

## **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 13 September 2004.

The Chairman welcomed delegates and Dr. Johanne Fischer, Executive Secretary, Forbes Keating, Administrative Officer, and Stan Goodick, Finance Officer to the meeting.

Present were delegates from Canada, Denmark (in respect of Faroe Islands and Greenland), European Union, Japan, Latvia, Norway, Russian Federation, Ukraine, and the United States of America (Annex 1).

#### **2. Appointment of Rapporteurs**

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

#### **3. Adoption of Agenda**

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

#### **4. Auditor's Report for 2003**

The Auditor's Report was circulated to the Heads of Delegation of the General Council and STACFAD delegates in advance of the Annual Meeting.

Delegates were advised that, subsequent to last year's recommendation to change the auditing agency, the firm of Grant Thornton had been engaged to review the financial status of the Organization. The Finance Officer for NAFO presented the Auditor's Report and Financial Statements of the Northwest Atlantic Fisheries Organization for the year ended 31 December 2003. The audit determined the financial affairs of the Organization had been conducted in accordance with the Financial Regulations and budgetary provisions of NAFO and presented a fair and accurate accounting of the financial affairs of the Organization. Committee members reviewed these statements in detail with all liabilities and variances in expenditures versus budgeted items explained in detail.

**STACFAD recommended that the 2003 Auditor's Report be adopted.**

#### **5. Administrative and Financial Statements for 2004 (end July)**

Delegates reviewed the Administrative Report and Financial Statements for 2004 (through July) provided in document GC Doc. 04/1, Revised.

It was agreed that starting 2005 this report should include two reporting periods. The Administrative Report will cover the last 12 months prior to the Annual Meeting, i.e. September of the previous year to August of the present year. This report will in the future also include a section titled "Proposed Meetings" to assist the budget forecasting process within STACFAD. The Financial Statements will cover the calendar year of the Annual Meeting at which they are discussed, which is the fiscal year of the Organization.

The Executive Secretary reviewed the elements of the Administrative Report, i.e. the Membership, NAFO officers, Secretariat Staff, Meeting Schedule, Publication List and Fishery Statistics.

STACFAD Chair relayed to participants concerns expressed by Scientific Council regarding the timeliness of submission of Catch Reports that are needed for the scientific assessment of fisheries activities. Delegates were urged to convey this message to their respective authorities and ensure future compliance with this NAFO requirement.

The Finance Officer for NAFO reviewed the Financial Statements for 2004 (up to the end of July) explaining the variances between projected and actual expenditures to date.

Highlights were:

Expenditures for the year 2004 are projected to total \$1,488,000 which is \$12,000 lower than the approved budget of \$1,500,000.

He calculated the NAFO salaries based on the assumption that the salary contracts currently under negotiation between the Government of Canada and the unions can be finalized before the end of December 2004. No salary increases were paid in 2003 nor are they expected to be paid in 2004 until contracts are ratified. However, a possibility exists that negotiations might not have concluded by the end of the NAFO fiscal year.

Against the Secretariat's expectations, publication costs could not be lowered significantly in 2004, because more Journal volumes than foreseen had to be published and because a new format of the NAFO Conservation and Enforcement Measures had to be produced and distributed. It is noted that the purchase of a modern high speed, high volume black & white printer by the Secretariat will have the effect that less staff will be required in the production of NAFO publications in the near future. At present, the total volume of printed material produced by the Secretariat has reached a minimum that is not expected to be further reduced in the near future. The Executive Secretary explained that she remains committed to exploring all avenues of reducing publication costs.

Assessed Contributions and Expenditures – concern was expressed regarding outstanding contributions from 6 Contracting Parties, representing about 16% of the total approved budget for 2004 (\$234,111.65). **STACFAD recommended that Contracting Parties take immediate action to meet their financial obligations and bring financial stability to the Organization.** Outstanding to date are:

Cuba	\$24,266.74
France	\$27,403.72
Lithuania	\$19,368.00
Poland	\$24,926.80
Russia	\$48,358.75
USA (balance owing)	\$89,787.64

Footnote: Bulgaria is now two years in arrears (for a total of \$ 45,746.26) of its contributions and is unlikely to meet its obligations to date in 2004.

**STACFAD recommended that contributions from Bulgaria be deemed uncollectible and that this amount be applied against the accumulated surplus.**

Annex 3 outlines total outstanding contributions from Bulgaria, which includes previous arrears. The EU reported on Bulgaria's possible intention to withdraw from the Organization.

## 6. Review of the Accumulated Surplus Account

Delegates reviewed the Statement of Accumulated Surplus for the Year Ending 31 December 2004 (Estimated from 31 July 2004) as reflected in Statement IV of the Financial Statements contained in NAFO/GC Doc 04/1(revised).

