

Northwest Atlantic



Fisheries Organization

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23RD ANNUAL MEETING - SEPTEMBER 2001

Administrative Report and Financial Statements
for the fiscal year ending 31 December 2001
(as of 31 July 2001)

by

Executive Secretary

1. The Contracting Parties of NAFO (18) constitute the following membership to the NAFO three main bodies:

General Council (18)

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

Scientific Council (18)

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

Fisheries Commission (16)

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

2. NAFO Officers

President of NAFO and Chairman of the General Council
(elected for the term Sept. 1999-Sept. 2001)

- E. Oltuski (Cuba)

Vice-Chairman of the General Council
(elected for the term Sept. 1999-Sept. 2001)

- P. Chamut (Canada)

Chairman of the Standing Committee on Fishing Activities of non-Contracting
Parties in the Regulatory Area (STACFAC)
(elected for the term Sept. 2000-Sept. 2002)

- D. Silvestre (France in respect of St. Pierre
et Miquelon)

Vice-Chairman of the Standing Committee on Fishing Activities of non-Contracting
Parties in the Regulatory Area (STACFAC)
(elected for the term Sept. 2000-Sept. 2002)

- N. Bouffard (Canada)

Chairman of the Standing Committee on Finance and Administration (STACFAD)
(elected for the term Sept. 1999-Sept. 2001)

- G. F. Kingston (EU)

Vice-Chairman of the Standing Committee on Finance and Administration (STACFAD)
(elected for the term Sept. 1999-Sept. 2001)

- J.-P. Plé (USA)

Chairman of the Scientific Council
(elected for the term Sept. 1999-Sept. 2001)

- W. B. Brodie (Canada)

Vice-Chairman of the Scientific Council
(elected for the term Sept. 1999-Sept. 2001)

- R. Mayo (USA)

Chairman of the Standing Committee on Fisheries Science (STACFIS)
(elected for the term Sept. 1999-Sept. 2001)

- H. J. Rätz (EU-Germany)

Chairman of the Standing Committee on Research Coordination (STACREC) (elected for the term Sept. 1999-Sept. 2001)	- R. Mayo (USA)
Chairman of the Standing Committee on Publications (STACPUB) (elected for the term Sept. 1999-Sept. 2001)	- O. A. Jørgensen (Denmark-Greenland)
Chairman of the Standing Committee on Fisheries Environment (STACFEN) (elected for the term Sept. 1998-Sept. 2001)	- M. Stein (EU)
Chairman of the Fisheries Commission (elected for the term Sept. 1999-Sept. 2001)	- P. Gullestad (Norway)
Vice-Chairman of the Fisheries Commission (elected for the term Sept. 1999-Sept. 2001)	- D. Swanson (USA)
Chairman of the Standing Committee on International Control (STACTIC) (elected for the term Sept. 1999-Sept. 2001)	- D. Bevan (Canada)

3. Secretariat

Executive Secretary	- Leonard I. Chepel
Assistant Executive Secretary	- Tissa Amaratunga
Administrative Assistant	- Forbes D. Keating
Accounting Officer	- Stan M. Goodick
Senior Secretary	- Beverly J. Cruikshank
Statistical Officer/Conservation Measures Officer	- Gordon M. Moulton
Desktop Publishing/Documents Clerk	- Ferne E. Perry
Graphic Arts/Printing Technician	- Ronald A. Myers
Graphic Arts/Printing Technician	- Barry T. Crawford
Word Processing Secretary	- Dorothy C. Auby
Statistical/Library Documents Clerk	- Barbara L. Marshall
Statistical/Reception Clerk	- Cynthia L. Kerr

4. NAFO Meetings

Scientific Council Meeting, Copenhagen, Denmark, 8-15 November 2000.

STACTIC Technical Working Group on Communications, Brussels, Belgium, 18-19 January 2001.

NAFO/NEAFC Working Group on Oceanic Redfish, Reykjavik, Iceland, 13-14 February 2001.

Fisheries Commission Working Group on Statistics, Copenhagen, Denmark, 27 March 2001.

Fisheries Commission Special Meeting, Copenhagen, Denmark, 28-30 March 2001.

International Fisheries Commissions Pension Society Annual Meeting, Vancouver, B.C., Canada, 25-27 April 2001. The NAFO Secretariat was represented by Mr. F. D. Keating and Mr. S. M. Goodick.

STACTIC Working Group to Overhaul the NAFO Conservation and Enforcement Measures, Ottawa, Canada, 1-3 May 2001.

Scientific Council and its Standing Committees, Dartmouth, N.S., Canada, 31 May - 14 June 2001.

Working Group on Dispute Settlement Procedures (DSP), Dartmouth, N.S., Canada, 12-14 June 2001.

