



39th ANNUAL MEETING – SEPTEMBER 2017

**Administrative Report for the period September 2016 to August 2017
and Financial Statements for the fiscal year ending 31 December 2017**

by NAFO Secretariat

This year NAFO is conducting its 39th Annual Meeting.

1. The Contracting Parties of NAFO (12) constitute the following membership to the NAFO two main bodies:

Canada
Cuba
Denmark (in respect of the Faroe Islands and Greenland) (DFG)
European Union (EU)
France (in respect of St. Pierre et Miquelon)
Iceland
Japan
Norway
Republic of Korea
Russian Federation
Ukraine
United States of America (USA)

2. NAFO Officers

Position	Name (CP)	Term
Interim President of NAFO and Chair of the Commission (from 18 May 2017)	Stéphane Artano (France in respect of St. Pierre et Miquelon)	May 2017-Sep. 2017
Interim vice-Chair of the Commission (from 18 May 2017)	Temur Tairov (Russian Federation)	May 2017-Sep. 2017
President of NAFO and Chair of the General Council (to 17 May 2017)	Stéphane Artano (France in respect of St. Pierre et Miquelon)	Sep. 2015-May 2017
vice-Chair of the General Council (to 17 May 2017)	Sylvie Lapointe (Canada)	Sep. 2015-May 2017
Chair of the Standing Committee on Finance and Administration (STACFAD)	Deirdre Warner-Kramer (USA)	Sep. 2012-Sep. 2018
vice-Chair of STACFAD	Elise Lavigne (Canada)	Sep. 2013-Sep. 2017
Chair of the Scientific Council	Katherine Sosebee (USA)	Sep. 2015-Sep. 2017
vice-Chair of the Scientific Council and Chair of the Standing Committee on Research Coordination (STACREC)	Brian Healey (Canada)	Sep. 2015-Sep. 2017
Chair of the Standing Committee on Fisheries Science (STACFIS)	Joel Vigneau (EU)	Sep. 2015-Sep. 2017
Chair of the Standing Committee on Publications (STACPUB)	Margaret Treble (Canada)	Sep. 2013-Sep. 2017
Chair of the Standing Committee on Fisheries Environment (STACFEN)	Andrew Cogswell (Canada)	Sep. 2014-Sep. 2017
Chair of the Fisheries Commission (to 17 May 2017)	Temur Tairov (Russian Federation)	Sep. 2015- May 2017
vice-Chair of the Fisheries Commission (to 17 May 2017)	Patrick Moran (USA)	Sep. 2015- May 2017
Chair of the Standing Committee on International Control (STACTIC)	Judy Dwyer (Canada)	Sep. 2015-Sep. 2017
vice-Chair of STACTIC	Aronne Spezzani (EU)	Jun 2012-Sep. 2017

3. NAFO Meetings

September 2016 – August 2017:

