

PART II

Report of the Standing Committee on Finance and Administration (STACFAD)

1. Opening by the Chairman

The first session of STACFAD was opened by Fred Kingston (EU) on 15 September 2003.

The Chairman welcomed delegates and Dr. Johanne Fischer, the Executive Secretary appointed in January 2003.

Present were delegates from: Canada, European Union, Japan, Latvia, Norway, Russian Federation, Ukraine, USA (Annex 1).

2. Appointment of Rapporteur

Sofeia Horsey (Canada) and Stan Goodick (NAFO Secretariat) were appointed Rapporteurs.

3. Adoption of Agenda

The provisional agenda, as circulated to the Contracting Parties (Annex 2), was adopted.

4. Auditors' Report for 2002

The Finance Officer presented the Auditors' Report and Financial Statements of the Northwest Atlantic Fisheries Organization for the year ended 31 December 2002. The Chairman indicated the Auditors' Report, signed by Deloitte & Touche, had been circulated to the Heads of Delegation prior to the 25th Annual Meeting. He noted no comments had been received on the report.

The report mentioned that the NAFO Financial Statements have not recorded a liability of \$30,300 for enhanced employee termination benefits. It was noted by the Committee that NAFO has been in the practice of funding this liability at the rate of \$10,000 per annum, the latest amount of which had been approved by General Council in 2002 at the 24th Annual Meeting of NAFO (Note 4 of the Auditors' Report entitled "Provision for Employee Termination Benefits").

Committee members reviewed these statements in detail. All variances in expenditures versus budgeted items were explained to the satisfaction of the Committee.

STACFAD recommended that the 2002 Auditors' Report be adopted.

The EU proposed that the Committee consider changing the auditors. The EU considers it desirable, as a matter of policy, to change auditors in regional fisheries organizations from time to time in order to provide possible new perspectives to the audit. Canada sought clarification as to whether NAFO would incur additional expenses in administration fees to change auditors. The Executive Secretary was not certain if this would be the case, but she said she could seek bids from several potential firms.

STACFAD recommended new Auditors be retained to audit the Financial Records of NAFO for the year 2003.

5. Realized and expected costs related to changes to the Automated Hail/Vessel Monitoring System (VMS)

STACFAD WP 03/1 was tabled for discussion (Annex 3).

An expenditure of \$35,000 was identified and included in the 2004 forecasted budget to provide for costs related to the ongoing operations of the system, as proposed by STACTIC.

STACFAD recommended approval of \$35,000 for estimated costs to be incurred in 2004 related to the ongoing operations of the Automated Hail/VMS.

NAFO/FC Doc. 03/3 was tabled outlining a proposal approved by the Fisheries Commission to update the VMS used by NAFO to include Catch and Observer Reports (Pilot Project). Estimated cost is \$40,000.

STACFAD recommended approval of \$40,000 for estimated costs to be incurred in 2004 to update the VMS.

6. Review and evaluation of work descriptions for NAFO employees in the CR category with respect to consideration of application of Canadian Pay Equity Settlement

The Executive Secretary tabled STACFAD WP 03/2 (Annex 4-without annexes).

The Executive Secretary spoke on behalf of the affected employees. She stated they unanimously requested to withdraw any claims to a retroactive application of the pay equity settlement as provided for employees of the Public Service of Canada. She noted that, although NAFO had adopted a salary scale and a position classification system "based, to the extent possible, on the salary scale and position classification system of the Public Service of Canada", pursuant to Rule 6.1 of the NAFO Financial Regulations, it recognized the settlement was a unique situation.

STACFAD therefore agreed that the issue of applying the Canadian Pay Equity Settlement to NAFO employees in the clerical category be withdrawn from any further consideration.

It was recalled that, as a result of initiating a pay equity assessment for NAFO staff in the Clerical Category, salary increases for four employees of NAFO had been postponed. Only economic increases ranging from 2 to 3.2% were applied over the period 1998-2002. The Executive Secretary recommended to STACFAD that salary levels be adjusted to reflect current pay levels effective July 29, 1998.

STACFAD agreed and recommended that the salary scales of four Secretariat employees in the CR category be adjusted to reflect current pay levels as per the Canadian Federal Public Service, effective 1 January 2004.

STACFAD further recommended approval of back payment plus interest, as a result of the postponement of salary adjustments, for the period 29 July 1998 to 31 December 2003. Interest would be calculated following Government of Canada guidelines for the payment of interest beginning 1 January 2004. After discussions with the four employees concerned, the Executive Secretary informed STACFAD that they would be willing to accept this back payment stretched over a three-year period commencing in 2004.

STACFAD recognized the understanding and patience of the four employees of the Secretariat staff in awaiting resolution of this issue and agreed that, for budgeting purposes, back payment and interest will be distributed equally, over a three year period, commencing in 2004.

STACFAD further asked the Executive Secretary to convey its appreciation to the four employees of the Secretariat staff for their willingness to accept this arrangement.

7a) Function and Future Requirements of the Secretariat

The Executive Secretary presented a thorough and detailed overview of the present services provided by, as well as the process and operations of, the Secretariat in a presentation entitled "Goals, Strategies and Requirements of the NAFO Secretariat". Included were statistical data on the distribution and concentration of human and financial resources.

