

32nd ANNUAL MEETING – SEPTEMBER 2010

Administrative Report for the period September 2009 to August 2010
and Financial Statements for the fiscal year ending 31 December 2010

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 2011
Vice-Chair of the General Council	John Spencer (EU)	Sep 2008-Sep 2010
Chair of the Standing Committee on Finance and Administration (STACFAD)	Bob Steinbock (Canada)	Sep 2008-Sep 2010
Vice-Chair of STACFAD	Deirdre Warner-Kramer (USA)	Sep 2008-Sep 2010
Chair of the Scientific Council	Ricardo Alpoim (EU)	Sep 2009-Sep 2011
Vice-Chair of the Scientific Council	Carsten Hvingel (Norway)	Sep 2009-Sep 2011
Chair of the Standing Committee on Fisheries Science (STACFIS)	Joanne Morgan (Canada)	Sep 2009-Sep 2011
Chair of the Standing Committee on Research Coordination (STACREC)	Carsten Hvingel (Norway)	Sep 2009-Sep 2011
Chair of the Standing Committee on Publications (STACPUB)	Margaret Treble (Canada)	Sep 2009-Sep 2011
Chair of the Standing Committee on Fisheries Environment (STACFEN)	Gary Maillet (Canada)	Sep 2009-Sep 2011
Chair of the Fisheries Commission	Kate Sanderson (DFG)	Sep 2009-Sep 2011
Vice-Chair of the Fisheries Commission	Vacant	Sep 2009-Sep 2010
Chair of the Standing Committee on International Control (STACTIC)	Mads Nedergaard (DFG)	Jun 2006 -Sep 2010
Vice-Chair of STACTIC	Gene Martin (USA)	Jun 2007- Sep 2011

3. NAFO Meetings

September 2009 – August 2010:

FC Working Group of Fishery Managers and Scientists (WGFMS) on Vulnerable Marine Ecosystems, Bergen, Norway, 17-18 Sep 2009

NAFO 31st Annual Meeting, Bergen, Norway, 21-25 September 2009

Scientific Council/NIPAG Meeting on Shrimp Assessment, Dartmouth, NS, Canada, 21 – 29 October 2009

Fisheries Commission Intersessional, London, England, 16 November, 2009

Scientific Council Working Group on Ecosystem Approach to Fisheries Management (WGEAFM), Vigo, Spain, 9-13 November 2009

Working Group on Greenland Halibut Management Strategy Evaluation (WGMSE), Brussels, Belgium, 28-29 January 2010

Scientific Council Meeting, by correspondence, March-April 2010

Scientific Council Working Group on Reproductive Potential (WGRP), Athens, Greece, 15-19 March 2010

International Fisheries Commissions Pension Society Annual Meeting, Boston, MA, USA, 8-9 April 2010

General Council Performance Assessment Working Group (PAWG), Halifax, NS, Canada, 26-27 April 2010

STACFAD Working Group, Halifax, NS, Canada, 28-29 April 2010

FC Working Group on Greenland Halibut Management Strategy Evaluation (WGMSE), Halifax, NS, Canada, 2-4 May 2010

FC Working Group of Fishery Managers and Scientists on VMEs (WGFMS), Halifax, NS, Canada, 5-7 May 2010

STACTIC Intersessional Meeting, Torshavn, Faroe Islands, 18-20 May 2010

Scientific Council and its Standing Committees, Dartmouth, Nova Scotia, Canada, 3-16 June 2010

Future Meetings:

FC WGMSE, Halifax, NS, Canada, 16-17 September 2010

NAFO 32nd Annual Meeting, Halifax, NS, Canada, 20-24 September 2010

Scientific Council/NIPAG Meeting on Shrimp Assessment, Copenhagen, Denmark, 20-27 October 2010

Scientific Council WGEAFM, Dartmouth, NS, Canada, 1-10 December 2010

International Fisheries Commissions Pension Society Annual Meeting, Halifax, Canada, 14-15 April 2011

Scientific Council WGRP, venue undetermined, March/April 2011

Joint NAFO/ICES Working Group on Deep-water Ecology (WGDEC), Copenhagen, Denmark, March 2011

Scientific Council and its Standing Committees, Dartmouth, Nova Scotia, Canada, 3-16 June 2011