As a result of discussions at the September 2003 Annual Meeting, wherein the United States indicated it was not in a position to fully meet its financial obligations to NAFO in 2003 and possibly 2004, STACFAD had recommended that the minimum balance in the Accumulated Surplus Account be increased from \$75,000 to \$125,000 in order to fulfil NAFO's financial obligations in early 2004.

Given the current state of uncertainty as to the payment of several outstanding contributions and in order to provide financial stability to the Organization, **STACFAD again recommended that the minimum balance in the Accumulated Surplus Account be \$125,000 in order to fulfil the financial obligations of the Organization in early 2005.**

## 7. Meeting of the Pension Society

The meeting of the International Fisheries Commissions Pension Society (for international fisheries commissions based in North America) was held in Washington, DC 28-30 April 2004. Report of the proceedings was distributed under STACFAD W.P. 04/8 and presented by the Administrative Officer for NAFO.

Highlights included:

- the Review Directorate of Department of Fisheries and Oceans (DFO) was engaged to audit the Statement of Operations of the Society before its 2003 Annual General Meeting
- the audited records and financial statements were presented and approved by the Membership
- the normal cost for employer's contribution share remains the same at 9.3%
- the Department of Fisheries and Oceans Canada reaffirmed its commitment to continue to assist the Society in administrative operations at no charge to the Society.
- The investment manager, McLean Budden, will continue rebalancing the agreed asset-mix of the Canadian investment fund (60% equity/40% bonds split)
- a telephone conference is scheduled in November to review the status of ongoing and new initiatives.
- time and place of the next annual meeting is Victoria, BC 13-15 April 2005.

## 8. Headquarters Agreement

The item Headquarters Agreement of NAFO was discussed at the 2003 Annual Meeting and deferred to this Annual Meeting.

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.

Discussions explored whether there existed a need to replace the current mechanism (Order-in-Council P.C. 1980-132) by a headquarters agreement. A Canadian law expert from Foreign Affairs Canada explained in detail that the present Order-in-Council recognizes NAFO as a legal international entity, and as such the Organization and its officers are provided with the full privileges and immunities described in the UN Convention on Privileges and Immunities of International Organizations.

The Government of Canada tabled correspondence dated 7 September 2004 which included the exchange of letters between the NAFO President (15 March 1979) and Director General of the Legal Bureau of the Dept. of External Affairs of Canada (29 January 1980). Appended to the Canadian letter was Order-in-Council SOR/80-64 registered 11 January 1980 which set out the privileges and immunities of NAFO.

The Canadian delegation explained that the Order-in-Council procedure by incorporating the provisions of Articles II, III, IV, V and VI of the Convention on the Privileges and Immunities of the United Nations incorporated all the elements found in more recent Canadian Headquarters Agreements including PICES and the North Pacific Anadromous Fish Commission. Canada indicated that its legal analysis determined that NAFO had the legal personality and diplomatic immunity called for in Article II(3) of the NAFO Convention.

The EU expressed the view that it is a matter of principle to have a Headquarters Agreement but wished to reserve further comments regarding the current Canadian practice until it had an opportunity to analyze the documentation circulated to the committee on the UN Convention and samples of Headquarters agreements.

Canada stated its view remained that the current agreement with NAFO fully met the needs of NAFO and that scarce staff resources, both of NAFO and member States, could be devoted elsewhere.

**STACFAD recommended that the discussion exploring a headquarters agreement for NAFO be deferred to the next Annual Meeting in 2005 to allow further analysis of this issue.**

## **9. Progress report on the website and electronic publications (presentation by the Executive Secretary)**

The Executive Secretary presented a comprehensive review of the functions and features of the NAFO member website. Steps taken to modernize and improve the site have produced direct savings in publication costs and increases in efficiency, making most documents available either through the public or through the member pages.

Delegates were pleased with the progress to date. In 2005, the Secretariat will continue its efforts to improve the website concentrating on the public pages and on providing added features such as a link to the NAFO web structure and search functions.

Members were advised that a new member password for 2005 will be distributed to registered Annual Meeting Participant and a “Heads” Password to each Heads of Delegation during the Annual Meeting. These new passwords will be effective starting 1<sup>st</sup> October 2004.

## **10. Rules for media attendance at NAFO meetings (introduction by the Executive Secretary)**

As a result of last year’s deliberations, the Executive Secretary presented a draft media policy (STACFAD W.P. 04/5, revised) (Annex 4). The practice to date has been to observe a “media blackout” from the beginning of the opening to the closing of the meeting.

Extensive discussions took place defining the conditions and process for media attendance, following which **STACFAD recommended that the General Council adopt the Media Policy concerning the conditions for attendance by media representatives at NAFO meetings outlined in Annex 4.**

Contracting Parties offered to assist the Executive Secretary with advice regarding the nature of documents to be compiled for the media (press kits).

