

30th ANNUAL MEETING – SEPTEMBER 2008

Administrative Report for the period September 2007 to August 2008
and Financial Statements for the fiscal year ending 31 December 2008

by

NAFO Secretariat

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

<i>General Council (12)</i>	<i>Scientific Council (12)</i>	<i>Fisheries Commission (12)</i>
Canada	Canada	Canada
Cuba	Cuba	Cuba
Denmark (in respect of the Faroe Islands and Greenland) (DFG)	Denmark (in respect of the Faroe Islands and Greenland) (DFG)	Denmark (in respect of the Faroe Islands and Greenland) (DFG)
European Union (EU)	European Union (EU)	European Union (EU)
France (in respect of St. Pierre et Miquelon)	France (in respect of St. Pierre et Miquelon)	France (in respect of St. Pierre et Miquelon)
Iceland	Iceland	Iceland
Japan	Japan	Japan
Republic of Korea	Republic of Korea	Republic of Korea
Norway	Norway	Norway
Russian Federation	Russian Federation	Russian Federation
Ukraine	Ukraine	Ukraine
United States of America (USA)	United States of America (USA)	United States of America (USA)

2. NAFO Officers

Position	Name (CP)	Term
President of NAFO and Chair of the General Council	Terje Lobach (Norway)	Sep 2007-Sep 2009
Vice-Chair of the General Council	vacant	
Chair of the Standing Committee on Finance and Administration (STACFAD)	Vacant	Apr 2008-Sep 2008
Vice-Chair of STACFAD	Frederik Schmidt (DFG)	Sep 2007-Apr 2008
Chair of the Scientific Council	Bob Steinbock (Canada)	Sep 2007-Sep 2009
Vice-Chair of the Scientific Council	Don Power (Canada)	Sep 2007-Sep 2009
Chair of the Standing Committee on Fisheries Science (STACFIS)	Ricardo Alpoim (EU-Portugal)	Oct 2007-Sep 2009
Chair of the Standing Committee on Research Coordination (STACREC)	Michael Kingsley (DFG)	Sep 2007-Sep 2009
Chair of the Standing Committee on Publications (STACPUB)	Ricardo Alpoim (EU-Portugal)	Oct 2007-Sep 2009
Chair of the Standing Committee on Fisheries Environment (STACFEN)	Manfred Stein (EU-Germany)	Sep 2002-Sep 2009
Chair of the Fisheries Commission	Gary Maillet (Canada)	Sep 2007-Sep 2009
Vice-Chair of the Fisheries Commission	Vladimir Shibanov (Russia)	Sep 2005-Sep 2009
Chair of the Standing Committee on International Control (STACTIC)	Kate Sanderson (DFG)	Sep 2006-Sep 2008
Vice-Chair of STACTIC	Mads Nedergaard (DFG)	Jun 2006 -Sep 2010
	Gene Martin (USA)	Jun 2007 – Sep 2009

3. NAFO Meetings

September 2007 – August 2008:

NAFO 29th Annual Meeting, Lisbon, Portugal, 24-28 September 2007
 Scientific Council Symposium, Lisbon, Portugal, 1-3 October 2007
 Scientific Council/NIPAG Meeting on Shrimp Assessment, Dartmouth, Nova Scotia, Canada, 24 Oct-01 Nov 2007
 Scientific Council Study Group on Rebuilding Strategies for Greenland Halibut, Vigo, Spain, 21-23 February 2008
 International Fisheries Commissions Pension Society Annual Meeting, Seattle, Washington, U.S.A., 17-18 April 2008
 Fisheries Commission Intersessional Meeting, Montreal, Quebec, Canada, 30 April-7 May 2008
 Scientific Council Working Group on Ecosystem Approach to Fisheries Management, Dartmouth, Nova Scotia, Canada, 26-30 May 2008
 Scientific Council and its Standing Committees, Dartmouth, Nova Scotia, Canada, 5-19 June 2008
 STACTIC Meeting, Nuuk, Greenland, 1-3 July 2008