Joint NAFO/ICES Working Group on Harp and Hooded Seals (WGHARP), venue undetermined, August 2011

NAFO 33rd Annual Meeting, Halifax, NS, Canada, 19-23 September 2011

Scientific Council/NIPAG Meeting on Shrimp Assessment, venue undetermined, 19-26 October 2011

4. NAFO Scientific Council Special Sessions

ICES/NAFO Symposium "Variability of the North Atlantic and its Marine Ecosystems during 2000-2009", Santander, Spain, 10-12 May 2011

5. Publications

During the period of September 2009 – August 2010, 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:

NAFO Conservation and Enforcement Measures (150 pages)

Annual Report for 2009 (booklet – 29 pages)

NAFO Meeting Proceedings for 2009/2010 (311 pages)

Scientific Council Reports for 2009 (328 pages)

Scientific Council Studies No. 41 2008. Report of the Greenland Halibut (*Reinhardtius hippoglossoides*) Age Determination Workshop

Scientific Council Studies No. 42 2009. Coral Identification Guide NAFO Area

NAFO Journal of Northwest Atlantic Fishery Science Volume 41 (325 pages-uploaded and printed)

NAFO Journal of Northwest Atlantic Fishery Science Volume 42 (178 pages – uploaded and printed in June 2010)

NAFO Journal of Northwest Atlantic Fishery Science Volume 43 (partial - 3 Articles uploaded)

Meeting Documentation CD (GC/FC Proceedings 09-10, SC Reports 2009, NAFO Convention, NCEM 2010, Rules of Procedures, Annual Report 2009)

Rules of Procedure (booklet – 36 pages)

Upcoming New Publications

Sponge Guide – a new booklet will be published around December 2010 featuring the various sponges and seamounts in the NAFO area. It will be based on the same style as the Coral Guide. The Bedford Institute of Oceanography is involved with this project.

Other Projects and Initiatives

There has been recent effort in designing and producing various types of posters, banners and brochures for NAFO. This initiative will enable the Secretariat to present a more unified and updated image of NAFO for current and future events. These display materials will be for the public as well as for NAFO functions. In June 2010 the Executive Secretary and two other staff members were able to attend Ocean's Day at the Maritime Museum of the Atlantic. Some of the posters were on display for that event and were well received.

6. Financial Status Update

The Organization ended the 2009 fiscal year in a good financial position – operating cash was at a high level, only one Contracting Party had outstanding contributions and operating expenses were approximately \$155,000 below the 2009 operating budget of \$1,618,000. Deloitte & Touche LLP, Chartered Accountants were appointed to audit the 2009 financial records with the Auditors' Report being distributed to Contracting Parties in April 2010.

The 2010 fiscal year is also on target for projected expenditures to be slightly over the 2010 approved budget of \$1,782,000 (see page 7- Statement I of the Financial Statements). The prior year's accumulated surplus balance had \$350,350 deemed to be in excess of the needs of the Organization and that amount was used to reduce 2010 contributions billed to Contracting Parties (see page 8 - Statement II of the Financial Statements). The 2010 fiscal year also looks as if it will end off in good financial status with adequate cash to carry the Organization into the next fiscal year. As of 31 August 2010, three Contracting Parties had outstanding contributions totalling \$104,000 (see page 9 - Statement III of the Financial Statements).

7. Fishery Statistics

The NAFO statistical databases are compiled by the NAFO Secretariat and published on the NAFO web site <http://www.nafo.int/fisheries/stats/21stats.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 as of 1 September 2010.

STATLANT 21	2003	2004	2005	2006	2007	2008	2009
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 that 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 five years barely two third of the statistical offices actually submitted this information before the June meeting (see also SC reports).

The query function on the STATLANT database on the NAFO Website was recently improved to make it more user-friendly (see section 8 below).

8. The Web

In April 2010 a questionnaire concerning the use of the NAFO public pages was sent to Contracting Parties. In total, there were 20 respondents from 7 countries with an even mix of scientists and managers responding. In general, the comments referred to the need to update the aesthetics of the site and there were several requests to include a search feature and better summary information, particularly in regards to general information and state of the stocks. These comments and suggestions will be taken into consideration by the Secretariat as it undertakes a revamping of the NAFO website.

