



Serial No. N6597

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38th ANNUAL MEETING – SEPTEMBER 2016**Administrative Report for the period September 2015 to August 2016
and Financial Statements for the fiscal year ending 31 December 2016**

by

NAFO Secretariat

This year NAFO is conducting its 38th Annual Meeting.

1. **The Contracting Parties of NAFO** (12) constitute the following membership to the NAFO three 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 |
|---|---|-------------------|
| President of NAFO and Chair of the General Council | Stéphane Artano (France in respect of St. Pierre et Miquelon) | Sep 2015-Sep 2017 |
| Vice-Chair of the General Council | Sylvie Lapointe (Canada) | Sep 2015-Sep 2017 |
| Chair of the Standing Committee on Finance and Administration (STACFAD) | Deirdre Warner-Kramer (USA) | Sep 2012-Sep 2016 |
| 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 | Temur Tairov (Russian Federation) | Sep 2015-Sep 2017 |
| Vice-Chair of the Fisheries Commission | Patrick Moran (USA) | Sep 2015-Sep 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 2016 |

3. NAFO Meetings

September 2015 – August 2016:

- 9-16 September 2015, Scientific Council and NAFO/ICES *Pandalus* Assessment Group in St. John's, Newfoundland, Canada
- 21-25 September 2015, NAFO 37th Annual Meeting in Halifax, Nova Scotia, Canada
- 16 November 2015, NAFO Joint Fisheries Commission-Scientific Council Catch Data Advisory Group (CDAG) in Dartmouth, Nova Scotia, Canada. Additional meetings were held virtually via Skype and WebEx on 25 February 2016, 17 March 2016, 26 April 2016, 3 May 2016, and 7 July 2016
- 17-26 November 2015, Scientific Council Working Group on Ecosystem Science and Assessment (WG-ESA) in Dartmouth, Nova Scotia, Canada
- 11 February 2016, NAFO Scientific Council Survey Working Group, Virtual (Skype/WebEx)
- 12 February 2016, NAFO Working Group on Improving Efficiency of NAFO Working Group Process held virtually via Skype/WebEx, ongoing
- 15-19 February 2016, ICES – NAFO Working Group on Deepwater Ecosystems in Copenhagen, Denmark
- 3 March 2016, NAFO Scientific Council Precautionary Approach Working Group, Virtual (WebEx).
- 15-16 March 2016, NAFO-NEAFC Joint Advisory Group on Data Management in London, United Kingdom
- 16 March 2016, NAFO Performance Review virtual Working Group held virtually via Skype/WebEx , additional meetings were held on 28 June 2016, and 29 August 2016
- 4-6 April 2016, NAFO Joint Fisheries Commission-Scientific Council Working Group on Risk-Based Management Strategies (WG-RBMS) in Tórshavn, Faroe Islands
- 9-11 May 2016, NAFO Standing Committee on International Control (STACTIC) Intersessional Meeting in London, United Kingdom
- 31 May - 1 June 2016, NAFO-NEAFC Joint Advisory Group on Data Management in Dartmouth, Nova Scotia, Canada
- 3 June -16 June, 2016, Scientific Council and its Standing Committees in Halifax, Nova Scotia, Canada
- 28-30 June 2016, NAFO STACTIC Observer Program Review Working Group in Montreal, QC, Canada
- 9 August 2016, Fisheries Commission Ad Hoc Working Group on Bycatches, Discards and Selectivity (WG-BDS) in Dartmouth, Nova Scotia, Canada
- 10-12 August 2016, Joint Fisheries Commission-Scientific Council Working Group on Ecosystem Approach Framework to Fisheries (WG-EAFFM) in Halifax, Nova Scotia, Canada

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

Future Meetings:

- 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
- 8-17 November 2016, Scientific Council Working Group on Ecosystem Science and Assessment (WG-ESA) in Lisbon, Portugal
- Standing Committee on International Control (STACTIC) Intersessional Meeting, date and venue TBD
- 1 June-15 June 2017, Scientific Council and its Standing Committees in Halifax, Nova Scotia, Canada
- 18-22 September 2017, NAFO 39th 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 August 2016, after over three years at the NAFO Secretariat, Database Manager, Mr. Mark Harley, said farewell to the Secretariat. Mark's contributions to NAFO were greatly appreciated and we wish him all the best in his future endeavors.