Future Meetings:

Ad Hoc Working Group of Fishery Managers and Scientists on Vulnerable Marine Ecosystems, Montreal, Quebec, Canada, 8-12 September 2008
 NAFO 30th Annual Meeting, Vigo, Spain, 22-26 September 2008
 Scientific Council Symposium, Dartmouth, Nova Scotia, Canada, 29 September-1 October 2008
 Scientific Council/NIPAG Meeting on Shrimp Assessment, Copenhagen, Denmark, 22-30 October 2008
 International Fisheries Commissions Pension Society Annual Meeting, Vancouver, British Columbia, Canada, 16-17 April 2009
 Scientific Council and its Standing Committees, Dartmouth, Nova Scotia, Canada, 4-18 June 2009
 NAFO 31st Annual Meeting, Dartmouth, Nova Scotia, Canada, 21-25 September 2009
 Scientific Council/NIPAG Meeting on Shrimp Assessment, Dartmouth, Nova Scotia, Canada, 21-29 October 2009

4. NAFO Symposia

2007. Reproductive and Recruitment Processes of Exploited Marine Fish Stocks. In cooperation with ICES and PICES, Lisbon, Portugal, 1-3 October 2007
 2008. The Role of Marine Mammals in the Ecosystem in the 21st Century. Co-sponsored by ICES and NAMMCO, Dartmouth, Nova Scotia, Canada, 29 September-1 October 2009
 2009. Rebuilding Depleted Fish Stocks – Biology, Ecology, Social Science and Management. Co-sponsor of the ICES/PICES/UNCOVER Symposium, Warnemünde, Rostock, Germany 3-6 November 2009.

5. Publications

During the period of September 2007 – August 2008, the NAFO Secretariat prepared, posted to the web and/or printed the publications listed below:

NAFO Conservation and Enforcement Measures (150 pages)
 Annual Report for 2007 (booklet – 25 pages)
 NAFO Meeting Proceedings for 2007/2008 (262 pages)
 Scientific Council Reports for 2007 (279 pages)
 Scientific Council Studies Volume 40 (4 pages)
 Scientific Council Studies Volume 41 (90 pages)
 NAFO Journal of Northwest Atlantic Fishery Science Volume 38 (81 pages)
 NAFO Journal of Northwest Atlantic Fishery Science Volume 39 (154 pages)
 NAFO Journal of Northwest Atlantic Fishery Science Volume 41 (partial – 3 Articles uploaded)

6. Fishery Statistics

The NAFO statistical databases are compiled by the NAFO Secretariat and published on the NAFO web site (<http://www.nafo.int/fisheries/frames/fishery.html>); they are continuously updated as soon as new submissions are received. Table 1 presents an overview of the statistical catch information submitted by Contracting Parties for the last seven years. Unfortunately, on average more than one third of the NAFO catch information is either incomplete or missing. While the Secretariat is optimistic that part of the missing information for 2007 will still be received later in 2008, it is of concern that for 2006 only 5 of 12 Contracting Parties have submitted complete catch data so far.

STATLANT 21	2001	2002	2003	2004	2005	2006	2007
Canada	✓	✓	±	✓	✓	±	±
Cuba	±	±	±	±	±	±	-
DFG	±	✓	✓	✓	✓	±	±
EU	±	±	±	±	✓	✓	±
France SPM	✓	✓	✓	±	✓	✓	-
Iceland	✓	✓	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓	✓	±	✓
Korea							
Norway	✓	✓	✓	✓	✓	±	±
Russia	✓	✓	✓	✓	✓	✓	±
Ukraine	✓	✓	✓	✓	✓	✓	
USA	-	-	-	-	-	-	-

Table 1. Submission of catch statistics by NAFO Contracting Parties (STATLANT 21B). “✓”: complete; “±”: incomplete, “-”: missing. Blank cells indicate that no reports were expected as the Contracting Party was not fishing during this year in the NAFO Convention Area. If only STATLANT 21A was submitted, the table indicates an incomplete submission of data.