- 7-14 September 2016, Scientific Council and NAFO/ICES *Pandalus* Assessment Group in Bergen, Norway.
- 19-23 September 2016, NAFO 38th Annual Meeting in Varadero, Cuba.
- 17-18 October 2016, Editorial Drafting Group (EDG) of the NAFO CEM in Reykjavik, Iceland.
- 18-20 October 2016, Working Group to Review the NAFO Observer Scheme in Reykjavik, Iceland.
- 8-17 November 2016, Scientific Council Working Group on Ecosystem Science and Assessment (WG-ESA) in Lisbon, Portugal.
- 18 November 2016, Editorial Drafting Group (EDG) of the NAFO CEM, WebEx
- 30 January 2017, NAFO Working Group on Improving Efficiency of NAFO Working Group Process, WebEx
- 6 February 2017, NAFO Joint Fisheries Commission-Scientific Council *Ad Hoc* Working Group on Catch Reporting (WG-CR) in London, UK.
- 7-9 February 2017, NAFO Joint Fisheries Commission-Scientific Council Working Group on Risk-Based Management Strategies (WG-RBMS) in London UK.
- 14 March 2017, NAFO STACTIC Editorial Drafting Group of the NAFO CEM (EDG), WebEx.
- 20-24 March 2017, ICES – NAFO Working Group on Deepwater Ecosystems in Copenhagen, Denmark
- 22-23 March 2017, Joint Advisory Group on Data Management in London, United Kingdom
- 3-7 April 2017, NAFO Greenland Halibut Management Strategy Evaluation in Vigo, Spain.
- 20 April 2017, NAFO *Ad hoc* Joint Fisheries Commission-Scientific Council Catch Data Advisory Group (CDAG), WebEx.
- 25–27 April 2017, NAFO Joint Fisheries Commission-Scientific Council Working Group on Risk-Based Management Strategies (WG-RBMS) in Falmouth, MA
- 8 May 2017, NAFO STACTIC Observer Program Review Working Group (WG-OPR) in Boston, USA.
- 9-11 May 2017, NAFO Standing Committee on International Control (STACTIC) Intersessional Meeting in Boston, USA.
- 18 May 2017, 20 April 2017, NAFO *Ad hoc* Joint Commission-Scientific Council Catch Data Advisory Group (CDAG), WebEx.
- 1-15 June 2017, Scientific Council and its Standing Committees in Halifax, Nova Scotia, Canada
- 20 June 2017, NAFO Informal virtual Working Group on the Performance Review Terms of Reference, WebEx
- 28 June 2017, NAFO Working Group on Improving Efficiency of NAFO Working Group Process, WebEx
- 10 July 2017, *Ad Hoc* Working Group on Bycatches, Discards and Selectivity (WG-BDS) in Dartmouth, Nova Scotia, Canada
- 11-13 July 2017, NAFO Joint Commission-Scientific Council Working Group on Risk-Based Management Strategies (WG-RBMS) in Dartmouth, NS, Canada
- 14 July 2017, Joint Commission-Scientific Council Working Group on Ecosystem Approach Framework to Fisheries (WG-EAFFM) in Dartmouth, Nova Scotia, Canada
- 24 August 2017, NAFO Joint Commission-Scientific Council Working Group on Catch Reporting (WG-CR) and NAFO *Ad hoc* Joint Commission-Scientific Council Catch Data Advisory Group (CDAG), WebEx.

Reports of all NAFO meeting are finalized following the meeting end and are posted on the public NAFO website. (<https://www.nafo.int>)

Future Meetings:

- 06 September 2017, NAFO *Ad hoc* virtual NAFO Website Re-design Working Group: Phase II – Data Classification, WebEx
- 15- 16 September 2017, NAFO Joint Commission-Scientific Council Working Group on Risk-Based Management Strategies (WG-RBMS), in Montréal, Québec, Canada
- 18-22 September 2017, NAFO 39th Annual Meeting in Montréal, Québec, Canada
- 27 September – 4 October 2017, Scientific Council and NAFO/ICES *Pandalus* Assessment Group in Lysekil, Sweden.
- 7-16 November 2017, Scientific Council Working Group on Ecosystem Science and Assessment (WG-ESA) in Dartmouth, NS, Canada.
- Standing Committee on International Control (STACTIC) Intersessional Meeting, date and venue TBD
- 1 -14 June 2018, Scientific Council and its Standing Committees in Halifax, Nova Scotia, Canada
- 17-21 September 2018, NAFO 40th Annual Meeting, Halifax, Nova Scotia, Canada (unless an invitation to host is extended by a Contracting Party and accepted by the Organization)

4. Secretariat Staff***Recruitment***

In September 2016, DJ Laycock began his appointment as Database Developer/Programmer Analyst at the Secretariat. DJ has 18 years of experience with developing custom database and software applications for web, desktop and mobile platforms. DJ provides database security, extraction and design, along with maintaining all the databases housed at the NAFO Secretariat.

In July 2017, the Secretariat welcomed Whitney McEvoy as term Office Administrator, as the current Office Administrator, Sarah Guile, is on maternity leave. Whitney has previous experience working in administrative positions and is responsible for the logistical arrangements of NAFO meetings and all other Office Administrator duties.