Mark's resignation came at an important time in the NAFO year, particularly in the lead up to September's Annual Meeting. In interim, a candidate has been selected as the new Database Developer / Programmer Analyst and is schedule to start in September 2016. Until then, we hope there will be minimal disruption of service.

Additionally after serving five years at the Secretariat, we said goodbye to Scientific Council Coordinator, Dr. Neil Campbell. Tom Blasdale began his work at the NAFO Secretariat in March 2016 as the new Scientific Council Coordinator. Tom will provide support for the Scientific Council as well as technical editing of the *Journal of Northwest Atlantic Fishery Science*. His duties focus on the NAFO fishery science by assisting the work of the SC and by contributing to a better understanding of NAFO-related scientific topics and research results within and beyond NAFO.

For the period of September 2015 – August 2016, 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 Commission Coordinator | Ricardo Federizon |
| Scientific Council Coordinator | Neil Campbell (to 1 March 2016) |
| Scientific Council Coordinator | Tom Blasdale (from 1 March 2016) |
| Executive Assistant to the Executive Secretary | Lisa LeFort |
| Fisheries Information Administrator | Jana Aker |
| Scientific Information Administrator | Dayna Bell |
| IT Manager | Matthew Kendall |
| Senior Publications Manager | Alexis Pacey |
| Database Manager | Mark Harley (to 12 August 2016) |
| Office Administrator | Sarah Guile |

5. Publications

During the period of September 2015 – August 2016, 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:

- ***Conservation and Enforcement Measures (for 2016)*** (178 pages)
- ***Annual Report for 2015*** (online and 8.5"x11" 20 page booklet)
- ***Meeting Proceedings of the General Council and Fisheries Commission for Sep 2015/Aug 2016***
- ***Scientific Council Reports for 2015*** (399 pages)
- ***Journal of Northwest Atlantic Fishery Science*** Volume 47, 2016 (104 pages – printed in December 2015, distributed in January 2016. includes a CD); Volume 48, 2015 - one article published (online), six in review or production.
- ***Coral, Sponge, and Other Vulnerable Marine Ecosystem Indicator Identification Guide, NAFO Area*** (91 pages)

Other initiatives and work:

Journal of Northwest Atlantic Fishery Science (JNAFS)

Development of the new website for the *Journal of the Northwest Atlantic Fishery Science* was completed in May 2015 for presentation at the Scientific Council Meeting in June 2015. It was well received and it continues to be modified slightly to enhance the information found on the site. Other features in the future may include an online submission process as well as enhancing the downloadable references/citations for journal articles.

Aquatic Sciences and Fisheries Abstracts (ASFA)

All of NAFO's publications and documents are indexed in the ASFA Database, which provides the most comprehensive information to a global audience for abstracting and indexing services in the aquatic and fisheries field. ASFA's ability to provide deep indexing, links to full text and the indexing of 'grey literature', ensures documents, publications and general information pertaining to aquatic sciences and fisheries is available to a wide audience.

For 2015: 59 Scientific Council Research (SCR) documents for 2015 got indexed. Every individual article that is published in the *Journal of the Northwest Atlantic Fishery Science* gets indexed, in addition to the Scientific Council Studies, the CEM, Meeting Proceedings, Scientific Council Reports and the Annual Report. SCS documents are being added to the database starting with the most recent and working back.

New publication published in October 2015

Coral, Sponge, and Other Vulnerable Marine Ecosystem Indicator Identification Guide, NAFO Area

This is a continuation of the previous *Coral Identification Guide NAFO Area* and *Sponge Identification Guide NAFO Area* that were published in 2009 and 2010, respectively, to include more VME indicator species. This guide uses a waterproof binder with water resistant pages that can be inserted as more VME indicator species are discovered. This initiative was the result of the WG-ESA meeting in November 2014. A group of authors and contributors collaborated with the publications department on the new book. It was presented at the 2015 WG-ESA meeting in Halifax, Nova Scotia, Canada.