While the complete catch and effort data are due by 31 August each year, a subset of the data (STATLANT 21A) is required before the SC June meeting (by 1 May since 2005) so that it can be considered in the stock assessments by the Scientific Council. However, during the past four years barely two third of the statistical offices actually submitted this information before the June meeting (see also SC report). Delays in submission of the complete statistical datasets (STATLANT 21B) are quite frequent also; in 2006, for example, half of the expected submissions were not received before the Annual Meeting in September.

7. Secretariat Internal Matters

Employees. In 2008, NAFO employees are the following:

Executive Secretary	Johanne Fischer
Fisheries Commission Coordinator	Ricardo Federizon
Scientific Council Coordinator	Anthony Thompson
Senior Finance and Staff Administrator	Stan Goodick
Senior Personal Assistant to the Executive Secretary	Beverly McLoon
Senior Publications Manager	Barry Crawford
Information Manager	Barb Marshall
Fisheries Information Manager	Cindy Kerr
IT Manager	George Campanis
Office Manager	Lisa Pelzmann
Data Input Clerk (temporary part-time)	Natalia Alonso

Natalia Alonso began working for the NAFO Secretariat in 2007 as a *temporary part-time Data Input Clerk* and helps with the digitization of fishery reports from observers and inspectors including their translation from Spanish and Portuguese.

We are happy to welcome the newest addition to our extended NAFO family, Alexander Campanis, who was born in July 2008 and is the son of our IT Manager, George Campanis. Congratulations go out to George and to his family, and we wish him all the best as he takes a well deserved parental leave.

Vessel Monitoring System (VMS). The Secretariat is happy to report the official changeover to the vTrack VMS software provided by Sirius IT, was successfully completed on 1 January 2008. We look forward to a mutually beneficial and fruitful relationship in the coming years with Sirius IT.

VMS information is an important source for the NAFO compliance review, as it not only enables us to track vessels in the Regulatory Area but also provides us with catch reports in addition to those from observers and port inspections. This year for the second time the Secretariat provided the Scientific Council with visual GIS based analysis of fishing effort in the international waters of the Northwest Atlantic. Much of this work was done by George Campanis, the NAFO IT Manager, in cooperation with the FC and SC Coordinators. Similar maps of fishing effort are being produced by the Secretariat in assistance of determination of the NAFO fishery footprint.

Public Relations. The Secretariat has continued with its efforts to ensure transparency of NAFO to the general public. The NAFO website not only gives access to NAFO publications and databases but also provides overviews of NAFO activities and highlights.

The Secretariat produces several information materials (such as brochures and posters), and in 2008, the Secretariat is producing a new NAFO booklet (the most recent being from 1996). As the target audience for this booklet is the general public, the Secretariat hired a copywriter to ensure that a reader friendly language is being used instead of the technical terminology often used in NAFO documents. The Executive Secretary remains accessible to journalists for interviews.

The NAFO websites continue to attract many interested viewers to important pages such as the IUU-list, the Conservation and Enforcement Measures, as well as the Media kit and science pages. The Journal of Northwest Atlantic Fishery Science website publishes articles on-line as they are finalized. Viewers are able to read entire articles on-line and have the option to download print versions if they wish to.

Cooperation with other Organizations. Since the last Annual Meeting, the Executive Secretary was involved in the following external activities: She served as chair of several meetings, i.e. the FAO Workshop on Knowledge and Data on Deep-Sea Fisheries in the High Seas, the Inter-sessional Meeting of the Coordinating Working Party on Fishery Statistics (CWP), and the Steering Committee of the Fishery Resources Monitoring System (FIRMS). She also attended the Informal Consultations of States Parties to the United Nations Fish Stocks Agreement, the international seminar “Towards a new governance of high seas biodiversity” by the Institute for Sustainable Development and International Relations (IDDRI) in Monaco, and a FAO Meeting on “Integrated Capture Information System (ICIS) Requirements Gathering”. She also served as a panel member in round table discussions of the IOI (International Ocean Institute) Ocean Governance Training Program at Dalhousie University in Halifax.