New features

A new STATLANT data extraction tool has recently been developed by the Secretariat. It can be accessed at the statistical section of the NAFO website (<http://www.nafo.int/fisheries/frames/fishery-stats.html>). STATLANT 21 reports can now be viewed and saved in a more user-friendly and accessible way. The tool allows users to query the NAFO STATLANT database directly through the Internet, and save catch information to summary (pdf) and comma-separated (csv) files.

A new search feature has also been developed for the JNAFS website. The search feature allows users to search all journal articles by author, title or free-text. It is expected that this search feature will be expanded to include searchability of all documents on the NAFO website.

The Secretariat continues to utilize technology to enhance collaboration between NAFO meetings participants. Specifically, a new Sharepoint online meeting area has been developed and was used with great success by the NCEM Editorial Drafting Group (EDG) of STACTIC. In addition, the NAFO Secretariat also now has web conferencing (WebEx) capabilities so that meetings can be held between anyone with a web connection and a computer. WebEx has been used successfully by the Scientific Council to hold an entire meeting (for the Greenland halibut response) and to conduct an assessment during the June meeting.

Digitization of historic NAFO documents

In 2009-2010 the NAFO Secretariat began the digitization of historic NAFO meeting documents. Approximately 1000 NAFO meeting documents from 1979-1985, comprising complete sets of FC, GC, SCR and SCS Documents were scanned, checked, had search tags added and were placed on the NAFO website (<http://www.nafo.int/publications/frames/sci-docs.html> for SCR and SCS Docs.; and <http://members.nafo.int.content/frames/gcdocs.html> for GC Docs, and <http://members.nafo.int.content/frames/fcdocs.html> for FC Docs.)

The future plan is to continue to scan documents from 1986 to 2000 so that the complete NAFO series will be available. In addition, the complete collection of Meeting Proceedings and Scientific Council Reports are planned to be scanned and uploaded.

9. Vessel Monitoring System (VMS)

Since 2008, Sirius IT has been the VMS service provider, and it continues to be a productive relationship.

VMS is integral to the MCS measures enforced by NAFO. The 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 and effort reports. The Secretariat continues to provide the Scientific Council the VMS data in summary form, including visual GIS-based analysis of fishing effort in the international waters of the Northwest Atlantic. The VMS data also played an important role in validating the NAFO footprint boundaries.

10. Secretariat Staff

For the period of September 2009 – August 2010, the Secretariat was comprised of the following employees:

Executive Secretary	Vladimir Shibanov (from Jan 2010)
Interim Executive Secretary	Stan Goodick (to Dec 31 2009)
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 (to Feb 2010)
Publications Manager	Alexis Pacey (from Mar 2010)
Information Officer	Barbara Marshall
Fisheries Information Manager	Cindy Kerr
IT Manager	George Campanis
Office Manager	Lisa Pelzmann

11. Staff Committee

The Secretariat would like to thank Bill Brodie, Deirdre Warner-Kramer and Bob Steinbock for serving on the Staff Committee for the 2009-2010 term. These same members have graciously accepted the Secretariat's nomination to serve once again for the 2010-2011 term. Fortunately, this Committee has yet to be called upon.

12. Secretariat Activities

Visitors to the Secretariat

On 20 April the NAFO Secretariat welcomed Ms Julie Hecksher, the Deputy High Commissioner of the Australian Embassy to Canada, to the NAFO Secretariat. Vladimir Shibanov, Anthony Thompson, Ricardo Federizon and Barbara Marshall, discussed NAFO's interactions with CCAMLR, fisheries issues within NAFO and the challenges that NAFO will face in the future. Some recent IUU issues were summarized and an overview on the NAFO Port State Measures was given. The amended convention and the objection procedure were outlined. Ecosystem issues both locally and worldwide were discussed. The dialogue touched on fisheries issues in general, and specific future challenges NAFO will face, including the ratification of the convention, the upcoming performance assessment and the management strategy evaluations. Ms Hecksher was given an overview of the VMS.

In May, the NAFO Secretariat was pleased to welcome two guests representing the United States, Dale Heisler from the Consulate General in Halifax who accompanied by Nikki Brajevich, Fisheries and Environment Officer from the United States Embassy in Ottawa. Vladimir Shibanov, Ricardo Federizon, Stan Goodick and Barbara Marshall gave an overview of NAFO and discussed current issues. The cod stocks, recent openings and the ecosystem approach were topics of interest. Cindy Kerr gave a review of the VMS system and a brief demonstration was given to the two guests who were unaware of the technology in place in the Secretariat.