For the period of September 2016 – August 2017, the Secretariat was comprised of the following employees:

Executive Secretary	Fred Kingston
Deputy Executive Secretary and Senior Finance and Staff Administrator	Stan Goodick
Senior Fisheries Management Coordinator	Ricardo Federizon
Scientific Council Coordinator	Tom Blasdale
Executive Assistant to the Executive Secretary	Lisa LeFort
Fisheries Information Administrator	Jana Aker
Scientific Information Administrator	Dayna Bell MacCallum
IT Manager	Matthew Kendall
Senior Publications Manager	Alexis Pacey
Database Developer/Programmer Analyst	DJ Laycock
Office Administrator	Sarah Guile (maternity leave began July 2017)
Office Administrator	Whitney McEvoy (from July 2017)

5. Publications

During the period of September 2016–August 2017, in addition to the many meeting documents and working papers for NAFO meetings, the NAFO Secretariat prepared, posted to the web and/or printed the publications listed below:

- *Journal of Northwest Atlantic Fishery Science*, Volume 48, 2016 (64 pages)
- *NAFO Annual Report 2016* (On-line and a 20-page booklet)
- *NAFO Convention on Cooperation in the Northwest Atlantic Fisheries* (46 pages)

- *NAFO Conservation and Enforcement Measures* (188 pages)
- *NAFO Meeting Proceedings of General Council and Fisheries Commission for 2016/2017* (282 pages)
- *NAFO Meeting Proceedings of the Commission for 2016/2017 (New title)*
- *NAFO Rules of Procedure and Financial Regulations* (33 pages - booklet)
- *NAFO Scientific Council Reports 2016* (450 pages)
- *Early Stages of Fishes in the Western North Atlantic Ocean* by Michael P. Fahay - Two volume monograph. Hardcover.
- *Coral, Sponge, and Other Vulnerable Marine Ecosystem Indicator Identification Guide, NAFO Area* (91 pages)
- *Sponge Identification Guide NAFO Area* (52 pages)
- *Coral Identification Guide NAFO Area* (37 pages)

All publications and documents are available on the NAFO website: www.nafo.int/Publications

Other initiatives and work:

Journal of Northwest Atlantic Fishery Science (JNAFS)

The *Journal of Northwest Atlantic Fishery Science* published four articles for Volume 48, 2016. One article is published and two articles are in review for Volume 49, 2017. At the June 2016 STACPUB meeting, there was a discussion during an *ad hoc* working group session to explore an online submission forum to use for the manuscript review process. This submission forum includes an on-line email thread component and was completed in early 2017. The online submission process is powered through Scholastica. Additionally, a promotion campaign for JNAFS was started, which included an e-poster to be distributed to various NAFO contacts within the science community.

Aquatic Sciences and Fisheries Abstracts (ASFA)

ASFA inputting and indexing was completed for 2016 documents and publications. For more information about ASFA view their webpage: www.fao.org/fishery/asfa/en

Amended Convention booklet

On 18 May 2017, the *NAFO Convention on Cooperation in the Northwest Atlantic Fisheries* came into force, prompting the creation of a new booklet reflecting the amendments. In addition, there were changes to both the NAFO website and the NAFO Members' area to include a new area for the Commission (COM).

6. Fishery Statistics

The NAFO statistical databases are compiled by the NAFO Secretariat and published on the NAFO web site <https://www.nafo.int/Data>. This database is continuously updated as new submissions are received.

The STATLANT 21A Extraction Tool, available on the NAFO website, continues to be used to query the NAFO Statistical database. This tool provides fishery catch statistics organized by country, species, division and year from 1960 to the present.

7. Information Technology (IT)

Security

In 2017, the Secretariat continued to help secure its internal network and data by installing, with the assistance of a grant from the EU, a second firewall and moving Internet facing servers into a new more protected area created behind the firewall. We also installed a new VMS server with the latest and most secure Microsoft operating system and many redundant features.