Meeting of the Standing Committee on International Control (STACTIC), Halifax, N.S., Canada, 26-28 June 2001.

5. Publications

The publications listed below are prepared and printed in the NAFO Secretariat. It is estimated that 650,000 pages of printed material will be distributed in publications and an additional 500,000 pages of printed material distributed in documents/letters before the end of 2001.

NAFO Annual Report for the year 2000 (216 pages) was distributed in April 2001.

NAFO Meeting Proceedings for the year 2000 (386 pages) was distributed in February 2001.

NAFO Scientific Council Reports for 2000 (303 pages) was distributed in January 2001.

NAFO Journal of Northwest Atlantic Fishery Science Volume 26 (145 pages), Volume 27 (289 pages), and Volume 28 (121 pages) were distributed in December 2000.

NAFO Newsletter "NAFO News" was published in two (2) editions: No. 13 for July-December 2000 was issued in January 2001 and No. 14 for January-June 2001 was issued in July 2001.

6. Fishery Statistics

The NAFO statistical database is at the NAFO Secretariat and available in computer diskette form or hard copies to the Contracting Parties, and from 1999, the statistical data of catches have been posted on the NAFO website www.nafo.ca.

The data reports for the preceding year of fishing, STATLANT 21A reports (preliminary annual catches in the NAFO Convention Area by species and divisions), due 15 May have not been received from: for 1994 – USA (partial); for 1995 – USA (partial); for 1996 – USA (partial); for 1997 – USA (partial); for 1998 - USA (partial); for 1999 – Korea and USA (partial); for 2000 – Greenland, EU-France (M), Iceland, Korea, Poland and USA (partial).

The data reports for the preceding year of fishing, STATLANT 21B reports (final annual catches in the NAFO Convention Area by species, month, effort), due 30 June have not been received from: for 1989 EU-France (M); for 1994 - USA; for 1995 - USA; for 1996 - USA; for 1997 – USA; for 1998 - Norway (provisional) and USA; for 1999 – Canada (N), Greenland, Norway (provisional), EU-Portugal, Korea and USA. For 2000, STATLANT 21B reports have been received from Cuba, Denmark (Faroes), EU-Denmark, France (SP), Japan, EU-Great Britain and Latvia.

7. Major NAFO substantive issues and decisions through 2000/2001

a) The General Council:

- Diplomatic demarches to Belize, Honduras, Panama and Sierra Leone re illegal fishing in the NAFO Regulatory Area.
- Discussion of substantive issues on:
 - FAO International Plans of Action on the fishing capacity, etc.;
 - Dispute Settlement Procedure at NAFO.

b) The Fisheries Commission:

- Amendment to the Conservation and Enforcement Measures: chartering operations; fishing effort regulation for Shrimp 3M; satellite tracking/VMS system; incidental catch – change of fishing area.
- Adoption of TACs for the stocks: Redfish 3M-5,000; Yellowtail flounder 3LNO-13,000; Greenland halibut 3LMNO-29,640; Squid 3+4-34,000; 3L shrimp-6000 mt.
- "No directed fishing" for the following stocks: Cod 3M and 3NO, Redfish 3LN, American plaice 3M and 3LNO, Witch flounder 3NO, Capelin 3NO, Cod 3L.
- Regulation of shrimp fishery in Div. 3M (bar space 22 mm, by catch 5%, minimum mesh size 40 mm).
- Discussion of Precautionary Approach (utilization) to NAFO stocks.

c) The Scientific Council recommended/adopted:

- Stock assessments: summaries and recommendations for stocks formulated in NAFO SCS Doc. 01/24 (at requests of Coastal States and Fisheries Commission).
- Overview of environmental conditions in the NAFO area in 2000.
- Implementation of Precautionary Approach to fisheries management and utilization of fish stocks.
- Production, improvement, promotion and distribution of scientific publications.
- Sophistication and enhancement of the NAFO website.
- Use of Local Area Network (LAN) at meetings for computer communications around the table.
- Active promotion and advertising of the Scientific Council work to international community.

8. Financial Statements

STATEMENT I

Budget Appropriations. Obligations Incurred and Unliquidated Balances of Appropriations
For the Year Ending 31 December 2001
(Estimated from 31 July 2001)
(Canadian Dollars)