6. Fishery Statistics

The NAFO statistical databases are compiled by the NAFO Secretariat and published on the NAFO web site <http://www.nafo.int/data/frames/stats>. They are continuously updated as soon as new submissions are received.

The 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 2016, the Secretariat implemented two important measures on the security front. First, a new advanced firewall appliance was installed. This not only vastly increases our defence against possible outside threats but also incorporates sophisticated logging and tracking of data to and from the Internet. Secondly all laptops that leave the Secretariat office with NAFO data on them will be encrypted to help protect our data.

Electronic Communication

An electronic communication transfer system was implemented between one Contracting Party and the Secretariat to help automatically receive important data. Prior to this system the information was sent and processed manually. This system will continue to be advanced going forward for even better benefits.

8. The NAFO Webpages

New NAFO website – public and members

The NAFO Secretariat web team has undertaken a large project to migrate the NAFO web pages to a content

management system (CMS) in order to upgrade the functionality of the website and streamline content. The new website will also feature a modified look and feel that will appear modern and up-to-date. The Members' pages will be upgraded and overhauled to maximize transparency and ease of use for all Contracting Parties.

Some Contracting Parties offered to be part of the NAFO web team in order to provide feedback on the large project. The website was unveiled for critical review and feedback at the Scientific Council Meeting in June 2016. It was suggested that members provide feedback by the end of July so they can be implemented. Many of the comments and suggestions that the NAFO Secretariat has received from surveys, comments and emails over the past five to six years regarding the current site were taken into account when designing the new platform. A presentation of the website will be done the 38th Annual Meeting in Cuba for all participants to view.

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 are able to access information relevant to fishing vessels operating in the NAFO Regulatory Area. There is currently a proposal to expand the capacity of the MCS website to include all data sources (e.g. Observer Reports, Port Inspection Reports, Vessel Transmitted Information, etc.) so that Contracting Parties with an Inspection Presence would be able to readily access all of this information from a central hub. This proposal will be discussed at STACTIC during the 2016 Annual Meeting.

SharePoint

The NAFO SharePoint continues to be a valuable resource allowing access to the meeting documentation before, during and after meeting hours (meetings.nafo.int). The NAFO Secretariat continues to investigate the best ways to increase the use of SharePoint technology during meetings.

WebEx

This year, there was an increase in virtual meetings using the online meeting tool, WebEx (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 Emilia Batista, Joanne Morgan and Deirdre Warner-Kramer for serving on the Staff Committee for the 2015-2016 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, eight interns have taken part in the program. This year, two interns participated in the NAFO internship program.

Yumi Okochi

Yumi arrived at the NAFO Secretariat for a three-month internship from mid-May to mid-August 2016. She hails from Japan and was previously working on Pacific bluefin tuna biological studies at the National Research Institute of Far Seas Fisheries, Fisheries Research Agency Japan, as an associate researcher. During the course of her internship she had the opportunity to experience the extensive work of NAFO and the NAFO Secretariat.

At the Secretariat, Yumi worked with the Science Team, doing preparation and follow-up for the Scientific Council June meeting. She also arranged the daily catch reports to demonstrate catch and bycatch trends, and cluster analysis, to consider species association in each NAFO division, with the Fisheries Team. Additionally, Yumi had the opportunity to be involved with fine-tuning the new NAFO website and with assisting the Outreach Team. Yumi also attended a meeting of the Joint Advisory Group on Data Management, the NAFO Scientific Council Meeting, the NAFO Ad Hoc Working Group on Bycatches (WG-BDS), and the NAFO Joint

Fisheries Commission-Scientific Council Working Group on the Ecosystem Approach Framework to Fisheries Management (WG-EAFFM).

Martha Astrup

Martha came to the NAFO Secretariat for a three-month internship from August to late October 2016. She hails from Norway where she worked in the Ministry of Trade, Industry and Fisheries.

During the course of her internship, Martha will have the opportunity to gain an international experience with a Regional Fishery Management Organization and contribute to various office duties and research in all areas and functions of the Secretariat under the supervision of the Senior Fisheries Commission Coordinator and the Fisheries Information Administrator.

