

**40th ANNUAL MEETING – SEPTEMBER 2018****Report on Scientific Research and Other Trust Funds
(Prepared by the NAFO Secretariat)**

At the 34th Annual Meeting, September 2012, it was agreed to amend the NAFO Financial Regulations to allow the Organization to receive and disperse funding for projects that fulfill NAFO's objectives.

At the 2013 and 2014 Annual Meeting, the financial regulations were amended to allow for:

- *Scientific Research Funds* to support scientific research projects recommended by the Fisheries Commission and/or the Scientific Council or specific non-recurring projects entered into with third parties;
and
- *Trust Funds* to accept on behalf of NAFO voluntary contributions from Contracting Parties, or from other sources subject to agreement by the Contracting Parties, provided that the purposes for which such voluntary contributions have been made are consistent with the policies, aims and activities of NAFO.

In this context, the two provisions in the NAFO Financial Regulations which were enacted are the following:

Rule 5 -Scientific Research Fund

The Commission may establish a Scientific Research Fund to support scientific research projects recommended by the Commission and/or the Scientific Council or specific non-recurring projects entered into with third parties. The source of monies therein being discretionary contributions from Contracting Parties, above and beyond their annual budget contributions, from agencies of Contracting Parties and from other donors, with the following restrictions:

- (a) Contributions to any scientific research project under the Scientific Research Fund may be accepted, provided that the purposes for which the contributions are made are consistent with the policies, aims, and activities of the Organization; and
- (b) Contributions offered from sources other than Contracting Parties to any scientific research project under the Scientific Research Fund may be accepted, subject to agreement by the Contracting Parties that the purposes of the contributions are consistent with the policies, aims, and activities of the Organization.

This fund shall not be used to fund the general operations of the Organization, except for the recovery of administrative expenses associated with these projects.

The Executive Secretary shall report to Commission/STACFAD at each Annual Meeting on the condition of the Scientific Research Fund, including the contributions received and their dispositions.

The Scientific Research Fund is administered by the Executive Secretary, subject to guidelines established by the Commission.

Rule 6 - Trust funds

The Executive Secretary may accept on behalf of NAFO voluntary contributions from Contracting Parties, or from other sources subject to agreement by the Contracting Parties, provided that the purposes for which such voluntary contributions have been made are consistent with the policies, aims and activities of NAFO.

The Executive Secretary shall establish trust funds to cover such voluntary contributions and shall report on their receipt and use to the Commission/STACFAD.

Scientific Research Funds
(Rule 5)
Summary of contributions received and dispositions
2014-2018

1. NEREIDA I sample analysis in support of VME Assessment and Protection in the NAFO Regulatory Area - 2014

Project Executive Summary - Results produced so far from the analysis of biological samples acquired during the NEREIDA survey programme (2009-2010) around the Flemish Cap and the tail of the Grand Banks of Newfoundland (NAFO Regulatory Area). The biological samples analysed were those collected using a mega box-core. Under the current project, box-core samples housed overseas were shipped to the UK and processed for the extraction and identification of benthic fauna. Analysis of the extracted data revealed the presence of benthic assemblages that were indicative of Vulnerable Marine Ecosystems (VME). VME indicative assemblages were present mostly outside of the fishing footprint in the area of study. A simple habitat suitability model has been performed to ascertain areas that are likely to accommodate VME indicative assemblages. Areas with the greatest potential to accommodate VME assemblages closely correspond with areas already managed for the protection of VME, where bottom-contact fishing practices are presently excluded. Such results support the notion that existing bottom-fishery exclusion zones should continue to be enforced for the long-term protection of VME.

The work was carried out by The Centre for Environment, Fisheries and Aquaculture Science (Cefas), United Kingdom.

Grant funds received from the European Commission	€ 49,827
Grant Funds disbursed to Cefas	€ 48,827
NAFO Administration Fees to cover expenses, including foreign exchange loss on initial transfer	€ 1,000

2. NEREIDA II data analysis in support of VME Assessment and Protection in the NAFO Regulatory Area - 2015

Project Executive Summary - In 2014, the Northwest Atlantic Fisheries Organization (NAFO) subcontracted Cefas under a European Union (EU) grant agreement to undertake an analysis of data collected during the 2009-2010 NEREIDA survey campaign in support of developing a framework for the assessment of significant adverse impacts (SAI) on vulnerable marine ecosystems (VME). The present report details the outcomes of those analyses funded by the EU and describes the resulting framework for assessing SAI on VME within the NAFO regulatory area (NRA). The framework has been developed and refined through discussions amongst members of the NAFO Scientific Council Working Group on Ecosystem Science and Assessment (WGESA) and the joint Scientific Council & Fisheries Commission Working Group on the Ecosystem Assessment Framework for Fisheries Management (WGEAFFM).