	<u>Approved Budget for 2001</u>	<u>Obligations Incurred and Liquidated to 31 July 2001</u>	<u>Expenses Estimated for Remainder of Fiscal Year</u>	<u>Total Obligations for Fiscal Year</u>	<u>Estimated Unliquidated Balance of Appropriations</u>
Personal Services:					
a) Salaries	\$699,500	\$407,837	\$303,663	\$711,500	\$ (12,000) ^a
b) Superannuation and Annuities	76,000	41,686	33,314	75,000	1,000
c) Additional Help	1,000	-	1,000	1,000	-
d) Group Medical and Insurance Plans	57,500	37,702	21,298	59,000	(1,500)
e) Termination Benefits	23,000	-	25,000	25,000	(2,000) ^b
f) Accrued Vacation Pay	1,000	-	1,000	1,000	-
g) Termination Benefits Liability	10,000	-	10,000	10,000	-
Travel	19,000	20,493	3,507	24,000	(5,000) ^c
Transportation	1,000	390	610	1,000	-
Communications	60,000	33,045	25,955	59,000	1,000
Publications	37,000	24,454	7,046	31,500	5,500
Other Contractual Services	44,000	23,431	20,569	44,000	-
Materials and Supplies	30,000	17,936	12,064	30,000	-
Equipment	5,000	1,240	3,760	5,000	-
Meetings					
Annual General Meeting and Scientific Council Meetings	64,000	29,055	28,945	58,000	6,000
Inter-sessional Meetings	30,000	42,006	3,994	46,000	(16,000) ^d
Symposium	16,000	8,000	8,000	16,000	-
Computer Services	15,000	8,911	27,089	36,000	(21,000) ^e
Automated Hail System	<u>200,000</u>	<u>22,616</u>	<u>177,384</u>	<u>200,000</u>	<u>-</u>
Total Ordinary Budget	<u>\$1,389,000</u>	<u>\$718,802</u>	<u>\$714,198</u>	<u>\$1,433,000</u>	<u>\$ (44,000)</u>

^a The salaries budget for 2001 included a 2% economic increase. The executive group received an 8% increase, retroactive to April 2000. Administrative and Technical Group employees are awaiting contracts to be negotiated between the Treasury Board of Canada and the Public Service Alliance of Canada. These contracts expired in June 2000.

^b This figure is for 2001 credits and conforms with NAFO Staff Rule 10.4(a).

^c The travel budget excluded the Executive Secretary and Administrative Assistant's travel to Varadero, Cuba for the inspection and planning of the 23rd Annual Meeting facilities.

^d See page 2, item 4 (NAFO Meetings) for list of meetings held during the year.

^e Variance for the year results from the automated hail system communication charges for the X.25 line, X.400 line and annual support and maintenance.

STATEMENT II

Statement of Assessed Contributions and Expenditures
for the Year Ending 31 December 2001
(Estimated from 31 July 2001)
(Canadian Dollars)

Contracting Parties Assessed:

Bulgaria	\$19,993.05
Canada	521,304.58
Cuba	19,993.05
Denmark (in respect of Faroe Islands and Greenland)	120,336.90
Estonia	24,743.40
European Union	40,002.09
France (in respect of St. Pierre et Miquelon)	25,493.45
Iceland	25,679.07
Japan	22,584.15
Republic of Korea	19,993.05
Latvia	21,000.70
Lithuania	22,656.12
Norway	21,144.65
Poland	20,137.00
Romania	19,993.05
Russian Federation	22,224.27
Ukraine	19,993.05
United States of America	<u>212,311.37</u>
Assessed Contributions for the year ending 31 December 2001	\$1,199,583.00
Transferred from Accumulated Surplus Account	<u>189,417.00^a</u>
Approved Budget For 2001	1,389,000.00
Total Obligations to be Incurred - Statement I	<u>1,433,000.00</u>
Amount to be transferred from Accumulated Surplus Account	<u>\$ (44,000.00)</u>

^a Excess of revenue over expenditures during the 2000 fiscal year (includes *ex gratia* grant for 1999; staff assessments; sales of publications; bank interest; and balance of appropriations not expended).

STATEMENT III

Balance Sheet for the Year Ending 31 December 2001
(Estimated from 31 July 2001)
(Canadian Dollars)

ASSETS		LIABILITIES	
Current		Current	
Cash	\$164,646	Accounts Payable and Accrued Liabilities	\$ 7,500
Contributions receivable from Contracting Parties (Note 1)	84,125	Provision for Accrued Employee Vacation Pay	15,227
Prepaid Expenses	<u>1,971</u>		<u> </u>
	250,742		22,727
Long-Term Investment		Long-Term	
Employee Termination Benefit Investments (Note 2)	369,077	Provision for Employee Termination Benefits (Note 3)	<u>404,077</u>
			<u>426,804</u>
		EQUITY	
	<u> </u>	Accumulated Surplus	<u>193,015</u>
	<u>\$619,819</u>		<u>\$619,819</u>

Note 1: This amount represents amounts due from Cuba (2001-\$19,993.05; 2000-\$17,459.98); Iceland (\$25,679.07); Lithuania (\$1,000.00) and Ukraine (\$19,993.05). Applied against accounts receivable for 2001 Allowance for Doubtful Accounts has been Bulgaria (\$19,993.05) and Romania (\$19,993.05).