Other members of the Secretariat attended the following: The IT Manager (George Campanis) attended the 2007 meeting of the Advisory Committee for Data Communications (AGDC of NEAFC). The Information Manager (Barb Marshall) and the Office Manager (Lisa Pelzmann) presented a poster at the FSRS (Fishermen and Scientists Research Society) annual meeting in 2008. Barb Marshall and George Campanis participated in the FIRMS Technical Working Group. The Scientific Council Coordinator (Anthony Thompson), attended a UN Biodiversity WG and, in his capacity as General Editor of the NAFO Journal, the Aquatic Sciences and Fisheries Abstracts (ASFA) Meeting. The Senior Finance and Staff Administrator (Stan Goodick) took part in the International Fisheries Commissions Pension Society Meeting.

In 2008 hosting of the North Atlantic Format (NAF) website was transferred from NEAFC to NAFO with the understanding that the NAFO Secretariat will assume the main responsibility for the management of the site.

Professional Internship. Under the Professional Development Internship (PDI) program, George Campanis (IT Manager) visited FIES - FAO in Rome, Italy for two weeks (1st-11th April 2008). A greater understanding of FAO's core competencies, and how they relate to an RFMO, was achieved during the internship. Relations between FAO and NAFO were strengthened and collaboration opportunities were forged. Moreover, NAFO's IT Manager provided FAO with a fresh perspective on NAFO's requirements and operating procedures, particularly in relation to differences in semantics e.g. MCS and the FIRMS data structure, and catch statistics e.g. differences in FAO and NAFO's reported catch statistics. The internship program further encouraged FAO and NAFO's working relationship, and afforded George Campanis the opportunity to develop in his capacity as IT Manager. A detailed report is available.

In 2007, the Fisheries Commission Coordinator, Dr. Ricardo Federizon, completed a successful internship at CCAMLR. In August 2008, NAFO was pleased to welcome Natasha Slicer, Compliance Officer of CCAMLR to the NAFO Secretariat. Although, Natasha was only able to visit the Secretariat for a few days, the internship was regarded as a success by all as the exchange provided useful insights into the operations of each organization as well as strengthening the contacts and cooperation among both Secretariats.

Human Resources Teamwork Approach. In 2004 NAFO adopted a teamwork approach for the NAFO Secretariat to allow for the expansion of services without outsourcing specialized tasks. After the staff composition changed considerably due to retirements and hiring of new staff members, 2007/2008 was a good time to focus on fine tuning the team-work approach. For this purpose, two HR consultants were invited to provide targeted training sessions on interpersonal and other relevant skills for all employees. The sessions provided us with valuable insights and communication tools that will enhance our overall efficiency and ability to work within diverse teams.

8. Financial Statements**STATEMENT I**

**Budget Appropriations. Obligations Incurred and Unliquidated Balances of
Appropriations
For the Year Ending 31 December 2008
(Estimated from 31 July 2008)
(Canadian Dollars)**