She will assist in the tasks pertaining to NAFO Conservation and Enforcement Measures, specifically, processing of observer reports and haul-by haul catch submissions, quota uptake monitoring through the VMS, catch and bycatch analysis, summary graphs and figures for the Draft Compliance Review, etc.

In addition, Martha will have the opportunity to assist at the 2016 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 shortly after the publication of the report of the June Scientific Council meeting. 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:

- 25 September, met with the new Russian Ambassador, His Excellency, Alexander Darchiev, following the Annual Meeting in Halifax, Nova Scotia.
- 28 September, met with the US Consulate General in Halifax, Nova Scotia.
- 26 October, met with Mr. Morley Knight, Regional Director-General, Fisheries & Oceans Canada, Maritimes Region.
- 25 November, met with Ron Hanlon, President of the Halifax Partnership to discuss raising the awareness of NAFO within Halifax, Nova Scotia.
- 3 December, met with the Swiss Honourary Consul to Nova Scotia.
- 22 February, provided a presentation on NAFO's allocation criteria experience to a NEAFC *Seminar on Allocation Criteria*, at the NEAFC Headquarters, in London, UK.
- Attended the monthly meetings of the Nova Scotia Consular Corps. At the 18 May 2016 meeting, the guest speaker was Ms. Catherine Blewett, then-Deputy Minister to the Premier of Nova Scotia, who was appointed the Canadian Deputy Minister of Fisheries and Oceans starting the following month.
- 17 June, met with David Griffith from International Ocean Institute and Dalhousie University, to discuss the possibility of NAFO hosting a seminar on control and enforcement in the future.

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

- 2 November, provided a presentation about NAFO at the internship information session for the Marine Affairs Program (MAP) at Dalhousie University in Halifax, Nova Scotia.
- 14 December, gave a lecture about NAFO to students in the Masters Programme on Sustainable Fisheries Management at the University of Alicante in Alicante, Spain.
- 9 March, gave a lecture about NAFO to the Law of the Sea class, at the Faculty of Law, Dalhousie University in Halifax, Nova Scotia.

- 8 June, gave a lecture on RFMOs and NAFO to students participating in the International Ocean Institute (IOI)'s 2016 training program on ocean governance at the NAFO headquarters. The 15 IOI students, from various international backgrounds, had the opportunity to ask questions and learn about the practices of NAFO. The students also had the opportunity to liaise with various Secretariat staff to ask questions on different areas of the Organization and its initiatives.

Senior Fisheries Coordinator, Dr. Ricardo Federizon, gave a presentation entitled, *The Protection of Vulnerable Marine Ecosystems in the Northwest Atlantic: NAFO Processes and Regulations*:

- 16 June, the III ARVI International Conference on the Future of Fisheries, in Vigo, Spain.
- 1 August, UN Workshop—Implementation of UNGA Resolutions 64/72 and 66/68: Addressing impacts of bottom fishing on VMEs and Long-Term Sustainability of deep-sea fish stocks, in New York City, USA

Guests to the Secretariat

On 5 October, Dr. Marc Taconet from the FAO, paid a courtesy visit to the Secretariat. During his visit, he discussed NAFO's involvement with FIRMS and the new FAO BlueBRIDGE project.

On 2 November, Mr. David Birdsey, First Secretary of the US Embassy to Canada, paid a courtesy visit to the NAFO Secretariat.

On 3 November, the Deputy Mayor of Halifax, Ms. Lorelei Nicoll, paid a visit to the NAFO Secretariat.

On 4 February, retired members of the Royal Canadian Navy visited the NAFO Secretariat and received a presentation from the Executive Secretary about NAFO.

On 5 February, representatives from the Office of the Auditor General of Canada visited the NAFO Secretariat to inquire about NAFO's relationship with Canada.

From 21-23 March, Mr. Matthias Petofalvi from the European Union visited the NAFO Secretariat to meet with the IT Team. During his visit, the EU FLUX transportation layer was installed to allow the e-flow of tow by tow data from EU vessels to the Secretariat.