The focus of the presentation was to outline a possible strategy to improve the cost efficiency of services rendered by the Secretariat, to modernize the Organization and to expand services to Contracting Parties. The Executive

Secretary outlined initiatives that should take place within the next 5 years to pursue these objectives with respect to the following areas:

- Communications
- Organization/Support of meetings
- Publications
- Conservation and Enforcement Services
- Finance and administration
- Other office tasks

STACFAD expressed its support, in principle, for the Executive Secretary's presentation. Some of the major initiatives proposed by the Executive Secretary are the following:

1. As expressed in the Executive Secretary's presentation, the Secretariat will need to enhance and restructure staff responsibilities to meet its objectives as effectively and efficiently as possible. To accomplish this, it would be necessary to write new work descriptions for Secretariat positions. In addition there is also a need to develop more clear and detailed rules and procedures for the assessment, classification and ongoing review of positions. This could be accomplished by contracting the services of an expert on the Canadian Government Classification System to collaborate with the Secretariat.

STACFAD recommended that the Secretariat develop clearer and more detailed rules and procedures for the assessment, classification and ongoing review of NAFO Secretariat staff. STACFAD further recommended that the Secretariat engage a Human Resources consultant to ensure that these rules and procedures are compatible with the system of the Public Service of Canada with an estimated cost to NAFO's budget of \$5,000.

2. The Executive Secretary tabled STACFAD WP 03/9 (Annex 5) proposing the addition of one new staff member for a period of 12 to 14 months to:

- Ensure the continuity of services upon the retirement in 2005 of a staff member and
- Develop enhanced technologies and processes to undertake additional services requested by the Fisheries Commission with respect to the compilation, analysis and presentation of compliance data.

Recruitment would be in the Professional Category given the nature of the work and the qualifications required.

After detailed discussions, STACFAD recommended that the Secretariat hire in 2004 a part-time employee to help in the compilation, analysis and presentation of compliance data. The estimated cost to the NAFO budget in 2004 would be \$30,000. STACFAD also recommended that recruitment take place to find a replacement for an employee anticipated to retire in May 2005 with an overlap period of four months in order to ensure the requirements of this position as mandated would be met.

3. The Executive Secretary presented STACFAD WP 03/7, a proposal to reclassify a NAFO employee's category from CR-6 to IS-3 to more accurately reflect her new duties and enhanced responsibilities. In particular, this employee is now principally responsible for maintenance and content of the new NAFO WebPages requiring specialized skills and expertise.

STACFAD recommended, without prejudice to results of the overall review of the NAFO Secretariat staff, the reclassification of this position to the level of IS-3, to take effect

1 January 2004.

4. In respect of other changes implemented by the Secretariat, it was noted that the work duties of another employee in the CR-5 category had also changed substantially with the addition of new duties and increased responsibilities related to the running of NAFO's Conservation and Enforcement Scheme, thereby requiring adjustment to her classification level.

STACFAD recommended, without prejudice to results of the overall review of the NAFO Secretariat staff, the reclassification of this position from CR-5 to CR-6, to take effect

1 January 2004.

7b) Interim Staff Committee (proposal by Secretariat)

The Executive Secretary introduced STACFAD WP 03/6 (Annex 6) proposing the establishment of an external Staff Committee to provide advice and mediation in the event that a conflict within the Secretariat cannot be solved internally. It was anticipated that this Committee would rarely be called upon in this regard. It is proposed that the Staff Committee comprise three members nominated by Secretariat Staff and appointed by General Council. At least one of the members should be a resident of the Dartmouth/Halifax area. Staff Committee could serve one year and be re-elected at every Annual Meeting with no restrictions on re-election. The Secretariat staff intends to nominate Committee members in the near future.

STACFAD supported this proposal in principle and recommended the establishment of a Staff Committee with a mandate to provide advice and mediation in the event that a conflict within the Secretariat cannot be solved internally.

8. Meeting of Pension Society

The Executive Secretary tabled STACFAD WP 03/3, a summary report of the meeting of the International Fisheries Commissions Pension Society (IFCPS), held May 1-2, 2003, in Halifax, N.S.

Of note:

- The employer's normal cost as a percentage of payroll will remain the same for 2004 at 9.3%.
- The Auditors' Report was presented with a Statement of Operations of the IFCPS for the years ending 31 December 2001 and 31 December 2002 and the Review Report for 2002. The statements were approved by the membership.
- The Canadian Department of Fisheries and Oceans (DFO) extended its commitment to assist the Society in administrative operations at no charge to the Society.
- The Review Directorate of DFO was engaged to audit the Statement of Operations of the Society before its 2002 Annual General Meeting and will be approached to audit the Society's Financial records in 2003.
- The investment manager, McLean Budden, will continue with the agreed asset-mix balancing of the Canadian investment funds (60% equity/40% bond split).
- Time and place of next annual meeting will be 29-30 April 2004 in Washington, D.C. Representatives from the International Fisheries Commissions will commence their meetings 28 April 2004.

9. Headquarters Agreement of NAFO

The representative of the EU noted that Article II.3 of the NAFO Convention seems to require that there be a Headquarters Agreement between NAFO and the host country, Canada, and expressed concern that such an agreement does not exist.

Canada, in response, provided background on the Canadian Order-in-Council, which is intended to provide privileges and immunities to NAFO and its officers to the fullest extent possible. He explained that NAFO's predecessor organization, ICNAF, its officials and representatives to ICNAF also enjoyed the maximum privileges and immunities that could be granted under Canadian law. Upon the creation of NAFO, following a request from the NAFO President, these privileges and immunities were extended to the NAFO organization, the representatives to NAFO and NAFO officials via the Order-in-Council. He added that Article II.3 can also be read as not necessarily requiring a Headquarters Agreement per se, but that there could be other evidence of agreement, such as official correspondence.

The Canadian delegate noted that negotiating a Headquarters Agreement may be more than just a housekeeping matter as suggested by the EU delegate. He explained that it involves negotiating a treaty, and launching such negotiations would require appropriate authorization from within the Government of Canada. One could not anticipate the outcome of these negotiations. He advised that there was no practical need to change the current arrangement, which has been working well for more than twenty-five years.