8. The NAFO Webpages

New NAFO website – public and members

The NAFO Secretariat web team successfully completed the update of the new NAFO public website (Phase I) and launched it in October 2016. It is a content management system website, which features new elements, such as a calendar and events pages, full search functionality of the website, easy-to-use pages, streamlined content, and a

cleaner, refreshed look and feel. Most users have responded positively to the new site. Since the launch, there have been minor adjustments to the search function and additional enhancements have been made regarding ease-of use.

The ICNAF pages were transferred over in 2017 and was part of Phase III. The Members' pages will be discussed in 2017 within a small *ad hoc* working group and is part of Phase II. The working group will decide levels of security and access for the Members' pages and SharePoint. Its recommendations will be available at the 2017 Annual Meeting.

Inspection Website

In the last several years, NAFO has embarked on comprehensive development of a secure NAFO Inspectors website (MCS website). Inspectors assigned to the NAFO Joint Inspection and Surveillance Scheme can access information relevant to fishing vessels operating in the NAFO Regulatory Area. At the 2016 Annual Meeting, a proposal was adopted to include more information relevant to NAFO Inspectors on the MCS Website so that it could be a central hub for inspection information. The MCS Website has since been updated by the NAFO Secretariat to facilitate this proposal, and has received positive feedback on the updated functionality.

SharePoint

The NAFO Meetings SharePoint continues to be a valuable resource allowing access to the meeting documentation before, during and after meeting hours (<https://meetings.nafo.int>). This year, the NAFO Secretariat migrated both the Meetings SharePoint and the Scientific Council SharePoint to one site to improve efficiency of use. The NAFO Secretariat continues to investigate the best ways to increase the use of SharePoint technology during meetings.

WebEx

This year, WebEx continued to be a valuable resource for meetings (www.webex.com). WebEx allows meetings to take place anywhere, anytime, with meeting participants at various locations, as well as allows participants to participate in non-virtual meetings that they cannot attend.

9. Staff Committee

The Secretariat would like to thank Joanne Morgan, Emilia Batista and Deirdre Warner-Kramer for serving on the Staff Committee for the 2016-2017 term. The Staff Committee did not need to meet during the past 12 months.

10. Secretariat Activities

NAFO Internship Program

At the 2011 Annual Meeting, a NAFO Internship Program was adopted by the Organization. Since then, ten interns have taken part in the program. This year, one intern is participating in the NAFO internship program.

Jessica Randall

Jessica will be arriving at the NAFO Secretariat for a three-month internship from September to November of 2017. She hails from the United States of America where she works as a fisheries biologist at the Alaska Fisheries Science Center. Her research primarily focuses on early life histories and recruitment of Arctic and sub-Arctic fishes. Jessica formerly worked as a fisheries observer in the North Pacific groundfish fleet.

During her internship, Jessica will have the opportunity assist at the 2017 Annual Meeting of NAFO.

Outreach

Media

The Secretariat continued to circulate its annual press releases to a dedicated NAFO media contact list. This year, a press release was circulated 18 May to announce the Amended Convention entering into force. Additionally, a press release will follow the closing of the Annual Meeting.

External Relations

During the past year, Executive Secretary - Fred Kingston has participated in meetings to discuss NAFO-related issues, including the following:

- 27 September 2016, visited the Centro de Investigaciones Pesqueras (CIP) in Havana, Cuba. CIP focuses on the assessment of management, culture and industrial processing of aquatic resources, as well as sustainable management policies, and scientific and technical services.
- 4 November 2016, met with Wendy Watson-Wright of the Ocean Frontier Institute (OFI) at Dalhousie University. The OFI is a Canadian initiative created in 2016 to focus on research on ocean and ecosystem change in the Northwest Atlantic and the Arctic Ocean.
- 17 November 2016, met with members of the German Canadian Concourse at their Conference entitled, *Across the Data Pond, Analyzing a Sea of Ocean Data*.
- 12 January 2017, visited the offices of the Ecology Action Centre (EAC) in Halifax and met with Susannah Fuller and Katie Schleit. The EAC is an accredited NGO observer to NAFO meetings.
- 19 May 2017, met with Roger Sterling, President of the Seafood Producers Association of Nova Scotia.
- Attended the monthly meetings of the Nova Scotia Consular Corps.