Other Local Activities

World Oceans Day 2010

The NAFO Secretariat celebrated World Oceans Day by participating in the annual exhibition held at the Maritime Museum of the Atlantic in Halifax, Nova Scotia on Friday, 4 June 2010.

World Oceans Day has been celebrated since 1992 and was officially recognized by the United Nations in 2008.

International Ocean Institute (IOI)

NAFO Executive Secretary, Vladimir Shibanov and FC Coordinator, Ricardo Federizon served as panelist members in Round Table discussions of the International Ocean Institute (IOI) at the Dalhousie University in Halifax on July 2010. Special NAFO activities presentation was given for the participants of 2010 Training Programme on "Ocean Governance: Policy, Law and Management".

WWF – Canada (Atlantic Region)

Drs Shibanov and Thompson were invited to meet with WWF – Canada at their Atlantic region office in Halifax, Canada, on 20 May 2010. WWF presented their own work on cod recovery on the Grand Banks, on the protection of VMEs by area closures, and on the external dimensions of the EU Common Fishery Policy. NAFO outlined the 2010 meetings schedule and discussed in general terms the shared objectives of sustainable fisheries, rebuilding plans, and environmental protection.

Participation by Secretariat at external meetings

Since the last Annual Meeting, the Executive Secretary was involved in the following UN activities in an observer capacity: Ninth Round of Informal Consultations of States Parties to the United Nations Fish Stocks Agreement (March 2010) (report available at http://www.un.org/depts/los/convention_agreements/fish_stocks_agreement_states_parties.htm), Resumed Review Conference (May 2010) (http://www.un.org/Depts/los/convention_agreements/reviewconf/review_conference_report.pdf) and the 11th Meeting of the UN Open-ended Informal Consultative Process on Oceans and Law of the Sea (June 2010) (http://www.un.org/depts/los/consultative_process/consultative_process.htm).

As well, members of the Secretariat also actively participated in the following external meetings:

a) *Advisory Group (AGDC October 2009)*

The Advisory Group on Data Communications was held at NEAFC Headquarters on 15 October 2009 and was attended by Cindy Kerr, Fisheries Information Manager at the NAFO Secretariat. The AGDC is a technical advisory group under NEAFC (PECCOE) which discusses developments in the field of data communication. A function of the group is to promote harmonization of VMS communication protocols used in NEAFC, NAFO and other Regional Fisheries Management Organizations (RFMOs). There were discussions held during the meeting on Port State Control electronic forms, providing web access to inspectors, compilation of monthly catch statistics, implementation of a Global Record of Fishing Vessels, and a proposal of a cancellation message for use by

Fisheries Monitoring Centers. The group ensures the standardization of the North Atlantic Format (NAF). The NAFO Secretariat hosts the NAF website. The complete report of the meeting is available at <http://www.neafc.org/neafcmeeting/1447>.

b) D4Science World User Meeting (November 2009)

The first D4Science World User Meeting was held in Rome (FAO Headquarters), in November 2009 and was attended by Ricardo Federizon on behalf of the NAFO Secretariat. D4Science is an EU funded project that combines the skills and knowledge of several agencies (European Space Agency, FAO, ICES, NAFO, NEAFC, WorldFish Center, amongst others). The primary aim of the project is to address the growing needs of inter-agency networking to enable consolidated data management and information exchange. The complete meeting report is available at http://www.d4science.eu/files/D4Science_World_User_Meeting_Report_Final.pdf.

c) Coordinating Working Party on Fishery Statistics (CWP, February 2010)

The 23rd Session of the CWP was held in Hobart, Tasmania, Australia, 22-23 February 2010. The meeting was attended by Ricardo Federizon, Fisheries Commission Coordinator at the NAFO Secretariat. Among the topics relevant to NAFO were: Fishing gear classification, Definition of bycatch, Statistical Data and Metadata eXchange (SDMX), Global Standards on Automated Data Transmission - VMS and Revision of the CWP Handbook. STATLANT 21 issues specific to NAFO concerning its reliability and the manner of reporting were presented by the NAFO representative at the meeting. The complete CWP Report is available at <http://www.fao.org/docrep/012/i1642e/i1642e00.pdf>.