The work was carried out by Cefas and the Spanish Institute of Oceanography - Instituto Español de Oceanografía (IEO).

Grant funds received from the European Commission	€ 106,817
Grant Funds disbursed to Cefas	€ 53,158
Grant Funds disbursed to IEO	€ 53,158
NAFO Administration Fees	€ 501

3. NEREIDA III Initial Analysis of Sea Pen VME Resilience in the NAFO Regulatory Area - 2016

Project Executive Summary - The general objective of the present study is to enable the continued analysis of NEREIDA habitat and benthic species data with a focus on sea pen to refine the previously developed biomass distribution model of sea pen VME and to assess at a functional level the significance of sea pen VME. NAFO via its CPs is required as part of its obligations under the NCEM to undertake a reassessment of its bottom fisheries and review its VME fishery closures every 5 years (Annex I.E (V), NAFO/FC Doc. 14/1). In 2016 NAFO agreed to close a new area to protect sea pen VME to the east of the Flemish Cap for 2 years as a precautionary measure whilst new evidence on the resilience and function of sea pen could be further compiled and reviewed. This study contributes to this review process.

The work was carried out by Cefas.

NEREIDA III Budget	€ 75,000
1 st Installment of Grant funds received from the European Commission	€ 52,500
1 st Installment of Grant Funds disbursed to Cefas	€ 46,309
NAFO Administration Fees	€

Project Complete. Final reporting in progress

4. NEREIDA IV data analysis in support of assessing VME habitat functions and SAI on VME functions in the NAFO Regulatory Area (Year 4)- 2018 & 2019

Project Executive Summary - There is a need to further develop methods and scientific evidence in support of the assessment of FAO SAI (Significant Adverse Impact) assessment criteria, particularly at the functional level. The general objective of this grant is to enable the continued analysis of NEREIDA habitat and benthic species data in support of the reassessment of VME closures in 2020 and the reassessment of NAFO bottom fisheries required in 2021.

The work is being carried out by Cefas and IEO.

NEREIDA IV Budget	€ 286,760
1 st Installment of Grant funds received from the European Commission	€ 200,704

1 st Installment of Grant Funds disbursed to Cefas	€ 100,366
1 st Installment of Grant Funds disbursed to IEO	€ 100,366
NAFO Administration Fees	€

Project is ongoing.

5. **Catch Estimate Study 2018 – NAFO development of a single approach for catch estimates based on current NAFO compliance and scientific observers methodologies**

A large amount of the data used by NAFO, especially by the Scientific Council in undertaking assessment, comprises catch, effort and biological data for commercially-exploited and assessed stocks.

Obtaining accurate estimates of commercial catch from fisheries in the NAFO area is critical to the assessment and management of most NAFO stocks. At present, Scientific Council is trying to deal with the issue of not having reliable catch estimates for several stocks, and the impact on various stock assessments. The quality of scientific estimates depends primarily on the quality of the input data, where one of the areas of uncertainty is the estimation of catches made by the scientific observers. In examining the accuracy of catch estimates by scientific observers (who, as opposed to compliance observers, do not have a formal role in the NAFO conservation and management measures), it is important to understand the relationship of these estimates to vessel logs and the accuracy of vessel logs.

Observed catch discrepancies, as pointed out by the PREP, are due to differences in estimates of the tow catch found in different sources such as logbooks data, scientific observer's data, compliance observer's data and inspection on board reports data on a tow-by-tow basis. Therefore, it is important to address the methodology behind the tow catch estimates leading to the catch discrepancies observed in some stocks. The objective is to develop a single approach for catch estimates using data from the NAFO compliance observer reports and the scientific observer reports from flag State Contracting Parties.

The work is being carried out by MRAG Americas.

Catch Estimate Study Budget	€ 100,000
1 st Installment of Grant funds received from the European Commission	€ 70,000
Installments of Grant Funds disbursed to MRAG	€ 59,037
NAFO Administration Fees	€

Project is ongoing.