STACFAD agreed that the new policy is only intended to apply to media participation in NAFO meetings and contacts with NAFO officers, and does not affect the ability of delegations to manage their own contacts with the media.

Although consensus was reached that media would be allowed to be present during the opening remarks of the Chairman of General Council, there was a difference of opinion expressed whether they would be permitted to stay during the opening statements of Contracting Parties. It was decided the Chairman of STACFAD would highlight these opinions to General Council.

## **11. Secretariat Human Resources (Presentation by the Secretariat)**

### **a) Proposed Rules and Procedures for the Assessment, Classification and Ongoing Review of the Secretariat Staff**

Last year STACFAD had recommended and received agreement for the Secretariat to develop clearer and more detailed rules and procedures for the assessment, classification and ongoing review of NAFO Secretariat staff. It was further agreed that the Secretariat engage a Human Resources consultant to ensure that these rules and procedures were compatible with the system of the Public Service of Canada.

The Executive Secretary presented STACFAD WP 04/1. A cost-saving reduction of NAFO Secretariat staff in the near future (9 instead of 11) will be possible as a result of continuous modernization and parallel expansion of staff’s expertise through hiring new and/or training existing staff. The suggested new structure of the Secretariat includes added areas of responsibilities as well as a flatter hierarchy and task sharing (reflected also in new job titles). For the purpose of classifying NAFO staff members, it is proposed to adopt the widely used “Hay” method. With the help of a Canadian job classification consultant, the Secretariat was able to achieve a fairly accurate determination of corresponding Canadian government salary categories for each NAFO position. To compensate NAFO staff for

comparatively low benefits without recurring to higher classification levels (as is done at present) it was proposed adding 10% to the gross salary of each employee (arriving to similar salary levels as the present ones). Annexes to this paper include a complete description of the proposed NAFO Classification System, detailed job descriptions for all NAFO Secretariat positions, and tables containing the results of the proposed classification method applied to NAFO positions along with the suggested Canadian salary categories and corresponding salaries.

After some discussion, consensus was reached that modernization of the Secretariat should be implemented using the proposed human resources strategy. Uncertainty remained with regard to the appropriate level of compensation which in the Secretariat's proposal was set at 10% to be added to the base salaries as determined in the classification review (and not on current salaries received).

Therefore, the Secretariat was asked to provide more information on (a) the disadvantages regarding benefits available to NAFO staff in comparison with Canadian government employees (see also STACFAD W.P. 04/11, revised) and (b) the added responsibilities of NAFO staff in comparison with a Canadian government employee of the same job classification (see also STACFAD WP 04/1, page 2 and 3). This should help STACFAD to determine an appropriate level of NAFO staff compensation above the base salary suggested. Several delegates expressed strong concerns about the disadvantages to the NAFO Staff identified in these Working Papers.

**STACFAD recommended the adoption in principle of the recommendations contained in STACFAD W.P. 04/1 concerning a new NAFO classification system for the Secretariat Staff, but further recommended to defer the decision as to the exact level of compensation to the next Annual Meeting.** As a consequence NAFO would be expected to implement this new classification system starting in 2006.

**STACFAD also recommended that the Working Group, recommended to be set up under Agenda Item 12 to re-examine the NAFO Staff rules, also discuss issues connected to the special work situation of the NAFO staff, including their benefits and responsibilities, in comparison with Canadian government employees.** This Working Group will be composed of the Executive Secretary, a representative of the NAFO Staff, Canada, EU and the Chair of STACFAD.

#### **b) Future Staff Development Plan**

The Executive Secretary acknowledged the need to continue modernizing the Organization while at the same time improving the cost efficiency of services rendered by the Secretariat in addition to expanding services to Contracting Parties. She outlined the manner in which this could be accomplished given the unique job sharing aspect of the proposed reorganization, thus reducing the number of staff by 2 full time employees.

As well, the new proposed organization structure would provide for developmental and senior level categories within some position classifications.

### **12. Staff Rules (Presentation by the Secretariat)**

The Executive Secretary proposed to revise the NAFO Staff Rules in 2005 with input from Secretariat staff and delegates. To this end **STACFAD recommended that a Working Group be established to assist in this revision of the Staff Rules and this Working Group will be composed of the Executive Secretary, a representative of the NAFO Staff, Canada, EU, and the Chair of STACFAD.** STACFAD also recognized the possibility of hiring a consultant to assist in this matter.