Over the 20-21 of April, Mr. Jon Lansley (EU) visited the Secretariat to meet with the Fisheries and IT Teams regarding the submission of fishery reports on the MCS website.

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 joint Working Group on the Northwest Atlantic Regional Sea (WGNARS) held 23-27 Feb 2015.

International Oceans Day

The NAFO Secretariat continued to participate in World Oceans Day 2016. Two Secretariat staff members, Jana Aker, Fisheries Information Administrator, and Yumi Okochi, NAFO Intern, attended the local Oceans Day in Halifax, Nova Scotia on Friday, 3 June 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 the web-based questionnaire for monitoring the implementation of the 1995 FAO Code of Conduct for Responsible Fisheries, the International Plans of Action on Capacity, Sharks, Seabirds, Illegal, Unreported and Unregulated Fishing and the Strategies for Improving Information on Status and Trends of Capacity of Capture Fisheries and Aquaculture.
- Request for input to the UN Secretary-General's Report on oceans and the law of the sea, Part I, pursuant to the UNGA draft resolution A/70/L.22 on "*Marine Debris, plastics and microplastics*".

- Request for input to the UN Secretary-General's report on the actions of States and regional fisheries management organizations and arrangements addressing the impacts of bottom fishing on vulnerable marine ecosystems.
- Request for contributions to "*an inventory of available information on recent and ongoing assessments and other processes at the regional and global levels relevant to the Regular Process for Global Reporting and Assessment of the State of the Marine Environment, including Socioeconomic Aspects*," pursuant to paragraph 286 of General Assembly resolution 70/235 on "*Oceans and the law of the sea*" (provisionally available as A/70/L.22), adopted on 23 December 2015.
- 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 discussed Canada's information exchange arrangement. The Canadian process was seen 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 to its text, taking into account specific suggestions from one Contracting Party.

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 2015 Annual Meeting, there have been four such notifications.

11. Participation by Secretariat at external meetings

ASFA Advisory Board Meeting, 2015, Halifax (Canada), 5-9 October 2015

The 44th Annual Meeting of the Aquatic Sciences and Fisheries Abstracts (ASFA) Advisory Board was co-hosted by NAFO and Dalhousie University's EIUI group, in Halifax, NS, Canada at the Nova Scotia Archives Building. The Executive Secretary, Fred Kingston, and the Senior Publications Manager, Alexis Pacey, attended the meeting.

FAO Code of Conduct for Responsible Fisheries, Vigo (Spain) on 8-9 October 2015

Executive Secretary, Fred Kingston, attended a conference organized by the Spanish government to celebrate the 20th Anniversary of the FAO Code of Conduct for Responsible Fisheries.

FAO-ABNJ Deep Seas Project, Rome (Italy) on 15-16 Dec 2015

Executive Secretary, Fred Kingston, and Senior Fisheries Commission Coordinator, Dr. Ricardo Federizon, attended the ABNJ Deep Seas Project Inception and Project Steering Committee meeting in Rome, Italy. Executive Secretary, Fred Kingston, was named Chair of the Project Steering Committee.

NEAFC Seminar on Allocation Criteria in International Fisheries Management, London (England), 22 February 2016

Executive Secretary, Fred Kingston, attended the NEAFC Seminar on Allocation Criteria in International Fisheries Management and gave a presentation of NAFO's allocation criteria experience.

FIRMS Technical Working Group Meeting (FIRMS-TWG5) Fifth session, Rome (Italy), 29 February-1 March 2016

Scientific Information Administrator, Dayna Bell, attended the FIRMS Technical Working Group Meeting (FIRMS-TWG5) Fifth session.

BlueBRIDGE Technical Working Group (TWG), Rome (Italy), 1-3 March 2016

Database Manager, Mark Harley, attended the BlueBRIDGE Technical Working Group (TWG).