The Executive Secretary advised that the Secretariat had no complaints regarding the current arrangement and urged caution against lengthy negotiations that may have unforeseen consequences.

The Canadian delegate undertook to check Government of Canada files and provide copies of any relevant official correspondence between NAFO and Canada as they relate to any agreement on privileges and immunities. He also undertook to clarify the rationale for headquarters agreements having been signed with some other international fisheries organizations based in Canada but not with older organizations such as NAFO.

STACFAD recommended that this item be deferred until the next Annual Meeting.

10. Administrative and Financial Statements for 2003 (end July)

The Chairman introduced NAFO/GC Doc. 03/1.

Concerning the Financial Statements:

- The Finance Officer reported that there would be delays in salary increases until 2004 as contract negotiations within the Public Service of Canada for position classifications followed by NAFO staff have just been initiated. It is assumed contracts would not be ratified during 2003 and therefore no increase will be reflected for 2004 at this time.
- Given the linkages with Salaries, as a result of changes to the Salary figure, the following expenditures were adjusted accordingly producing some savings and some additional expenses:
 - b) Superannuation and Annuities – additional expense of \$2,000
 - c) Group Medical and Insurance Plans – additional savings of \$1,000
 - d) Termination Benefits – additional savings of \$11,000
- Travel expenditures were under-estimated by \$3,000.
- Reduction in postage and fax costs due to increased use of electronic communications (email and website) have generated savings of \$19,000.
- Meetings forecasted costs were under estimated by \$6,000.
- Computer Services - Programming changes to Vessel Monitoring System (VMS) were under budget, resulting in a savings of \$9,000.
- Recruitment and relocation costs were budgeted for the 2002 fiscal year although costs incurred were in 2002 and 2003. (It was noted that this item on the 2002 Budget was \$73,000 and Actual expenditures for 2002 were \$22,863.)

STACFAD noted outstanding contributions from Bulgaria (\$21,479.52), Cuba (\$21,552.56) and the United States of America (\$89,787.64). Annex 7 outlines total outstanding contributions from Bulgaria.

11. Review of Accumulated Surplus Account

The Accumulated Surplus Account was reviewed and it was noted that the year-end balance is estimated to be \$272,463 should all outstanding contributions be received.

The Secretariat received indications from the United States that, at present, they are not in a position to fully meet their financial obligations to NAFO in 2003 and, possibly, also in 2004. In this context, STACFAD recommended that the minimum balance in this account be increased from \$75,000 to \$125,000 in order to fulfill NAFO's financial obligations in early 2004. STACFAD further recommended that if any of the outstanding contributions are received by the end of 2003, the minimum balance in the Accumulated Surplus Account shall be reduced by the amount of that contribution until it reaches \$75,000. The remaining estimated accumulated surplus balance at the end of 2003 would be used to reduce contributions due from Contracting Parties in 2004.

12. Legal opinion regarding staff assessment claim by previous Executive Secretary

Pursuant to the recommendation by STACFAD to the General Council during its 24th Annual Meeting, NAFO engaged the services of its own legal counsel to investigate the former Executive Secretary Chepel's claim that staff assessment under 6.2 of the Financial Regulations should not have been deducted from his salary. A legal opinion

from NAFO's legal counsel, Stewart McKelvey Stirling Scales, concerning this issue had been circulated to Heads of Delegations of the General Council and STACFAD Chairman on February 27, 2003 (GF/03-63).

The Finance Officer advised STACFAD that Mr. Chepel had recently contacted him to give notice that he had decided not to pursue his claim. He also asked if he could be provided with a copy of NAFO's legal opinion.

Canada noted a letter to NAFO from its Head of Delegation dated 18 March 2003 stating that it was unnecessary to disclose this legal opinion in order to communicate the legal position of NAFO with respect to the claim of Mr. Chepel. Since Mr. Chepel has now indicated that he will not pursue his claim, STACFAD determined that there was no reason to change the policy and agreed that this legal opinion should not be disclosed to Mr. Chepel.

13. Progress report on transition from print to electronic (outgoing) communication and access to information and review of new NAFO Website (Presentation by Secretariat)

The Executive Secretary presented a comprehensive report on the status of transition from print to electronic (outgoing) communications and accessibility of information and review of the new NAFO Website in her presentation (see Agenda Item 7a) above).

Of particular note were the savings derived from the initiatives undertaken by the Executive Secretary and the staff of the Secretariat. The value added was estimated to be at least \$100,000 for the initiation and completion of a new revamped NAFO web site, because the design, development and implementation of it were undertaken in-house rather than sourced outside. STACFAD enthusiastically applauded the forward vision and concerted effort of the Executive Secretary and staff of the Secretariat.

14. Salary of the Executive Secretary

i) Appraisal of eligibility of Executive Secretary for performance bonus

Pursuant to the decision of the General Council at the 24th Annual Meeting and under Article IV, paragraph 4 of the current contract between NAFO and the Executive Secretary, the Executive Secretary is eligible for an annual performance bonus in addition to her base salary. This performance bonus is to be determined annually by the Heads of Delegation of General Council and would provide for up to a 10% increase on the base salary if key commitments are achieved or surpassed.

Upon instructions from the President of General Council, STACFAD developed objective criteria for this purpose.

STACFAD recommended that, at each annual meeting of NAFO, STACFAD and the Executive Secretary should identify specific goals which, in conjunction with the general duties as described in her work description, shall form the basis for evaluating eligibility for this performance pay allowance for the coming year.