Note 2: Termination Benefit Funds have been invested in a Scotiabank Premium T-Bill account.

Note 3: At the annual meeting in September, 1991, the General Council approved in the Staff Rules an enhanced employee termination benefit package to be effective January 1, 1992. At December 31, 2001 the additional liability resulting from this enhancement will amount to approximately \$40,300, which amount has not been recorded in the accounts of the Organization.

The Organization is funding this liability at the rate of \$10,000 per annum as approved by the General Council (22nd Annual Meeting, September, 2000).

STATEMENT IV

Statement of Accumulated Surplus
for the Year Ending 31 December 2001^a
(Estimated from 31 July 2001)
(Canadian Dollars)

Accumulated Surplus - Beginning of 2001		\$264,417
Add: Province of Nova Scotia - <i>ex gratia</i> grant for 2000	\$ 55,000 ^b	
Sales of Publications	7,000	
Interest	25,000	
Staff Assessments	<u>115,000</u>	<u>202,000</u>
		466,417
Less: Amount appropriated 1 January 2001	\$189,417	
Balance of appropriations over expended in 2001	44,000	
Contributions deemed uncollectible 2001 (Romania/Bulgaria)	<u>39,986</u>	<u>273,403</u>
		<u>\$193,014</u>
Appropriated to maintain minimum balance (to be authorized by G.C.)	\$ 75,000	
Unappropriated balance available	<u>118,014</u>	
Total Accumulated Surplus		<u>\$193,014^c</u>

^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:

- a) excess of receipts over expenditures at the end of the financial year;
- b) unexpended balances at the end of the 12-month period specified in Rule 3.2 for prior year obligations, but not disbursed;
- c) 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.

^b This amount represents the Provincial portion of income tax paid by NAFO employees. Although the Province of Nova Scotia has refunded the Provincial portion of income tax each year, there is no guarantee that this practice will be followed every year.

^c See Statement III - Contributions receivable from Contracting Parties (this amount of \$193,014 would be valid subject to payment of outstanding contributions by Cuba - \$37,453.03, Iceland - \$25,679.07, Lithuania - \$1,000.00, and Ukraine - \$19,993.05, total - \$84,125.15 during 2001).

STATEMENT V

Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,259,500 for the 2002
financial year (based on 18 Contracting Parties to NAFO).
(Canadian Dollars)

Budget Estimate.....	\$1,259,500.00
Deduct: Amount from Accumulated Surplus Account.....	<u>118,014.00</u>
Funds required to meet 2001 Administrative Budget.....	<u>\$1,141,486.00</u>

60% of funds required = \$684,891.54
30% of funds required = 342,445.86
10% of funds required = 114,148.60

Contracting Parties	Nominal Catches for 1999	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Bulgaria	-	-	-	\$ 19,024.77	-	\$ 19,024.77
Canada ¹	475,889	56.52	\$70,756.73	19,024.77	\$387,100.70	476,882.20
Cuba	122	0.01	-	19,024.77	68.49	19,093.26
Denmark (in respect of Faroes and Greenland) ^{1,2}	120,442	14.30	17,907.71	19,024.77	97,939.50	134,871.98
Estonia	10,835	1.29	-	19,024.77	8,835.10	27,859.87
European Union ¹	33,682	4.00	-	19,024.77	27,395.66	46,420.43
France (in respect of St. Pierre et Miquelon)	4,880	0.58	725.57	19,024.77	3,972.37	23,722.71
Iceland	9,148	1.09	-	19,024.77	7,465.32	26,490.09
Japan	2,944	0.35	-	19,024.77	2,397.12	21,421.89
Republic of Korea	-	-	-	19,024.77	-	19,024.77
Latvia	3,080	0.37	-	19,024.77	2,534.10	21,558.87
Lithuania	3,370	0.40	-	19,024.77	2,739.57	21,764.34
Norway ¹	4,336	0.52	-	19,024.77	3,561.44	22,586.21
Poland	894	0.11	-	19,024.77	753.38	19,778.15
Romania	-	-	-	19,024.77	-	19,024.77
Russian Federation	5,756	0.68	-	19,024.77	4,657.26	23,682.03
Ukraine	-	-	-	19,024.77	-	19,024.77
United States of America ¹	166,519	19.78	24,758.59	19,024.77	135,471.53	179,254.89
	841,897	100.00	\$114,148.60	\$342,445.86	\$684,891.54	<u>\$1,141,486.00</u>
Funds required to meet 1 January - 31 December 2002 Administrative Budget						<u>\$1,141,486.00</u>

¹ Provisional Statistics used when calculating 1999 nominal catches which have not been reported from some Contracting Parties.

² Faroe Islands = 10,547 metric tons
Greenland = 109,895 metric tons