	Approved Budget 2008	Total Estimated Obligations for Fiscal Year 2008	Estimated Unliquidated Balance of Appropriations
1. Personal Services			
a) Salaries	\$829,000	\$838,000	(\$9,000)
b) Superannuation and Annuities	89,000	87,000	2,000
c) Medical and Insurance Plans	80,000	76,000	4,000
d) Employee Benefits	92,000	113,000	(21,000)
Subtotal Personal Services	<u>1,090,000</u>	<u>1,114,000</u>	<u>(24,000)</u>
2. Additional Help	20,000	20,000	-
3. Communications	26,000	26,000	-
4. Computer Services	27,000	27,000	-
5. Equipment	36,000	36,000	-
6. Fishery Monitoring	48,000	48,000	-
7. Hospitality Allowance	6,000	3,000	3,000
8. Materials and Supplies	33,000	33,000	-
9. NAFO Meetings			
a) Sessional	93,000	82,000	11,000
b) Inter-sessional Scientific	20,000	20,000	-
c) Inter-sessional Other	30,000	29,000	1,000
Subtotal NAFO Meetings	<u>143,000</u>	<u>131,000</u>	<u>12,000</u>
10. Other Meetings and Travel	40,000	40,000	-
11. Professional Services	40,000	40,000	-
12. Publications	20,000	18,000	2,000
Total Ordinary Budget	<u>\$1,529,000</u>	<u>\$1,536,000</u>	<u>(\$7,000)</u>

STATEMENT II

**Statement of Assessed Contributions and Expenditures
for the Year Ending 31 December 2008
(Estimated from 31 July 2008)
(Canadian Dollars)**

Contracting Parties Assessed:	
Canada	\$470,796.72
Cuba	29,459.88
Denmark (in respect of Faroe Islands and Greenland)	173,200.43
European Union	65,614.62
France (in respect of St. Pierre et Miquelon)	31,503.18
Iceland	33,195.61
Japan	29,940.73
Republic of Korea	28,621.47
Norway	29,318.25
Russian Federation	40,417.09
Ukraine	28,586.21
United States of America	<u>184,204.81</u>
Assessed Contributions for the year ending 31 December 2008	\$1,144,859.00
Transferred from Accumulated Surplus Account	266,598.00 ^a
Recovery of Ukraine and USA's 2005 Contributions	<u>117,543.00</u>
Approved Budget for 2008	\$1,529,000.00
Total Obligations to be Incurred - Statement I	<u>1,536,000.00</u>
Amount to be transferred from Accumulated Surplus Account	<u>(\$7,000.00)</u>

^a Excess of revenue over expenditures during the 2007 fiscal year (includes ex gratia grant; staff assessments; sales of publications; bank interest and balance of appropriations not expended).

STATEMENT III

Balance Sheet for the Year Ending 31 December 2008
(Estimated from 31 July 2008)
(Canadian Dollars)

Assets		Liabilities	
Current		Current	
Cash	\$150,316	Accounts Payable	
Contributions Receivable from Contracting Parties (Note 1)	436,019	and Accrued Liabilities	\$25,000
Prepaid Expenses	2,010	Advance Contributions	7,361
Province of Nova Scotia		Current Portion of Employee Termination Benefits	70,669
Ex gratia grant receivable	50,000	Provision for Accrued Employee Vacation Pay	31,515
	638,345		134,545
Long-Term		Long-Term	
Employee Termination Benefit Investments	364,188	Provision for Employee Termination Benefits	364,188
	364,188		498,733
		Members' Net Assets	
		Accumulated Surplus	503,800
	\$1,002,533		\$1,002,533

Note 1.

Contributions Receivable from Contracting Parties

Cuba		\$29,460	
Denmark (F&G)		173,200	
France (SPM)		31,503	
Ukraine	2008	\$28,586	
	2007	31,623	60,209
United States of America			141,647
			\$436,019

STATEMENT IV

**Statement of Accumulated Surplus
for the Year Ending 31 December 2008^a
(Estimated from 31 August 2008)
(Canadian Dollars)**

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Accumulated Surplus - Beginning of 2008	\$689,941
Add: Staff Assessments	\$125,000
Province of Nova Scotia - <i>ex gratia</i> grant	50,000 ^b
Interest	23,000
Sales of Publications	7,000
	\$205,000
	894,941
Less: Amount appropriated 1 January 2008	\$266,598
Recovery of Ukraine and USA's 2005 Contributions	117,543
Balance of appropriations over expended in 2008	7,000
	\$391,141
Accumulated Surplus - End of 2008	\$503,800
Appropriated to maintain minimum balance (to be authorized by G.C.)	
Minimum balance maintained 20% of budget	\$323,600
Unappropriated balance available	180,200
	\$503,800 ^c
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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