STACFAD further recommended that for 2004 the specific goals for evaluating the eligibility of the Executive Secretary for a performance pay allowance are the following:

1. Assess and define future human resources requirements for the Secretariat.
2. Continue implementing modernization and cost efficiency measures.
3. Enhance public relations activities in the Secretariat and draft media policy for NAFO meetings.
4. Develop the capacity to produce the information requested by STACTIC for a compliance report.

ii) Possible changes in the job classification system and salary scale of the Executive Secretary

At the last Annual Meeting of STACFAD, it was agreed to defer the broad issue of possible changes in the job classification system and salary scale of the Executive Secretary to the 2003 Annual Meeting, including the possibility of enhanced duties and responsibilities.

Members requested further information be made available to them regarding the application of the "U.N. system". There was consensus on the importance to seek clarity in regards to the U.N.'s criteria in making a determination of position classification and level. Additional information was requested on how other regional fisheries organizations have determined the position classification and salary of their respective Executive Secretaries.

It was agreed the NAFO Secretariat would provide this information to STACFAD in advance of the 26th Annual Meeting, in order to prepare for informed discussions on this subject.

STACFAD recommends the issue of a possible change in the job classification system and salary scale of the Executive Secretary be deferred to the 2004 Annual Meeting.

15. Budget Estimate for 2004

GC WP 03/2 (Revision 4) was tabled. It was noted that all items were standard with the exception of those items listed below:

- The provision of an additional staff to be recruited in conjunction with the departure of an employee due to retirement on May 1, 2005. An overlap of 4 months is required in 2005. In addition, a part-time employee will assist in compilation, analysis and presentation of compliance data for review by STACTIC in 2004 at an estimated cost of \$30,000. (see agenda item 7a)
- First instalment of back-pay and interest payments to four employees, for the period 29 July 1998 to 31 December 2003, whose salary increases had been postponed whilst awaiting conclusion and resolution of discussions on "consideration and application of Canadian Pay Equity Settlement". (see agenda item 6)
- A performance bonus of 10% for the Executive Secretary as approved by the Heads of Delegation of General Council (see agenda item 14)
- Equipment Purchases as follows: Wireless LAN server \$15,000
- Funding of \$5,000 for travel costs/expenses associated with the Limit Reference Point Study Group (NAFO SC Working Paper 03/30) (see agenda item 18)
- Reclassification of 2 Secretariat staff (see agenda item 7a)
- \$40,000 to update the VMS used by NAFO to include Catch and Observer Reports (Pilot Project) (see agenda item 5)

STACFAD recommended that the budget of \$1,500,000 for the year 2004 be adopted (Annex 8).

A preliminary estimate of calculations of 2004 billings for Contracting Parties is provided in Annex 9. Concerns were expressed by all Contracting Parties about the increases in their respective 2004 billings. In particular, Russia, Latvia and the USA stressed that they had not anticipated these increases when they made their requests to their respective legislatures.

16. Budget Forecast for 2005

STACFAD reviewed the preliminary budget forecast for 2005 of \$1,448,000 (Annex 10) and approved the forecast in principle. It was noted that the budget for 2005 will be reviewed in detail at the next Annual Meeting.

STACFAD recommended that the Secretariat prepare preliminary budget forecasts for two subsequent financial years to assist Contracting Parties in their respective budgetary processes.

STACFAD recognized and took note that several initiatives proposed by the Executive Secretary for implementation in 2004 had been deferred for consideration to 2005.

17. Time and Place of 2004 and 2005 Annual Meetings

The 2004 and 2005 Annual Meeting will be held in Halifax, N.S., Canada, unless an invitation to host is extended by a Contracting Party and accepted by the Organization.

The dates of the 2004 Annual Meeting are as follows:

Scientific Council	-	08-17 September
General Council	-	13-17 September
Fisheries Commission	-	13-17 September

The dates of the 2005 Annual Meeting are as follows:

Scientific Council	-	07-16 September
General Council	-	12-16 September
Fisheries Commission	-	12-16 September

STACFAD recommended that the dates for the 2006 Annual Meeting be as follows, with the location in Halifax, unless an invitation to host is extended by a Contracting Party and accepted by the Organization:

Scientific Council	-	06-15 September
General Council	-	11-15 September
Fisheries Commission	-	11-15 September

18. Other issues including any questions referred from the General Council during the current Annual Meeting

1. General Council asked STACFAD to review the policy and process for addressing requests from the media to attend the Annual Meeting. In this context the Executive Secretary informed STACFAD that she had been approached and asked permission to film limited parts of General Council opening proceedings at the 2003 NAFO Annual Meeting. The policy to date has been to observe a black out from the beginning of the opening to the closing of the meeting. For information purposes STACFAD WP 03/10 "Media Policies followed by other Regional Fisheries Management Bodies (RFMBs) contacted by the NAFO Secretariat" was tabled by the Executive Secretary.

The Executive Secretary informed STACFAD that she intends to develop a media plan, in consultation with Contracting Parties, which would be presented for approval by General Council at the next Annual Meeting.

STACFAD endorsed the Executive Secretary's initiative.

In the interim, STACFAD recommended the following:

- All requests for media access must be channeled through the Executive Secretary;
- The Executive Secretary will consult with the Chairmen of the three bodies of NAFO, the host country and the country in which the media organization is based, with as much advance notice as possible, and will then decide if the access requested is appropriate; and
- The Executive Secretary will then inform all Contracting Parties of the decision as soon as possible. If no objection is received from a Contracting Party within a specified time period, the decision will be understood to be accepted. The Executive Secretary will inform Contracting Parties of the status after the specified time period.

2. Requests for Information: The Executive Secretary advised that she had received a letter from the Department of Foreign Affairs and International Trade which sought advice on responding to a request under Canada's Access to Information Act for copies of citations issued by NAFO inspectors for infringements in the NAFO Regulatory Area. It was agreed that the Executive Secretary should not provide this information as it would be contrary to Part IV 6(i) of the NAFO Conservation and Enforcement Measures.