d) Fishery Resources Monitoring System (FIRMS, February 2010)

The 6th Session of the FIRMS Steering Committee was held in Hobart, Tasmania, Australia, 24-26 February 2010. The meeting was attended by Ricardo Federizon, Fisheries Commission Coordinator at the NAFO Secretariat. Among the topics discussed which may be relevant to NAFO were:

- Marine Resource Inventory Module --- NAFO reported on the Scientific Council classification matrix used for reporting status and trends.
- Fisheries Module - NAFO indicated that it can contribute to the Fisheries Module by providing information on management regime, management methods, monitoring system, as well as the fisheries profile.
- Categories of Fishery Measures - The participants agreed on two general categories: 1) Compliance Measures, e.g. port state controls, VMS, at-sea inspections; and 2) Conservation and Management Measures, e.g. quotas and catch limits, closed areas and seasons. Examples in both categories can either be binding or non-binding.

The complete FIRMS Report available at ftp://ftp.fao.org/fi/DOCUMENT/FIGIS_FIRMS/2010/report.pdf.

e) International Fisheries Commissions Pension Society (IFCPS) (April 2010)

The annual meeting of the IFCPS was held at the Radisson Hotel, Boston, USA, on 8-9 April 2010. The meeting was hosted by the Great Lakes Fisheries Commission and was attended by representatives of the seven International Fisheries Commissions with headquarters located in Canada and the United States of America. Also attending the meeting were the IFCPS directors appointed by the Governments of Canada and the United States. NAFO was represented by Stan Goodick, Senior Finance and Staff Administrator. The 2011 annual meeting will be hosted by NAFO during 14-15 April 2011 in Halifax, Canada.

f) Deep-sea Fisheries Guidelines Workshop (FAO, May 2010)

The "Workshop on the Implementation of the FAO Guidelines for the Management of Deep-sea Fisheries in the High Seas" was organized by FAO, Rome, and hosted by the Department of Fisheries, Korea at the Lotte Hotel, Busan, Korea, on 10-12 May 2010. The meeting was attended by the SC Coordinator Anthony Thompson. The meeting was divided into three major sessions: Management and conservation in areas where a competent RFMO/A is in existence, Protection of Vulnerable Marine Ecosystems (VMEs), and Management and conservation where there are no competent RFMO/As.

Selected discussion points of relevance to NAFO were:

- The meanings of vulnerable, significant, assessment and resource. It was noted that these are critical terms in the DSF Guidelines and that their meaning and/or quantification need further clarification in order that they be consistently applied.
- Data collection was likewise discussed at length, especially with regard to common standards and to confidentiality. The sensitivities were well appreciated, but it was also noted that a greater degree of data sharing, if it could be achieved, could provide synergistic benefits across the various parties engaged in the fisheries and their management.
- Further definitions of VME indicator species and if these are to include the roaming but uncommon larger fish species sometimes caught as bycatch.

- Capacity building issues were repeatedly noted, though tended to be different according to specific circumstances. In the existing often older RFMOs, where traditional fisheries management has been a focus over the past few decades, it was noticed that increased support for the participation of more ecologists was desirable.
- The requirements for studies on the move-away protocols, the meaning of encounter thresholds, and the effectiveness of the encounter provisions in protecting VMEs. Of further note here were the apparent differences among RFMOs in the reporting of VME encounters according to the presence and type of onboard observer.
- There was considerable discussion centering around the requirements for gear/area specific "impact assessments" in existing and new fishing areas under the DSF Guidelines as being fundamental to "the assessment of significant adverse impact" required by the UNGA Res. 61/105.

When available, the final workshop report will be accessible through the FAO general deep-sea high seas webpage at <http://www.fao.org/fishery/topic/4440/en>.

g) *Aquatic Sciences and Fisheries Abstracts (ASFA) Advisory Board Meeting (July 2010)*

The annual meeting of the board of ASFA was attended by Anthony Thompson, NAFO SC Coordinator. The board met at the Oum Palace Hotel, Casablanca, Morocco, on 5-9 July 2010 to review progress over the past year and to identify activities for the coming year. The meeting was organized by the Institut National de Recherche Halieutique (INRH) with the assistance of the FAO ASFA Secretariat. Representative from the UN partner FAO, two international ASFA partners (NAFO and SPC), 21 national partners, and the publisher ProQuest.