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

^c See Statement III - Contributions receivable from Contracting Parties (this amount of \$503,800 would be valid subject to payment of outstanding contributions by Cuba - \$29,460, Denmark (F&G) - \$173,200, France (SPM) - \$31,503, Ukraine - \$60,209 and the United States of America \$141,647, total - \$436,019 during 2008).

STATEMENT V

**Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,618,000 for the 2009
financial year (based on 12 Contracting Parties to NAFO)
(Canadian Dollars)**

Budget Estimate	\$1,618,000
Account	<u>\$180,200</u>
(pending approval from General Council)	
Funds required to meet 2009 Administrative Budget	<u>\$1,437,800</u>
60% of funds required =	\$862,680
30% of funds required =	\$431,340
10% of funds required =	\$143,780

Contracting Parties	Nominal Catches for 2006	% of Total Catch in the Convention Area	% of Total Catch in the Convention Area			2009 Preliminary Billing
			10%	30%	60%	
Canada (1)	542,408	53.43%	\$82,245.35	\$35,945.00	\$460,929.93	\$579,120.28
Cuba (2)	2,728	0.27%	-	\$35,945.00	2,329.24	38,274.24
Denmark (in respect of Faroe Islands and Greenland) (3)	192,661	18.98%	29,213.19	\$35,945.00	163,736.66	228,894.85
European Union	45,062	4.44%	-	\$35,945.00	38,302.99	74,247.99
France (in respect of St. Pierre et Miquelon)	2,609	0.26%	395.60	\$35,945.00	2,242.97	38,583.57
Iceland	4,054	0.40%	-	\$35,945.00	3,450.72	39,395.72
Japan	1,886	0.19%	-	\$35,945.00	1,639.09	37,584.09
Republic of Korea	-	-	-	\$35,945.00	-	35,945.00
Norway	2,314	0.23%	-	\$35,945.00	1,984.16	37,929.16
Russian Federation	10,242	1.01%	-	\$35,945.00	8,713.07	44,658.07
Ukraine	404	0.04%	-	\$35,945.00	345.07	36,290.07
United States of America (1)	210,551	20.75%	31,925.86	\$35,945.00	179,006.10	246,876.96
	1,014,919	100.00%	\$143,780.00	\$431,340.00	\$862,680.00	<u>\$1,437,800.00</u>
Funds required to meet 1 January - 31 December 2009 Administrative Budget						<u>\$1,437,800.00</u>

2008 Billing - Comparison Purposes		
2008 Annual Assessment	Less Recovery of Contributions	2008 Assessment after Recovery of Contributions
\$ 1,529,000.00		
		266,598.00
		<u>1,262,402.00</u>
		117,543.00
		<u>\$ 1,144,859.00</u>
\$517,654.99	(\$46,858.27)	\$470,796.72
32,468.98	(3,009.10)	29,459.88
190,166.86	(16,966.43)	173,200.43
72,234.64	(6,620.02)	65,614.62
34,867.94	(3,364.76)	31,503.18
36,634.91	(3,439.30)	33,195.61
32,999.19	(3,058.46)	29,940.73
31,560.05	(2,938.58)	28,621.47
33,074.93	(3,756.68)	29,318.25
44,512.29	(4,095.20)	40,417.09
31,560.05	(2,973.84)	28,586.21
204,667.17	(20,462.36)	184,204.81
\$1,262,402.00	(\$117,543.00)	\$1,144,859.00

- (1) Based on 2006 provisional catch reports.
(2) Based on provisional catch reports received from chartering arrangements.
(3) Faroe Islands = 3,461 metric tons
Greenland = 189,200 metric tons (based on 2005 catch reports)