19. Election of Chair and Vice-Chair

STACFAD re-elected Fred Kingston of the European Union (EU) for the position of Chairman and Deirdre Warner-Kramer of the United States for the position of Vice-Chairman.

20. Adjournment

The final session of the STACFAD meeting adjourned on 19 September 2003.

Annex 1. List of Participants

Name	Contracting Party
Sofeia Horsey	Canada
Bob Steinbock	Canada
Louis Simard	Canada
Fred Kingston	European Union
Manfred Stein	European Union
Staffan Ekwall	European Union
Keiko Suzuki	Japan
Ricards Derkacs	Latvia
Heidi Johansen	Norway
Vladimir Babayan	Russian Federation
Leonid Kokovkin	Russian Federation
Vasyl Chernik	Ukraine
Anatoliy Chernikov	Ukraine
Deirdre Warner-Kramer	USA
Pat Moran	USA
Johanne Fischer	NAFO Secretariat
Tissa Amaratunga	NAFO Secretariat
Stan Goodick	NAFO Secretariat
Forbes Keating	NAFO Secretariat

Annex 2. Agenda

1. Opening by the Chairman, G.F. Kingston (EU)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Auditor's Report
5. Realized and expected costs related to changes to the Automated Hail/VMS System
6. Review and evaluation of work descriptions for NAFO employees in the CR category with respect to consideration of application of Canadian Pay Equity Settlement
7.
 - a) Function and Future Requirements of the Secretariat
 - b) Interim Staff Committee (proposal by Secretariat)
8. Meeting of the Pension Society
9. Headquarters Agreement of NAFO
10. Administrative and Financial Statements for 2003 (end July)
11. Review of Accumulated Surplus Account
12. Legal opinion regarding Staff Assessment claim by previous Executive Secretary
13. Progress report on transition from print to electronic (outgoing) communication and access to information and review of new NAFO Website (Presentation by Secretariat)
14. Salary of the Executive Secretary
 - i. Appraisal of eligibility of Executive Secretary for performance bonus
 - ii. Possible changes in the job classification system and salary scale of the Executive Secretary
15. Budget Estimate for 2004
16. Budget Forecast for 2005
17. Time and Place of 2005-2006 Annual Meetings
18. Other issues including any questions referred from the General Council during the current Annual Meeting
19. Election of Chair and Vice-Chair
20. Adjournment

Annex 3. Status of spending for the implementation of the Automated Hail/VMS System
(STACFAD W.P. 03/1-Revised)

	Budget <u>2003</u>	Forecast <u>2003</u>	Budget <u>2004</u>
<u>Annual Recurring Expenses:</u>			
Trackwell Software - Annual support and maintenance	\$18,300	\$18,300	\$18,300
Aliant Telecom - X.25 line	12,980	12,756	12,756
Trackwell Software – Additional billings (network connection problems, setting up Contracting Parties, proposals for changes to system)	2,000	3,944	3,944
Trackwell Software – X.400 line	720	-	-
	34,000	35,000	35,000
<u>Programming Changes:</u>			
Trackwell Software – VMS programming changes as proposed by STACTIC	55,000	38,610	40,000
	\$89,000	\$73,610	\$75,000

Annex 4. Classification of Secretariat Staff and Claim for Retroactive Pay Equity
(STACFAD W.P. 03/2 – Text only)

I wish to advise General Council that the staff of the NAFO Secretariat has reconsidered its position and decided to withdraw its claim for retroactive pay equity.

As a result of initiating a pay equity assessment for NAFO staff in the Clerical Category, salary increases for four employees of NAFO were postponed. Only economic increases ranging from 2 to 2.5% were applied over the period 1998-2002. As a result, the salary levels need to be adjusted to reflect current pay levels effective July 29, 1998.

I recommend that STACFAD consider this matter and General Council agree to adjust the salaries of these four employees to reflect the new posted salary increments, effective July 29, 1998 (as per Table 1 attached).

I further recommend developing detailed rules and procedures for the assessment, classification and ongoing review of NAFO Secretariat positions based, to the extent possible, on the classification system in the Public Service of Canada.

I also recommend these rules and procedures be developed with the active participation of the Secretariat and the contracted services of an expert on the Canadian Government Classification System. The objective of this endeavor would be a clear and acceptable process of reviewing and reclassifying NAFO positions.

Dr. Johanne Fischer

Executive Secretary

**Annex 5. Services of the Secretariat to NAFO Fisheries Commission
and STACTIC (STACFAD W.P. 03/9)**

Requirement: Additional Staff for a period of 14 months

Rationale:

1. Ensure standard and continuity of services already provided when the Secretariat's only expert on Conservation and Enforcement Measures, Gordon Moulton, retires early 2005
2. Develop (together with Mr. Moulton and under supervision of Executive Secretary during the period of overlap) and carry out new additional services requested by Fisheries Commission

The new staff member should be a young professional with an academic background and experience with database management and statistics. She/he should also be familiar with fishery issues.

Her/his tasks would be (under the General Supervision of the Executive Secretary):

- support the work of Fisheries Commission and its committees by attending the meetings, preparing reports, serving as Rapporteur if requested, and performing other duties as required
- supervise the functioning of the VMS at the Secretariat's end and communicate with the software/server provider (TRACKWELL) as necessary
- supervise the electronic compilation of fishery information from diverse data sources and perform quality checks
- prepare statistical summaries of fishery data
- compile, analyze and summarize relevant information to assist STACTIC in formulating their annual compliance report
- Prepare fishery-related material for the NAFO WebPages
- cooperate with FAO on data exchange
- assist with NAFO publications and preparation of NAFO meetings
- perform other duties as required by the Executive Secretary

Required skills:

- Science degree (masters or higher)
- Experience with electronic database management and statistical analysis
- Good general computer skills
- Proven familiarity with regional and global fishery issues
- Good English speaking and writing skills
- Etc.

