monitor transshipments at sea (Resolution C-12-07)	
d) Other	
6. Other business	
7. Recommendations to the Commission	
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1. Opening of the meeting

The Chairman of the Committee, Mr. Lillo Maniscalchi, of Venezuela, opened the meeting.

2. Adoption of the agenda

The provisional agenda was adopted without changes.

3. Examination of the financial audit report

It was reported that the financial audit report was provided to the Commissioners and Heads of Delegations in advance of the meeting. No comments were made.

4. Review of budgets for 2018 and 2019

Mrs. Nora G. Roa, of the IATTC staff, presented Document CAF-05-04, noting that the budget needs first to keep up with inflation, which affects all the operational expenditures related to the activities of the Commission, both at headquarters and abroad. Mrs. Roa explained the financial activity in 2016, the status of the contributions for 2017 and the requested and projected budgets for 2018 and 2019, respectively.

Additionally, she mentioned that it is important to recall that the scope of activities of the Commission and its staff continues to grow, not only in accordance with the broader mandate derived from the Antigua Convention, but also in response to the wishes and demands of the Members. It is therefore essential that the Commission adopt the requested budget for 2018 of US\$ 7,258,413 so that the Commission and its staff fulfill their functions fully and efficiently.

It was also mentioned that it is of utmost importance that all contributions of Members contributions to the budget be paid in a timely manner; it was reported that a pending arrears to date (July 19) have diminished considerably compared to the previous year for the same period.

In response to a question from Japan, it was reported that the hiring of new staff was carried out to fill two vacancies left by two persons that retired: a scientist from the ecosystem area and a scientist associated with the Achotines laboratory. With regard to the salaries and benefits budget, it was clarified that salary increases were not being applied, only compensations resulting from inflationary increases.

The United States recalled that the Working Group on Bycatch recommended that it should meet annually, so that the corresponding forecasts should be made. They were informed that if the meetings were held in conjunction with others such as those of the SAC or the IATTC, the expenses would not be high. The United States also stressed that payments for such things as the pension fund should not be reduced, and suggested the convenience of a country offering to host the 2018 meeting, which would help reduce budgetary costs.

In response to a question from Japan regarding the establishment of a field office in Costa Rica and the related costs, it was mentioned that this issue was discussed at the SAC meeting, where it was mentioned that the provision of a building by Costa Rica would be taken advantage of and that, initially, funds from a FAO-GEF project would be used, so no budget would be required to operate for 2 years. After that period, the Commission would revisit the issue, that time with a plan based on the results already obtained.

Mexico recalled its proposal (IATTC-92 K-1) for increasing the contribution by the IATTC to the AIDCP from 30% to 40%, and requested that estimates for individual contributions by Members be presented based on the proposed increase. Japan and China mentioned that they were not in a position to accept this proposal. Several delegations mentioned that the proposal deserved consideration.

The European Union pointed out that it could not approve the budget until the Action Plan for the implementation of the Performance Review recommendations was reviewed, since some of them had budgetary implications. Consequently, the Committee initiated the review of the draft Action Plan and identified in general terms the following actions that could have budgetary implications:

- Consider the establishment of a new position of Communication Coordinator.
- Hire a professional recorder for meetings.
- Hire additional translators.
- Considerations related to the period during which the staff in retirement age would work as pre-retired alongside the new staff appointed to fill the corresponding positions.
- Hire a human resources specialist.

The European Union pointed out that the last item is of great importance, which is why the necessary budgetary forecasts for 2018 should be made.

The hiring of the consultant was discussed, to carry out in a preliminary stage a more specific and detailed evaluation of the needs and opportunities in terms of human resources. The possibility of allocating an amount of US\$ 100,000 for this purpose was considered. This amount would be added to the budget, in the understanding that the final amount of the contract could be lower. Additionally, it was mentioned that the

terms of reference should be prepared during the intersessional period so that an announcement would be made as soon as possible to select the person or entity that would be hired.

There were no concrete agreements in this regard.

5. Financial contributions of Members to the Commission

a. Regular budget (Resolution [C-16-07](#))

The Secretariat presented information on the Members' pending arrears, emphasizing that three Members—Colombia, Kiribati and Panama—are two years behind on their contributions. Also, including the payments outstanding for 2017, the total pending contributions add up to US\$ 3,774,479 as of May 31st, 2017, which is nearly equivalent to more than half of one year budget.