The Executive Secretary, Fred Kingston also continues to strengthen NAFO's relationship with the academic community.

- 26 October 2016, gave a lecture on NAFO to a Law of the Sea class, Faculty of Law at Dalhousie University, Halifax, Nova Scotia, Canada.
- 2 November 2016, gave presentation on NAFO to Masters students of the Marine Affairs Program at Dalhousie University, Halifax, Nova Scotia, Canada.
- 2 March 2017, gave a lecture on NAFO to the Faculty of Law, University of Windsor, Windsor, Ontario, Canada.
- 29 June 2017, gave a lecture on RFMOs and NAFO to students participating in the International Ocean Institute (IOI)'s 2017 training program on ocean governance, Dartmouth, Nova Scotia, Canada.

Guests to the Secretariat

- On 23 May 2017, Mr. Gilles Hosch, a consultant for the ABNJ Deep Seas project, visited the NAFO Secretariat to discuss catch documentation schemes.
- On 29 June 2017, students from the International Ocean Institute (IOI), visited the NAFO Secretariat for a guest lecture.
- On 25 July 2017, Halifax Municipal Councillors, Tony Mancini and Richard Zurawski paid a courtesy visit to the NAFO Secretariat.

The NAFO Secretariat continues to hold smaller working group meetings in its boardroom whenever possible as well as offer the use of the space to affiliated groups for a nominal fee. In the past, universities and Fisheries and Oceans Canada have used the space for meetings including the ICES Working Group on the Northwest Atlantic Regional Sea (WGNARS) held in March 2017.

International Oceans Day

The NAFO Secretariat continued to participate in World Oceans Day 2017. Two Secretariat staff members, Jana Aker, Fisheries Information Administrator, and Lisa LeFort, Executive Assistant, attended the local Oceans Day in Halifax, Nova Scotia on Friday, 3 June 2017 at the Maritime Museum of the Atlantic on the Halifax waterfront.

Information Requests

The NAFO Secretariat regularly responds to requests from various international sources. During the last year the Secretariat has responded specifically to:

Request for input on:

- UN Secretary-General's Report on developments in the field of ocean affairs pursuant to UNGA Resolution 71/257 on Oceans and the law of the sea
- EU DG Mare FishHub study: database questionnaire

- EU DG Mare Survey Study on Availability and Dissemination of Data Collection Framework (DCF) Data
- Contribution to the Regional Fishery Body Secretariats Network (RSN) Newsletters.

Throughout the year various informal requests are made to the Secretariat regarding specific information, procedures of NAFO, etc. by students, educational institutes, RFMOs, Contracting Parties representatives or other organizations. These are answered to the best of the ability and as time permits by various members of the NAFO Secretariat.

Oil and Gas Activity in the NRA

At the last Annual Meeting, Contracting Parties continued to discuss Canada's proposal to establish an arrangement for the timely exchange of information necessary to avoid overlapping activities and mitigate potential conflicts between fisheries and hydrocarbon activities. This arrangement was accepted by Contracting Parties as a reasonable approach for such an information exchange arrangement and Canada undertook to continue to engage with the Executive Secretary to consider possible refinements. At the last Annual Meeting, Contracting Parties also agreed to amendments to the NAFO Conservation and Enforcement Measures (NCEM) that would allow the provision of certain VMS data to Canada under Article 3.2 of this arrangement. Following a request from Canada and after the requisite consultation with Contracting Parties, this data (i.e. a 'five-year monthly snapshot' of fishing activity in the NAFO Regulatory Area) was provided to Canada on 22 March 2017.

Since the 2014 Annual Meeting, Canada has also implemented an "interim process" through which it has sent to the NAFO Secretariat information about petroleum-related activities on Canada's continental shelf in the NAFO Regulatory Area for onward transmission to NAFO Contracting Parties. Since the 2016 Annual Meeting, there have been four such notifications.