Summary of other Trust Funds
(Rule 6)
Summary of contributions received and dispositions
2014-2018

1. NAFO Annual Meeting Spain – 2014

An invitation of the European Union to hold the 2014 Annual Meeting of NAFO, and Spain as a host for the meeting, was accepted by the Organization. NAFO's 36th Annual Meeting was held at the Palacio de Congresos Mar de Vigo (Congress Centre) in Vigo, Spain during 22-26 September 2014. All logistical planning for the hosting of the NAFO Annual Meeting was done in coordination with the Spanish Ministry of Agriculture, Food and Environment (SG MAGRAMA) and a specialised local enterprise, TRAGSA, which had experience in organizing similar events.

Grant funds received from the European Commission	€ 142,804
Grant Funds disbursed to TRAGSA	€ 142,804
NAFO Administration Fees	€ 0

2. STACTIC Intersessional Meeting Estonia – 2015

An invitation of the European Union and Estonia to hold the 2015 STACTIC Intersessional Meeting of NAFO and the ad hoc Working Group on Port State Control Alignment was accepted by the Organization. The meetings were held during 4-8 May 2015 in Tallinn, Estonia at the Park Inn by Radisson, Narva mnt 7c, 10117, Tallinn, Estonia. All logistical planning for the hosting of the meetings were done in collaboration with the Ministry of Environment, Republic of Estonia.

Grant funds received from the European Commission	€ 5,495
Grant Funds disbursed to Estonia	€ 4,349
NAFO Administration Fees	€ 1,146

3. NAFO – Improvement of NAFO Monitoring Control and Surveillance (MCS) Website – 2017

Project Summary - NAFO has gradually developed its Monitoring, Control and Surveillance (MCS) website. Currently it offers a platform for vessel registry information and on vessel inspection activities. Further development of the MCS website towards a secure central hub for sharing and storage of inspection/observer reports, together with information submitted by Contracting Parties is ongoing. A second firewall was installed to enhance the security. Prior to the development of the MCS website, the Secretariat received many of the inspection related

documents in hard copy, therefore, the digitization of the historical information for upload to the website is necessary. The NAFO Secretariat hired an external computer consultant to perform the installation and configuration of a second firewall and hired another consultant to perform security penetration testing. The Secretariat also hired external staff to scan and upload historical documents to the MCS website.

Grant funds received from the European Commission	€ 13,774
Grant Funds disbursed to the NAFO Secretariat	13,524
NAFO Administration Fees	€ 250
Note: The NAFO Secretariat incurred \$478 of its own funds to complete the MCS 2017 project.	

4. NAFO Annual Meeting Estonia – 2018

An invitation of the European Union to hold the 2018 Annual Meeting of NAFO, and Estonia as a host for the meeting, was accepted by the Organization. NAFO's 40th Annual Meeting is being held at the Radisson Blu Hotel Olümpia in Tallinn, Estonia during 17-21 September 2018. All logistical planning for the hosting of the NAFO Annual Meeting is being done in collaboration with the Ministry of Environment, Republic of Estonia.

Annual Meeting 2018 Budget	€ 63,460
1 st Installment of Grant funds received from the European Commission	€ 44,422
1 st Installment of Grant Funds disbursed to Estonia	€ 44,422
NAFO Administration Fees	€

Project is ongoing.

5. NAFO – Improvement of NAFO Monitoring Control and Surveillance (MCS) Website – 2018

Project Summary - Further development of the MCS website towards a secure central hub for sharing and storage of inspection/observer reports, together with information submitted by Contracting Parties is ongoing. With the above in mind, reliable, robust and redundant backup solutions become even more important. As the MCS website grows in scope, new appropriate backup technologies are necessary. Prior to the development of the MCS website, the Secretariat received many of the inspection related documents in hard copy, therefore, the digitization of the historical information for upload to the website is necessary.

The NAFO Secretariat will perform the installation and configuration of a backup solution that incorporates the latest technology in tape backup as well as adding a disk backup solution in the middle. The Secretariat will also hire external staff to scan and upload historical documents to the MCS website.

MCS Website 2018 Budget	€ 15,000
1 st Installment of Grant funds received from the European Commission	€ 10,444
1 st Installment of Grant Funds disbursed to the NAFO Secretariat	€ 10,444
NAFO Administration Fees	€
Note: The NAFO Secretariat anticipates that it will incur \$4,000 of its own funds from the computer budget to complete the MCS 2018 project.	

Project Complete. Final reporting is in progress.