Annex 6. Staff Committee (STACFAD W.P. 03/6)

A proposal by NAFO Secretariat Staff and Executive Secretary

What is the Staff Committee?

1. The Staff Committee should be mandated to advise the Secretariat and mediate in the rare event that conflicts within the Secretariat cannot be solved internally
2. The Staff Committee should be composed of three (3) members nominated by Secretariat Staff and appointed by General Council. At least one of the members should be a resident of the Dartmouth/Halifax area. Staff Committee could serve one year and be re-elected at every Annual Meeting. We propose no restrictions for the re-election of members.

Why a Staff Committee?

Most conflicts within the Secretariat can be and should be solved internally. In the rare case that a conflict cannot be solved internally or that its resolution causes major concern (e.g. perceived unjust dismissal of a staff member) the Staff Committee can be asked to intervene. Solutions should be achieved through mediation between the parties involved in the conflict and, if the Staff Committee finds it necessary, by bringing the case before NAFO Contracting Parties.

Suggested Guidelines for Staff Committee:

1. It is the obligation of Secretariat staff and Executive Secretary to seek internal solutions to all disputes before bringing anything to the attention of the Staff Committee.
2. On a specific issue, the Staff Committee can be approached by (a) Staff Representative, and/or (b) the Executive Secretary and/or (c) 3 staff members¹.
3. The Staff Committee will treat all cases in the strictest confidence. Staff Committee Members will also not disclose any names without consent of the individual concerned throughout the mediations with Secretariat staff and/or Executive Secretary.
4. A reasonable period of time (1 month) after contacting the Staff Committee, a final decision in a case (if necessary) must be taken by the Executive Secretary considering all options presented.
5. If the resolution of a case does not satisfy the Staff Committee the matter should be presented to STACFAD and General Council at the next Annual Meeting. In severe cases, the Staff Committee may decide to contact NAFO Contracting Parties immediately and ask for guidance or action.

¹ This means that at least 3 staff members have to agree that a conflict cannot be solved internally and is important enough to be brought before the Staff Committee bypassing Staff Representative and Executive Secretary. This will prevent frequent and unjustified calling on the Committee Members.

Annex 7. Schedule of Outstanding Contributions from Bulgaria

The following is a summary of outstanding contributions from Bulgaria:

	<u>Bulgaria</u>
1 January – 31 December 1993	18,109.12
1 January – 31 December 1994	14,893.10
1 January – 31 December 1995	16,614.28
1 January – 31 December 1996	15,944.93
1 January – 31 December 1997	15,002.75
1 January – 31 December 1998	16,121.90
1 January – 31 December 1999	16,267.88
1 January – 31 December 2000	16,842.79
1 January – 31 December 2003	21,479.52
	\$151,276.27

Annex 8. Budget Estimate for 2004
(Canadian Dollars)

	Approved Budget for 2003	Projected Expenditures for 2003	Preliminary Budget Forecast for 2004	Budget Estimate for 2004
1. Personal Services				
a) Salaries	\$759,000	\$754,000	\$785,000	\$842,000
b) Superannuation and Annuities	73,000	75,000	75,000	78,000
c) Group Medical and Insurance Plans	76,000	75,000	78,000	88,000
d) Termination Benefits	22,000	11,000	21,000	50,000
e) Accrued Vacation Pay	1,000	1,000	1,000	1,000
f) Termination Benefits Liability	10,000	10,000	10,000	10,000
g) Clerical (CR) Retroactive Salary Liability	-	-	-	27,000
2. Travel	19,000	22,000	15,000	19,000
3. Transportation	1,000	1,000	1,000	1,000
4. Communications	59,000	40,000	45,000	30,000
5. Publications	30,000	30,000	30,000	20,000
6. Other Contractual Services	58,400	58,000	48,000	50,000
7. Additional Help	1,000	1,000	1,000	1,000
8. Materials and Supplies	30,000	30,000	30,000	30,000
9. Equipment	5,000	5,000	5,000	20,000
10. Meetings				
Annual General Meeting and Scientific Council Meetings	76,000	79,000	76,000	75,000
Inter-sessional Meetings	40,000	43,000	40,000	45,000
Symposium	5,000	5,000	-	5,000
11. Computer and Web Services	120,000	111,000	50,000	108,000
12. Recruitment and Relocation	-	39,000	-	-
	\$1,385,400	\$1,390,000	\$1,311,000	\$1,500,000

Notes on Budget Estimate 2004
(Canadian Dollars)