11. Participation by Secretariat at external meetings

Convention on Biological Diversity Meeting, Seoul, Korea, 26-29 September 2016

Scientific Council Coordinator, Tom Blasdale attended the meeting, which discussed the Sustainable Ocean Initiative (SOI) – Global Dialogue with Regional Seas Organizations and Regional Fisheries Bodies on Accelerating Progress Towards the Aichi Biodiversity Targets organized by the Secretariat of the Convention on Biological Diversity Meeting.

Areas Beyond National Jurisdiction (ABNJ) Deep Seas Project Steering Committee meeting, Rome, Italy, 7-9 February 2017

Executive Secretary, Fred Kingston, attended the ABNJ Deep Seas Project Steering Committee meeting.

The FAO BlueBRIDGE Global Record of Stocks and Fisheries (GRSF) meeting, in Rome, Italy, 28 February- 2 March

Scientific Council Coordinator, Tom Blasdale, attended the meeting. The GRSF database will combine the FIRMS, RAMM, and Fish Source databases and create on large data base for consumers. The group will meet again next year, and work intersessionally.

The Third and Fourth Sessions of the UN Biodiversity Beyond National Jurisdiction (BBNJ) Preparatory Committee in New York, New York, United States of America, 3-5 April & 17-19 July 2017

Executive Secretary, Fred Kingston, attended the third and fourth sessions of the Preparatory Committee to develop an international legally binding instrument under UNCLOS on the conservation and sustainable use of marine biological diversity beyond national jurisdiction (BBNJ).

On 18 July, at the fourth session, Mr. Kingston gave a presentation on NAFO at a side event organized by the FAO entitled "Exploring a new instrument through the lens of Regional Fisheries Bodies (including Regional Fisheries Management Organizations)".

The Annual Meeting of the International Fisheries Commissions Pension Society (IFCPS), Vancouver, Canada, 19-21 April 2017

NAFO was represented by Fred Kingston, Executive Secretary, and Stan Goodick, Deputy Executive Secretary/Senior Finance and Staff Administrator at the Annual Meeting of the International Fisheries Commissions Pension Society (IFCPS). It was hosted by the Pacific Salmon Commission (PSC) and the North Pacific Anadromous Fish Commission (NPAFC).

The FAO First Meeting of the Parties to the 2009 FAO Agreement on Port State Measures, Oslo, Norway, 29-31 May 2017

Executive Secretary, Fred Kingston, attended the First Meeting of the Parties to the 2009 FAO Agreement on Port State Measures.

Before the Port State Measures meeting, Mr. Kingston also attended an informal meeting of the Regional Fishery Body Secretariats Network (RSN).

The 10th Session of the FIRMS Steering Committee Meeting in Copenhagen, Denmark, 21-24 June 2017

Senior Fisheries Management Coordinator, Ricardo Federizon, attended the FIRMS Steering Committee meeting. During the meeting, it was decided that the Committee will take ownership of the Global Record of Stocks and Fisheries (GRSF) developed under the BlueBRIDGE initiative. Additionally, the stock status reports of the Regional Fisheries Bodies (RFBs) were presented.

12. Financial Status Update

The 2016 fiscal year ended in a very good financial position with operating cash at high levels and with only \$6,840 owing from one Contracting Party. Actual operating expenses for the year were 6.5% under the Organization's budget of approximately \$1.997 million. Grant Thornton was appointed to perform the audit of the 2016 financial records. The statements will be reviewed and approved by the Organization at the September 2017 Annual Meeting.

The NAFO budget for 2017 was increased to \$2.126 million as additional funds were required for the second performance review of the Organization, although it was subsequently deferred and will be discussed at the 2018 Annual Meeting. The Secretariat has been working within the approved budget and expenditures are projected to be \$127,000 under budget for the 2017 fiscal year (see page 9 - Statement I of the Financial Statements). As of 05 September 2017, there was \$102,783 in membership contributions outstanding from three Contracting Parties (see page 11 - Statement III of the Financial Statements).