International Fisheries Commissions Pension Society (IFCPS) Annual Meeting, Seattle, Washington, USA, 19-21 Apr 2016

The annual meeting of the International Fisheries Commissions Pension Society (IFCPS) was hosted by the International Pacific Halibut Commission during 19-21 April 2016 in Seattle, Washington, USA. NAFO was represented by Fred Kingston, Executive Secretary, and Stan Goodick, Deputy Executive Secretary/Senior Finance and Staff Administrator. The next annual meeting of the IFCPS will be co-hosted by the Pacific Salmon Commission and the North Pacific Anadromous Fish Commission during 19-21 April 2017 in Vancouver, British Columbia, Canada.

ABNJ Deep Seas Project: 2016 World Wide Review of Bottom Fisheries in the High Seas, 3- 5 May in Rome, Italy

Scientific Council Coordinator, Mr. Tom Blasdale, attended the ABNJ Deep Seas Project: 2016 World Wide Review of Bottom Fisheries in the High Seas.

Resumed Review Conference on the United Nations Fish Stocks Agreement, New York (USA), 23-27 May 2016

Executive Secretary, Fred Kingston, attended two (2) days of the Resumed Review Conference on the United Nations Fish Stocks Agreement, 23-24 May, 2016.

ARVI International Conference on the Future of Fisheries, Vigo (Spain), 16 June 2016

Senior Fisheries Commission Coordinator, Ricardo Federizon, gave a presentation on the protection of VMEs in the NAFO Regulatory Area at the ARVI International Conference on the Future of Fisheries.

Sixth Meeting of the Regional Fishery Body Secretariats Network (RSN-6), Rome (Italy), 9 and 15 July

Executive Secretary, Fred Kingston, attended the Sixth Meeting of the Regional Fishery Body Secretariats Network (RSN-6).

COFI - Committee on Fisheries - 32nd Session, Italy (Rome), 11-15 July 2016

Executive Secretary, Fred Kingston, attended the 32nd Session of COFI - Committee on Fisheries. He also chaired a side event organized by the FAO on fishery statistics.

Workshop on implementation of General Assembly resolutions addressing the impacts of bottom fishing on vulnerable marine ecosystems and the long-term sustainability of deep-sea fish stocks, New York (USA), 1-2 Aug 2016

Senior Fisheries Commission Coordinator, Ricardo Federizon, attended and served as a panelist in the Workshop on the implementation of General Assembly resolutions addressing the impacts of bottom fishing on vulnerable marine ecosystems and the long-term sustainability of deep-sea fish stocks.

12. Financial Status Update

The 2015 fiscal year ended in a very good financial position with operating cash at high levels and with only \$31,880 owing from one Contracting Party. Actual operating expenses for the year were 4.1% under the Organization's budget of approximately \$1.981 million. W|B|L|I Chartered Accountants performed the audit of the 2015 financial records for the fifth and final year of their mandate. The statements will be reviewed and approved by the Organization at the September 2016 Annual Meeting.

The NAFO budget for 2016 was increased to \$1.997 million as additional funds were required for the recruitment and relocation costs of the incoming Scientific Council Coordinator. The Secretariat has been working within the approved budget and expenditures are projected to be \$36,000 under budget for the 2016 fiscal year (see page 10 - Statement I of the Financial Statements). As of 24 August 2016, there was \$73,804 in membership contributions outstanding from one Contracting Party (see page 12 - 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 2016

(Canadian Dollars)