Re Item 1(a)	Salaries	\$842,000
	Salaries budget estimate for 2004 includes a 2.5% economic increase. NAFO follows the salary scale of the Public Service of Canada and contract negotiations are underway between the Treasury Board of Canada and the Public Service Alliance of Canada for categories which NAFO staff members are classified. Assumed that contracts will not be ratified until late 2003 or early 2004 and therefore salary increases for 11 staff members, budgeted for 2003, will not be paid until 2004. Salaries budget also includes the reinstatement of four clerical staff to the CR pay scales, reclassification of two staff members and employment of a part-time Conservation and Enforcement Measures Officer.	
Re Item 1(b)	Superannuation and Annuities	\$ 78,000
	Employer's portion (includes employer normal cost, past service liability and early retirement provisions) and administration costs.	
Re Item 1 (d)	Termination Benefits	\$50,000
	This figure is for 2004 credits and conforms with NAFO Staff Rule 10.4(a). Increase in termination benefits is a result of salary increases budgeted for 2003 not being paid until 2004.	
re Item 2	Travel	\$19,000
	Travel costs for 2004 include: i) two staff members to the Annual Meeting of the International Fisheries Commissions Pension Society, April 2004, Washington, USA ii) the Executive Secretary's home leave to Germany iii) the Executive Secretary to the Annual Meeting of North Atlantic Regional Fisheries Management Organizations (NARFMO)	
Re Item 4	Communications	\$ 30,000
	Postage	\$ 11,000
	Telephone	12,500
	Courier/Mail Service	3,500
	Fax	3,000
Re Item 5	Publications	\$ 20,000
	Annual Report, Conservation and Enforcement Measures, Journal of Northwest Atlantic Fishery Science, NAFO Convention, Scientific Council Reports, Scientific Council Studies, Statistical Bulletin, etc.	

Re Item 6 **Other Contractual Services** \$ 50,000

Leases:

Color laser printers	\$ 14,300	
Photocopier	8,000	
Postage meter	3,000	\$25,300

Maintenance Agreements:

Photocopier	\$ 5,000	
Printers and printing presses	3,800	
Postage meter	1,100	
Telephones	500	\$10,400

Other Contracts:

Audit & legal	\$ 6,500	
Consultants fees – human resources	5,000	
Fidelity Bond and Fire Insurance	2,500	
P.O. Box Rental	300	\$14,300

Re Item 10 **Meetings** \$ 75,000

i) Annual General Meeting and Scientific Council Meetings:

This figure includes the cost for the 26th Annual Meeting, September 2004, Dartmouth, Canada, the Scientific Council Meeting, June 2004, Dartmouth, Canada and the Scientific Council Shrimp Meeting, November 2004, venue to be determined.

ii) Inter-sessional Meetings:

General provision for 3 or 4 inter-sessional meetings (Quota Allocation, Precautionary Approach, STACTIC, STACFAC) and travel costs associated with invited expert(s) to a Scientific Council Study Group on Precautionary approach.

iii) Symposium:

Travel costs associated with invited expert(s) to a Symposium titled “Ecosystem of the Flemish Cap”.

Re Item 11 **Computer Services** \$108,000

Network server replacement	\$10,000	
Computer supplies and equipment (toner, cartridges, hardware)	8,000	
Training	7,000	
Software Updates	5,000	
Consulting & Maintenance	2,000	
Web Hosting	1,000	\$33,000

Automated Hail System \$75,000

Re Item 12 **Recruitment and Relocation** \$ -

Expenses associated with the relocation of the outgoing and incoming Executive Secretary in the amount of \$73,000 were budgeted for the 2002 fiscal year. Only \$22,863 was expended during the fiscal year 2002 and \$39,000 was incurred during the 2003 fiscal year.

Annex 9. Preliminary Calculation of Billing for 2004

Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,500,000 for the 2004
financial year (based on 17 Contracting Parties to NAFO).
(Canadian Dollars)

Budget Estimate \$1,500,000.00

Deduct: Amount from Accumulated Surplus Account 147,463.00

Funds required to meet 2004 Administrative Budget \$1,352,537.00

60% of funds required = \$811,522.20
30% of funds required = 405,761.10
10% of funds required = 135,253.70

Contracting Parties	Nominal Catches for 2001	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Bulgaria	-	-	-	\$23,868.30	-	\$23,868.30
Canada	510,917	54.59%	\$84,082.04	\$23,868.30	\$443,009.97	550,960.31
Cuba (1)	-	-	-	\$23,868.30	-	23,868.30
Denmark (in respect of Faroe Islands and Greenland) (1,2)	116,499	12.45%	19,172.34	\$23,868.30	101,034.51	144,075.15
Estonia	11,228	1.20%	-	\$23,868.30	9,738.27	33,606.57
European Union	40,301	4.31%	-	\$23,868.30	34,976.60	58,844.90
France (in respect of St. Pierre et Miquelon)	2,969	0.32%	488.61	\$23,868.30	2,596.87	26,953.78
Iceland	5,077	0.54%	-	\$23,868.30	4,382.22	28,250.52
Japan	3,290	0.35%	-	\$23,868.30	2,840.33	26,708.63
Republic of Korea	-	-	-	\$23,868.30	-	23,868.30
Latvia	3,330	0.36%	-	\$23,868.30	2,921.48	26,789.78
Lithuania (1)	7,592	0.81%	-	\$23,868.30	6,573.33	30,441.63
Norway (1)	14,713	1.57%	-	\$23,868.30	12,740.90	36,609.20
Poland	758	0.08%	-	\$23,868.30	649.22	24,517.52
Russian Federation	27,332	2.92%	-	\$23,868.30	23,696.45	47,564.75
Ukraine (1)	405	0.04%	-	\$23,868.30	324.61	24,192.91
United States of America (1)	191,472	20.46%	31,510.71	\$23,868.30	166,037.44	221,416.45
	935,883	100.00%	\$135,253.70	\$405,761.10	\$811,522.20	<u>\$1,352,537.00</u>
Funds required to meet 1 January - 31 December 2004 Administrative Budget						<u>\$1,352,537.00</u>

(1) Provisional Statistics used when calculating 2001 nominal catches which have not been reported from some Contracting Parties.