ASFA was established in 1971 to produce a bibliographic database using a network of input centres that feed information, *via* the Secretariat, to the commercial publisher ProQuest. Further details of ASFA are available at <http://www.fao.org/fishery/asfa/2/en> .

13. Financial Statements**STATEMENT I**

**Budget Appropriations, Obligations Incurred and Unliquidated Balances of
Appropriations
For the Year Ending 31 December 2010
(Estimated from 31 July 2010)
(Canadian Dollars)**

	Approved Budget 2010	Total Estimated Obligations for Fiscal Year 2010	Estimated Unliquidated Balance of Appropriations
1 Personal Services			
a) Salaries	\$902,000	\$877,000	\$25,000
b) Superannuation and Annuities	191,000	191,000	-
c) Medical and Insurance Plans	96,000	92,000	4,000
d) Employee Benefits	101,000	100,000	1,000
Subtotal Personal Services	<u>1,290,000</u>	<u>1,260,000</u>	<u>30,000</u>
2 Additional Help	20,000	20,000	-
3 Communications	26,000	26,000	-
4 Computer Services	28,000	28,000	-
5 Equipment	35,000	35,000	-
6 Fishery Monitoring	48,000	48,000	-
7 Hospitality Allowance	3,000	3,000	-
8 Materials and Supplies	33,000	33,000	-
9 NAFO Meetings			
a) Sessional	91,000	94,000	(3,000)
b) Inter-sessional Scientific	30,000	7,000	23,000
c) Inter-sessional Other	25,000	36,000	(11,000)
Subtotal NAFO Meetings	<u>146,000</u>	<u>137,000</u>	<u>9,000</u>
10 Other Meetings and Travel	35,000	35,000	-
11 Professional Services	51,000	84,000	(33,000)
12 Publications	16,000	16,000	-
13 Recruitment and Relocation	51,000	62,000	(11,000)
Total Ordinary Budget	<u>\$1,782,000</u>	<u>\$1,787,000</u>	<u>(\$5,000)</u>

STATEMENT II

**Statement of Assessed Contributions and Expenditures
for the Year Ending 31 December 2010
(Estimated from 31 July 2010)
(Canadian Dollars)**

Contracting Parties Assessed:	
Canada	\$615,127.47
Cuba	36,993.84
Denmark (in respect of Faroe Islands and Greenland)	239,476.05
European Union	71,697.03
France (in respect of St. Pierre et Miquelon)	40,034.35
Iceland	35,791.25
Japan	37,509.23
Republic of Korea	35,791.25
Norway	39,055.41
Russian Federation	43,006.77
Ukraine	35,791.25
United States of America	<u>201,376.10</u>
Assessed Contributions for the year ending 31 December 2010	\$1,431,650.00
Transferred from Accumulated Surplus Account	<u>350,350.00</u> ^a
Approved Budget for 2010	\$1,782,000.00
Total Estimated Obligations for 2010 - Statement I	<u>1,787,000.00</u>
Amount to be transferred from Accumulated Surplus Account	<u>\$ (5,000.00)</u>

^a Excess of revenue over expenditures during the 2009 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 2010
(Estimated from 31 July 2010)
(Canadian Dollars)

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Assets	Liabilities
Current	Current
Cash	Accounts Payable
Contributions Receivable from Contracting Parties (Note 1)	and Accrued Liabilities
Prepaid Expenses	Advance Contributions
Province of Nova Scotia	Current Portion of Employee Termination Benefits
Ex gratia grant receivable	Provision for Accrued Employee Vacation Pay
653,345	118,345
Long-Term	Long-Term
Employee Termination Benefit Investments	Provision for Employee Termination Benefits
370,654	370,654
	488,999
	Members' Net Assets
	Accumulated Surplus
\$1,023,999	535,000
	\$1,023,999
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Note 1.