| | Approved Budget 2016 | Total Estimated Obligations for Fiscal Year 2016 | Estimated Unliquidated Balance of Appropriations |
|---------------------------------|-------------------------|---|---|
| 1 Personal Services | | | |
| a) Salaries | \$992,000 | \$984,000 | \$8,000 |
| b) Superannuation and Annuities | 353,000 | 345,000 | 8,000 |
| c) Medical and Insurance Plans | 92,000 | 90,000 | 2,000 |
| d) Employee Benefits | 60,000 | 55,000 | 5,000 |
| Subtotal Personal Services | 1,497,000 | 1,474,000 | 23,000 |
| 2 Additional Help | 2,000 | 2,000 | - |
| 3 Communications | 22,000 | 22,000 | - |
| 4 Computer Services | 42,000 | 42,000 | - |
| 5 Equipment | 28,000 | 26,000 | 2,000 |
| 6 Fishery Monitoring | 37,000 | 37,000 | - |
| 7 Hospitality Allowance | 3,000 | 3,000 | - |
| 8 Internship | 11,000 | 11,000 | - |
| 9 Materials and Supplies | 28,000 | 28,000 | - |
| 10 NAFO Meetings | | | |
| a) Sessional | 115,000 | 100,000 | 15,000 |
| b) Inter-sessional Scientific | 25,000 | 25,000 | - |
| c) Inter-sessional Other | 32,000 | 32,000 | - |
| Subtotal NAFO Meetings | 172,000 | 157,000 | 15,000 |
| 11 Other Meetings and Travel | 35,000 | 35,000 | - |
| 12 Performance/External Reviews | - | - | - |
| 13 Professional Services | 51,000 | 66,000 | (15,000) |
| 14 Publications | 12,000 | 12,000 | - |
| 15 Recruitment and Relocation | 57,000 | 46,000 | 11,000 |
| Total Ordinary Budget | \$1,997,000 | \$1,961,000 | \$36,000 |

STATEMENT II

**Statement of Assessed Contributions and Estimated
Expenditure Obligations for the Year Ending 31 December 2016**
(Canadian Dollars)

Contracting Parties Assessed:

| | |
|---|--------------------------------|
| Canada | \$649,418.48 |
| Cuba | 43,131.15 |
| Denmark (in respect of Faroe Islands and Greenland) | 287,504.05 |
| European Union | 98,973.59 |
| France (in respect of St. Pierre et Miquelon) | 42,509.05 |
| Iceland | 42,024.37 |
| Japan | 41,923.75 |
| Norway | 46,049.05 |
| Republic of Korea | 41,923.75 |
| Russian Federation | 58,324.32 |
| Ukraine | 41,923.75 |
| United States of America | <u>283,244.69</u> |
| Assessed Contributions for the year ending 31 December 2016 | \$1,676,950.00 |
| Transferred from Accumulated Surplus Account | <u>320,050.00</u> ^a |
| Approved Budget for 2016 | \$1,997,000.00 |
| Total Estimated Obligations for 2016 - Statement I | <u>1,961,000.00</u> |
| Amount to be transferred to Accumulated Surplus Account | <u>\$ 36,000.00</u> |

^a Excess of revenue over expenditures during the 2015 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 2016**

(Canadian Dollars)

| Assets | | Liabilities | |
|-------------------------------|------------------|------------------------------------|------------------|
| Current | | Current | |
| Cash | \$503,685 | Accounts Payable | |
| Grant Trust Funds | \$16,916 | and Accrued Liabilities | \$25,000 |
| Contributions Receivable from | | Grant Fund Liability | 17,363 |
| Contracting Parties (Note 1) | 73,804 | Provision for Accrued Employee | |
| Prepaid Expenses | 1,357 | Vacation Pay | 33,399 |
| Province of Nova Scotia | | | |
| Ex gratia grant receivable | 80,000 | | |
| | <u>675,762</u> | | <u>75,762</u> |
| Long-Term | | Long-Term | |
| Employee Termination Benefit | | Provision for Employee Termination | |
| Investments | <u>256,631</u> | Benefits | <u>256,631</u> |
| | | | 332,393 |
| | | Members' Net Assets | |
| | | Accumulated Surplus | <u>600,000</u> |
| | <u>\$932,393</u> | | <u>\$932,393</u> |

Note 1.

Contributions Receivable from Contracting Parties

| | |
|---------|----------|
| Ukraine | \$73,804 |
|---------|----------|

STATEMENT IV

**Statement of Accumulated Surplus Estimates
for the Year Ending 31 December 2016a**
(Canadian Dollars)

| | | |
|---|---------------------|------------------|
| Accumulated Surplus - Beginning of 2016 | | \$608,050 |
| Less: Amount appropriated 1 January 2016 | | -320,050 |
| Add: Staff Assessments | \$135,000 | |
| Province of Nova Scotia - <i>ex gratia</i> grant | 80,000 ^b | |
| Recovery of prior year's professional fees | 47,000 | |
| Balance of appropriations not expended in 2016 | 36,000 | |
| Interest | 11,000 | |
| Sales of Publications | 1,000 | |
| Observer Attendance Fees | 1,000 | |
| Boardroom Rental | <u>1,000</u> | <u>312,000</u> |
| Accumulated Surplus - End of 2016 | | <u>\$600,000</u> |
| Appropriated to maintain minimum balance (to be authorized by G.C.) | | |
| Minimum balance maintained | \$285,000 | |
| Unappropriated balance available | <u>315,000</u> | |
| Total Accumulated Surplus | | <u>\$600,000</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:

- 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

**Preliminary calculation of billing for Contracting Parties against the proposed estimate
of \$2,003,000 for the 2017 financial year (based on 12 Contracting Parties to NAFO)
(Canadian Dollars)**

| | |
|--|--------------------|
| Budget Estimate | \$2,003,000 |
| Deduct: Amount from Accumulated Surplus (pending approval from General Council) | <u>\$315,000</u> |
| Funds required to meet 2017 Administrative Budget | <u>\$1,688,000</u> |
| 60% of funds required = | \$1,012,800 |
| 30% of funds required = | \$506,400 |
| 10% of funds required = | \$168,800 |

| 2016 Billing for comparison purposes | | |
|---|--|--------------------------------|
| Approved Budget 2016 | | \$1,997,000 |
| Deduct Accumulated Surplus | | <u>320,050</u> |
| Funds required 2016 Budget | | <u>\$1,676,950</u> |
| Nominal Catches for 2013 | % of Total Catch in the Convention Area | 2016 Annual Contribution |
| 357,615 | 51.13% | \$649,418.48 |
| 845 | 0.12% | 43,131.15 |
| 144,541 | 20.67% | 287,504.05 |
| 39,695 | 5.67% | 98,973.59 |
| 316 | 0.05% | 42,509.05 |
| 92 | 0.01% | 42,024.37 |
| - | - | 41,923.75 |
| 2,846 | 0.41% | 46,049.05 |
| - | - | 41,923.75 |
| 11,399 | 1.63% | 58,324.32 |
| - | - | 41,923.75 |
| 142,092 | 20.31% | 283,244.69 |
| 699,441 | 100.00% | <u>\$1,676,950.00</u> |

| Contracting Parties | Nominal Catches for 2014 | % of Total Catch in the Convention Area | 10% | 30% | 60% | 2017 Preliminary Billing |
|---|--------------------------------|--|--------------|--------------|----------------|--------------------------------|
| Canada | 336,274 | 49.17% | \$89,118.50 | \$42,200.00 | \$497,993.76 | \$629,312.26 |
| Cuba | 652 | 0.09% | - | 42,200.00 | 911.52 | 43,111.52 |
| Denmark (in respect of Faroe Islands and Greenland) (1) | 145,533 | 21.28% | 38,568.80 | 42,200.00 | 215,523.84 | 296,292.64 |
| European Union | 34,172 | 5.00% | - | 42,200.00 | 50,640.00 | 92,840.00 |
| France (in respect of St. Pierre et Miquelon) | 3,595 | 0.53% | 952.74 | 42,200.00 | 5,367.84 | 48,520.58 |
| Iceland | - | 0.00% | - | 42,200.00 | 0.00 | 42,200.00 |
| Japan | - | - | - | 42,200.00 | - | 42,200.00 |
| Norway | 2,813 | 0.41% | - | 42,200.00 | 4,152.48 | 46,352.48 |
| Republic of Korea | - | - | - | 42,200.00 | - | 42,200.00 |
| Russian Federation | 9,278 | 1.36% | - | 42,200.00 | 13,774.08 | 55,974.08 |
| Ukraine | - | - | - | 42,200.00 | - | 42,200.00 |
| United States of America | 151,537 | 22.16% | 40,159.96 | 42,200.00 | 224,436.48 | 306,796.44 |
| | 683,854 | 100.00% | \$168,800.00 | \$506,400.00 | \$1,012,800.00 | <u>\$1,688,000.00</u> |
| Funds required to meet 1 January - 31 December 2017 Administrative Budget | | | | | | <u>\$1,688,000.00</u> |

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