(2) Faroe Islands = 13,142 metric tons
Greenland = 103,357 metric tons

Annex 10. Preliminary Budget Forecast for 2005
(Canadian Dollars)

1.	Personal Services	
	a) Salaries	\$ 856,000
	b) Superannuation and Annuities	83,000
	c) Group Medical and Insurance Plans	89,000
	d) Termination Benefits	25,000 ^a
	e) Accrued Vacation Pay	1,000
	f) Termination Benefits Liability	10,300
	g) Clerical (CR) retroactive salary liability	27,000
2.	Travel	38,700 ^b
3.	Transportation	1,000
4.	Communications	30,000
5.	Publications	20,000
6.	Other Contractual Services	43,000
7.	Additional Help	1,000
8.	Materials and Supplies	30,000
9.	Equipment	20,000
10.	Meetings	
	Annual General Meeting and	
	Scientific Council Meetings	73,000 ^c
	Inter-sessional Meetings	40,000
11.	Computer and Web Services	60,000
		\$1,448,000

^a This figure is for 2005 credits and conforms with NAFO Staff Rule 10.4(a).

^b Travel costs for 2005 include:

- i) the Deputy Executive Secretary and the Chair of STACREC to the Co-ordinating Working Party on Fish Statistics (CWP), 21st Session of the Food and Agriculture Organization of the United Nations (FAO), January/February 2005, Copenhagen, Denmark;
- ii) the Executive Secretary and the Deputy Executive Secretary to the 25th Session of the FAO Committee on Fisheries (COFI) and the Fourth Meeting of Regional Fisheries Bodies (RFB), February/March 2005, at FAO Headquarters, Rome, Italy; and,
- (iii) the Executive Secretary to the Annual Meeting of North Atlantic Regional Fisheries Management Organizations (NARFMO)
- iv) two staff members to the Annual Meeting of the International Fisheries Commissions Pension Society (IFCPS), April 2005, Victoria, Canada.

^c v) two staff members to review operations of the North-East Atlantic Fisheries Commission Secretariat
This figure includes the cost for the 27th Annual Meeting, September 2005 and Scientific Council Meetings June and November 2005.

Annex 11. STACFAD Recommendations to the General Council

1. the 2002 Auditors' Report be adopted.
2. new Auditors be retained to audit the Financial Records of NAFO for the year 2003.
3. approval of \$35,000 for estimated costs to be incurred in 2004 related to the ongoing operations of changes to the Automated Hail/VMS System.
4. approval of \$40,000 for estimated costs to be incurred in 2004 to update the VMS.
5. the issue of applying of the Canadian Pay Equity Settlement to NAFO employees in the clerical category be withdrawn from any further consideration.
6. the salary scales of four Secretariat employees in the CR category be adjusted to reflect current pay levels as per the Canadian Federal Public Service, effective 1 January 2004.
7. approval of back payment plus interest to those four employees, as a result of the postponement of salary adjustments, for the period 29 July 1998 to 31 December 2003.
8. for budgeting purposes, back payment and interest to the four employees will be distributed equally, over a three year period, commencing in 2004.
9. the Secretariat develop clearer and more detailed rules and procedures for the assessment, classification and ongoing review of NAFO Secretariat staff. STACFAD further recommended that the Secretariat engage a Human Resources consultant to ensure that these rules and procedures are compatible with the system of the Public Service of Canada with an estimated cost to NAFO's budget of \$5,000.
10. recruitment take place to find a replacement for an employee anticipated to retire in May 2005 with an overlap period of four months in order to ensure the requirements of this position as mandated would be met. STACFAD also recommend that the Secretariat hire in 2004 a part-time employee to help in the compilation, analysis and presentation of compliance data.
11. without prejudice to results of the overall review of the NAFO Secretariat staff, reclassification of a NAFO employee's position from category CR-6 to IS-3, to take effect 1 January 2004.
12. without prejudice to results of the overall review of the NAFO Secretariat staff, reclassification of a NAFO employee's position CR-5 to CR-6, to take effect 1 January 2004.
13. establishment of a Staff Committee with a mandate to provide advice and mediation in the event that a conflict within the Secretariat cannot be solved internally.
14. issue regarding a Headquarters Agreement be deferred until the next Annual Meeting.
15. the minimum balance in the Accumulated Surplus Account be increased from \$75,000 to \$125,000 in order to fulfill NAFO's financial obligations in early 2004. STACFAD further recommended that if any of the outstanding contributions are received by the end of 2003, the minimum balance in the Accumulated Surplus Account shall be reduced by the amount of that contribution until it reaches \$75,000.
16. at each annual meeting of NAFO, STACFAD and the Executive Secretary should identify specific goals which, in conjunction with the general duties as described in her work description, shall form the basis for evaluating eligibility for this performance pay allowance for the coming year.
17. the issue of a possible change in the job classification system and salary scale of the Executive Secretary be deferred to the 2004 Annual Meeting.
18. the budget of \$1,500,000 for the year 2004 be adopted.
19. the Secretariat prepare preliminary budget forecasts for two subsequent financial years to assist Contracting Parties in their respective budgetary process.

20. the dates for the 2006 Annual Meeting be as follows, with the location in Halifax, unless an invitation to host is extended by a Contracting Party and accepted by the Organization:

Scientific Council	-	06-15 September
General Council	-	11-15 September
Fisheries Commission	-	11-15 September

21. regarding media requests to attend NAFO meetings, the Executive Secretary's initiative to develop a media plan in consultation with Contracting Parties to be presented at the next Annual Meeting. In the interim, the following measures should apply:

- i) All requests for media access must be channeled through the Executive Secretary;
- ii) The Executive Secretary will consult with the Chairmen of the three bodies of NAFO, the host country and the country in which the media organization is based, with as much advance notice as possible and will decide if the access requested is appropriate; and
- iii) The Executive Secretary will then inform all Contracting Parties of the decision as soon as possible. If no objection is received from a Contracting Party within a specified time period, the decision will be understood to be accepted. The Executive Secretary will inform Contracting Parties of the status after the specified time period.