Financial Statements

STATEMENT I

**Budget Appropriations. Estimated Obligations and Unliquidated Balances of
Appropriations**

For the Year Ending 31 December 2017

(Canadian Dollars)

	Approved Budget 2017	Total Estimated Obligations for Fiscal Year 2017	Estimated Unliquidated Balance of Appropriations
1 Personal Services			
a) Salaries	\$1,026,000	\$1,028,000	(\$2,000)
b) Superannuation and Annuities	348,000	348,000	-
c) Medical and Insurance Plans	93,000	89,000	4,000
d) Employee Benefits	62,000	64,000	(2,000)
Subtotal Personal Services	<u>1,529,000</u>	<u>1,529,000</u>	-
2 Additional Help	2,000	2,000	-
3 Communications	23,000	23,000	-
4 Computer Services	42,000	42,000	-
5 Equipment	28,000	28,000	-
6 Fishery Monitoring	50,000	50,000	-
7 Hospitality Allowance	3,000	3,000	-
8 Internship	11,000	6,000	5,000
9 Materials and Supplies	28,000	28,000	-
10 NAFO Meetings			
a) Sessional	118,000	96,000	22,000
b) Inter-sessional Scientific	55,000	34,000	21,000
c) Inter-sessional Other	32,000	36,000	(4,000)
Subtotal NAFO Meetings	<u>205,000</u>	<u>166,000</u>	<u>39,000</u>
11 Other Meetings and Travel	35,000	35,000	-
12 Performance/External Reviews	93,000	-	93,000
13 Professional Services	51,000	61,000	(10,000)
14 Publications	14,000	14,000	-
15 Recruitment and Relocation	12,000	12,000	-
Total Ordinary Budget	<u>\$2,126,000</u>	<u>\$1,999,000</u>	<u>\$127,000</u>

STATEMENT II

**Statement of Assessed Contributions and Estimated
Expenditure Obligations for the Year Ending 31 December 2017
(Canadian Dollars)**

Contracting Parties Assessed:	
Canada	\$663,374.15
Cuba	45,444.96
Denmark (in respect of Faroe Islands and Greenland)	312,329.66
European Union	97,865.02
France (in respect of St. Pierre et Miquelon)	51,146.79
Iceland	44,484.10
Japan	44,484.10
Norway	48,861.34
Republic of Korea	44,484.10
Russian Federation	59,003.71
Ukraine	44,484.10
United States of America	<u>323,401.97</u>
Assessed Contributions for the year ending 31 December 2017	\$1,779,364.00
Transferred from Accumulated Surplus Account	<u>346,636.00</u> ^a
Approved Budget for 2017	\$2,126,000.00
Total Estimated Obligations for 2017 - Statement I	<u>1,999,000.00</u>
Amount to be transferred to Accumulated Surplus Account	<u>\$ 127,000.00</u>

^a Excess of revenue over expenditures during the 2016 fiscal year (includes ex gratia grant; staff assessments; sales of publications; bank interest and balance of appropriations not expended).

STATEMENT III**Balance Sheet Estimates for the Year Ending 31 December 2017**

(Canadian Dollars)

Assets		Liabilities	
Current		Current	
Cash	\$574,963	Accounts Payable	
Grant Trust Funds	\$26,059	and Accrued Liabilities	\$50,000
Contributions Receivable from		Grant Fund Liability	33,146
Contracting Parties (Note 1)	102,783	Provision for Accrued Employee	
Prepaid Expenses	0	Vacation Pay	34,659
Province of Nova Scotia			
Ex gratia grant receivable	70,000		
	<u>773,805</u>		<u>117,805</u>
Long-Term		Long-Term	
Employee Termination Benefit		Provision for Employee Termination	
Investments	<u>288,613</u>	Benefits	<u>288,613</u>
			406,418
		Members' Net Assets	
		Accumulated Surplus	<u>656,000</u>
	<u>\$1,062,418</u>		<u>\$1,062,418</u>

Note 1.