Contributions Receivable from Contracting Parties

Cuba	\$36,918
Korea	31,291
Ukraine	35,791
	\$104,000

STATEMENT IV

**Statement of Accumulated Surplus
for the Year Ending 31 December 2010^a
(Estimated from 31 July 2010)
(Canadian Dollars)**

Accumulated Surplus - Beginning of 2010		\$675,350
Add:	Staff Assessments	\$150,000
	Province of Nova Scotia - <i>ex gratia</i> grant	55,000 ^b
	Interest	5,000
	Sales of Publications	5,000
		215,000
		890,350
Less:	Amount appropriated 1 January 2010	\$350,350
	Balance of appropriations over expended in 2010	5,000
		355,350
Accumulated Surplus - End of 2010		\$535,000
Appropriated to maintain minimum balance (to be authorized by G.C.)		
	Minimum balance maintained	\$285,000
	Unappropriated balance available	250,000
		535,000
Total Accumulated Surplus		\$535,000 ^c

^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 accordance with Rule 4.4.

^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 \$535,000 would be valid subject to payment of outstanding contributions by Cuba (\$36,918), Korea (\$31,291) and Ukraine (\$35,791) during 2010.

STATEMENT V

**Preliminary calculation of billing for Contracting Parties against the proposed estimate of \$1,886,000 for the 2011 financial year (based on 12 Contracting Parties to NAFO)
(Canadian Dollars)**

Budget Estimate	\$1,886,000
Deduct: Amount from Accumulated Surplus (pending approval from General Council)	<u>\$250,000</u>
Funds required to meet 2011 Administrative Budget	<u>\$1,636,000</u>

60% of funds required =	\$981,600
30% of funds required =	\$490,800
10% of funds required =	\$163,600

Contracting Parties	Nominal Catches for 2008	% of Total Catch in the Convention Area	% of Total Catch in the Convention Area			2011 Preliminary Billing
			10%	30%	60%	
Canada (1)	478,377	52.93%	\$92,249.21	\$40,900.00	\$519,560.88	\$652,710.09
Cuba (2)	500	0.06%	-	40,900.00	588.96	41,488.96
Denmark (in respect of Faroe Islands and Greenland) (3)	196,480	21.74%	37,888.79	40,900.00	213,399.84	292,188.63
European Union (1)	43,745	4.85%	-	40,900.00	47,607.60	88,507.60
France (in respect of St. Pierre et Miquelon)	3,639	0.40%	701.74	40,900.00	3,926.40	45,528.14
Iceland	-	-	-	40,900.00	-	40,900.00
Japan	1,926	0.21%	-	40,900.00	2,061.36	42,961.36
Republic of Korea	-	-	-	40,900.00	-	40,900.00
Norway (1)	2,483	0.27%	-	40,900.00	2,650.32	43,550.32
Russian Federation	6,461	0.71%	-	40,900.00	6,969.36	47,869.36
Ukraine (2)	276	0.03%	-	40,900.00	294.48	41,194.48
United States of America (1)	169,885	18.80%	32,760.26	40,900.00	184,540.80	258,201.06
	903,772	100.00%	\$163,600.00	\$490,800.00	\$981,600.00	<u>\$1,636,000.00</u>
Funds required to meet 1 January - 31 December 2011 Administrative Budget						<u>\$1,636,000.00</u>

2010 Billing for comparison purposes		
Nominal Catches for 2007	% of Total Catch in the Convention Area	2010 Annual Assessment
Approved Budget 2010		\$1,782,000
Deduct Accumulated Surplus		<u>350,350</u>
Funds required 2009 Budget		<u>\$1,431,650</u>
Nominal Catches for 2007	% of Total Catch in the Convention Area	2010 Annual Assessment
550,923	57.31%	\$615,127.47
1,381	0.14%	36,993.84
193,653	20.15%	239,476.05
40,110	4.18%	71,697.03
4,021	0.42%	40,034.35
-	-	35,791.25
1,969	0.20%	37,509.23
-	-	35,791.25
3,653	0.38%	39,055.41
8,101	0.84%	43,006.77
-	-	35,791.25
157,477	16.38%	201,376.10
961,288	100.00%	\$1,431,650.00

- (1) Based on 2008 provisional catch reports.
 (2) Based on provisional catch reports received from chartering arrangements.
 (3) Faroe Islands = 4,325 metric tons
 Greenland = 192,155 metric tons