The European Union noted that, in accordance with Article XV, paragraph 4, of the Antigua Convention, members in arrears in the payment of their contributions by an amount equal to or greater than the total of the contributions due for two years, lose automatically their right to participate in decision-making, and that this provision should be applied in this meeting of the IATTC.

Colombia explained that it was in arrears due to critical economic and social situations in the country and that it was making efforts to regularize its payments. It also mentioned that pending arrears cases should be analyzed on a case-by-case basis and that it should be considered that both the financial regulations and the Antigua Convention establish that the Commission may take a different decision if it so wishes.

Panama recalled that at the previous meeting it had expressed its commitment to make annual payments that in 10 years would cover the outstanding balance of its arrears, while also paying its annual contributions; the delegation pointed out that the Commission had accepted this commitment and that, since then, Panama had complied with it and therefore should be granted equal participation in decision-making. Kiribati mentioned that it was making efforts to regularize its contribution payment and that it would make it effective during this IATTC meeting.

Many delegations expressed the importance of maintaining the right of participation of these three Members in decision-making; however, the matter remained pending for the Commission to decide.

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

Dr. Compeán, Director of the Commission, presented Document CAF-05-05b on the Special Fund established by Resolution C-14-03 for promoting institutional capacity-building in developing Members. He pointed out that the fund is provisioned with the 2% of the contributions of the Members and that if some Members do not pay, that income is not available.

He mentioned that, as stated in the Resolution, the plan of activities to be carried out in 2018 with the Fund's resources is presented in the document. These activities are as follows:

	Activity	Amount
1	Establishment of an annual IATTC scholarship for developing scientific capacity in developing CPCs.	US\$ 30,000
2	Development of an annual training course for creating capacity for developing CPCs, on matters such as sampling methods, stock assessment, and fisheries policy, among others.	US\$ 20,000
3	Development of a workshop in Central America for guidance on the various reports to be sent to the Secretariat under the various existing resolutions.	US\$ 40,000
4	Participation of representatives of developing Members in the annual meeting of the Commission and its subsidiary bodies.	US\$ 45,000

Peru asked why the proposed workshop in activity 3 was limited to Central America. In response to a question from Guatemala, it was clarified that the fund did not cover research activities, which should be

considered under the research program.

The European Union mentioned that it did not have any objections regarding the proposed activities and that this was a decision for the beneficiaries to make; however, a general plan should be considered and included in a future budget. The United States acknowledged that the plan was balanced and did not support only participation in meetings, but was also directed toward the strengthening of the scientific capacity of developing Members.

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

Ricardo Belmontes, of the IATTC staff, presented Document [CAF-05-05c](#). He recalled that the program has operated for about eight years and a half under a contract with the Marine Resources Assessment Group (MRAG) consortium which, in compliance with the three-year contract signed, would be providing its services at least until the end of 2019. For 2018, a budget of US\$ 1,300,000 is proposed, which includes a reserve of US\$ 200,000 to cover unforeseen expenses and costs at the beginning of 2018, as no new resources are arriving at the start of the year.

He also pointed out that, according to the trend of at sea observer requests trend and the associated costs this implies in 2017, it would be most likely that an additional contribution for the month of September be requested.

The Committee decided to recommend to the IATTC to approve a budget of US\$ 1,100,000 for 2018, without the US\$ 200,000 reserve. The Secretariat pointed out that, for 2018, this could entail the request of an additional contribution at the end of the year if there were not sufficient funds for the program payments.

6. Other matters

No other business was presented.

7. Recommendations to the Commission

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

1. **IATTC budget for 2018:** approve the amount of US\$ 7,258,413, but not without first reviewing the budgetary implications of the implementation of the recommendations of the Performance Review (see draft Plan of Action).
2. **Special fund for promoting institutional capacity-building in developing CPCs:** approve the utilization of resources for 2018 as presented in table 5 of Document [CAF-05-05b](#).
3. **Transshipment at sea monitoring program:** approve a budget of US\$ 1,100,000 for 2018, and use the contribution-sharing formula that has been used to date.

8. Adjournment

The Chairman adjourned the meeting at 7:00 p.m. on 19 July 2017.