Contributions Receivable from Contracting Parties

Cuba	\$312
France (SPM)	51,147
Ukraine	<u>51,324</u>
	<u>\$102,783</u>

STATEMENT IV

**Statement of Accumulated Surplus Estimates
for the Year Ending 31 December 2017a
(Canadian Dollars)**

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Accumulated Surplus - Beginning of 2017	\$631,636		
Less: Amount appropriated 1 January 2017	-346,636		
Add: Staff Assessments	\$160,000		
Province of Nova Scotia - <i>ex gratia</i> grant	70,000 ^b		
Balance of appropriations not expended in 2017	127,000		
Interest	11,000		
Sales of Publications	1,000		
Observer Attendance Fees	1,000		
Boardroom Rental	1,000		
	<table border="0" style="width: 100%;"> <tr> <td style="border-top: 1px solid black; width: 80%;"></td> <td style="text-align: right; border-top: 1px solid black;">371,000</td> </tr> </table>		371,000
	371,000		
Accumulated Surplus - End of 2017	<u>\$656,000</u>		
Appropriated to maintain minimum balance (to be authorized by the Commission)			
Minimum balance maintained	\$285,000		
Unappropriated balance available	<u>371,000</u>		
Total Accumulated Surplus	<u>\$656,000</u>		
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^a Provisions for the Accumulated Surplus Account from the NAFO Financial Regulations:

Rule 4.2 Within the books of accounts, there shall be established an accumulated surplus account to which shall be credited:

- i) excess of receipts over expenditures at the end of the financial year;
- ii) unexpended balances at the end of the 12-month period specified in Rule 3.2 for prior year obligations, but not disbursed;
- iii) refunds, from any source, of prior year's expenditures of the Organization.

Rule 4.3 Monies available in the accumulated surplus account may be used temporarily to the extent necessary to finance appropriations pending receipt of annual payments by Contracting Parties.

Rule 4.5 The Standing Committee on Finance and Administration and the General Council shall review the amount available in the accumulated surplus account during each annual meeting. Insofar as possible, the General Council shall anticipate unforeseen expenditures during the succeeding three years and shall attempt to maintain the accumulated surplus account at a level sufficient to finance operations during the first three months of the year plus an amount up to a maximum of 10% of the annual budget for the current financial year for use in an emergency in

^b This amount represents the Provincial portion of income tax paid by NAFO employees.

Statement V

Statement of Contributions Due from
Contracting Parties for the 2017 Financial Year

Northwest Atlantic Fisheries Organization

Contributions Due 1 January - 31 December 2017

(Canadian Dollars)

Budget:	Period 1 January - 31 December 2017	\$ 2,126,000.00
Deduct:	Amount Allocated from Accumulated Surplus Account (1)	346,636.00
Funds required to meet 2017 Administrative Budget		\$ 1,779,364.00

Contracting Parties	Nominal Catches 2014 (metric tons)	% of Total Catch in the Convention Area	10%			30%			60%			2017 Annual Contribution
Canada	336,274	49.17%	\$93,942.09	\$44,484.10	\$524,947.96	\$663,374.15						
Cuba	652	0.09%	-	44,484.10	960.86	45,444.96						
Denmark (in respect of Faroe Islands and Greenland) (2)	145,533	21.28%	40,656.36	44,484.10	227,189.20	312,329.66						
European Union	34,172	5.00%	-	44,484.10	53,380.92	97,865.02						
France (in respect of St. Pierre et Miquelon)	3,595	0.53%	1,004.31	44,484.10	5,658.38	51,146.79						
Iceland	-	-	-	44,484.10	-	44,484.10						
Japan	-	-	-	44,484.10	-	44,484.10						
Norway	2,813	0.41%	-	44,484.10	4,377.24	48,861.34						
Republic of Korea	-	-	-	44,484.10	-	44,484.10						
Russian Federation	9,278	1.36%	-	44,484.10	14,519.61	59,003.71						
Ukraine	-	-	-	44,484.10	-	44,484.10						
United States of America	151,537	22.16%	42,333.64	44,484.10	236,584.23	323,401.97						
	683,854	100.00%	\$177,936.40	\$533,809.20	\$1,067,618.40	\$1,779,364.00						

(1) Balance remaining in Accumulated Surplus Account = \$285,000

(2) Faroe Islands = 3,958 metric tons
Greenland = 141,575 metric tons