The Executive Secretary also gave a presentation on STACFAD W.P. 04/3 (revised) NAFO Staff Association and Staff Representative (Annex 5). She reviewed the mandate of the Staff Representative and provided an overview of the Staff Association and election of Staff Representatives including the rights of the Staff Representative. It is proposed that this document be annexed to the Staff Rules when these are revised next year. STACFAD members agreed to the principles outlined in the document tabled. In an effort to ensure the interests of staff are included and/or adequately reflected during relevant decision-making processes, **STACFAD recommended the endorsement of a Staff Association and Staff Representative.**

### 13. Update on Staff Committee

In 2003, General Council supported, in principle, STACFAD recommendation to establish a Staff Committee with a mandate to provide advice and mediation in the event that a conflict within the Secretariat cannot be solved internally. The Secretariat drafted some minor re-wording (STACFAD W.P. 04/4) (Annex 6) of the proposal that was approved last year to (a) reflect the fact that this paper represents now an agreed policy and not a proposal and (b) to eliminate the requirement that one staff committee member should be local. **STACFAD recommended endorsement of the STACFAD WP 04/4.**

The Secretariat nominated three individuals to become members of the Staff Committee for the next year. These are: Fred Kingston, Joanne Morgan, and Jim Baird. **STACFAD recommended that General Council appoint the three nominees.**

### 14. Salary of the Executive Secretary in comparison with other Regional Fishery Bodies (presentation by the Secretariat)

In 2003, STACFAD recommended the issue of possible change in the job classification system and salary scale of the Executive Secretary as well as the possibility of enhanced duties and responsibilities be deferred to the 2004 Annual Meeting.

It was determined at that time that in order for informed discussions to take place, further information regarding the application of the UN system as well as how other regional organizations have determined the position classification and salary of their respective Executive Secretaries would be required.

The Executive Secretary presented STACFAD W.P. 04/2 (Revised) (Annex 7) in an attempt to provide a comprehensive overview of the various issues highlighted in previous discussions.

Delegates recognized that the salary of the NAFO Executive Secretary is significantly lower relative to other regional fisheries organizations for work that is of a similar nature. It was also recognized that the Executive Secretary's salary does not reflect the costs arising from expatriation or compensate for limited security of employment and other disadvantages relative to Canadian Government employees at the executive level. Most delegates expressed the view that an adjustment to the salary was warranted in order to attract suitable candidates at the international level and to reflect costs arising from geographic relocation.

After extensive discussions were held on the subject, **there was no consensus on the means to adjust the Executive Secretary's salary or to modify the ceiling on the renewal of the Contract contained in Staff Rule 4.1.**

### 15. Appraisal of eligibility of Executive Secretary for performance bonus

Pursuant to a decision of General Council at the 24<sup>th</sup> 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.

STACFAD recommended that for 2005, the specific goals for evaluating the eligibility of the Executive Secretary for a performance pay allowance would be the following:

- Re-structure the public NAFO webpages to increase user friendliness and access to NAFO-related information by the public and to enhance NAFO's profile in the public
- Develop the NAFO electronic Journal
- Propose necessary changes to the Staff Rules taking into account the specific situation of the NAFO Secretariat, the regulations of the Canadian government and UN regulations.
- Contribute with substantial information to the determination of the level of compensation to be added to NAFO staff base salaries. This information should include definition of missing employment benefits in

NAFO in comparison with Canadian government employees and, where possible, determination of the financial consequences this might entail. It also should detail added responsibilities and duties of NAFO staff that their peers employed by the Canadian government are not expected to perform.

- Maintain effective capacity to produce the information requested by STACTIC for an annual compliance report to the Fisheries Commission.

## 16. NAFO Reception

The headquarters of the Organization is in Dartmouth and as such the Annual Meetings are usually conducted in Dartmouth. On occasion a Contracting Party will offer to host the meetings in their country, as well as provide for a reception, but for the most part, NAFO is the host organization.

Given the likelihood that a number of meetings will be held in the headquarters area, the Canadian delegate proposed a general expenditure be included as a budget item for the purpose of hosting a reception for the Membership, when meetings are conducted in Dartmouth.

**STACFAD recommended a budget of \$20,000 be included in the 2006 and 2007 budget forecast, to be used for the purpose of hosting a NAFO Reception.** Should a Contracting Party offer to host the NAFO Annual Meeting in 2006 or 2007, the funds will be deferred to the following year's budget.

## 17. Budget Estimate for 2005

**STACFAD recommended that the budget for 2005 of \$ 1,499,000 (Annex 8) be adopted.**

Highlights of the 2005 budget are as follows:

- The salary levels include a 2.5% estimate of increase to be adjusted when contract negotiations of the Canadian government are concluded.

Salary step increase of the Information Manager will for this year comprise two steps to reflect the level of expertise and responsibility reached within the last 12 months.

As agreed in 2003, there will be an overlap of the Conservation and Enforcement Measures Officer with the Fisheries Commission Coordinator for the first 4 months of 2005 (estimated costs of \$ 21,000).

A performance bonus of 10% for the Executive Secretary depending on approval of General Council has been budgeted.

- There are 9 essential meetings in 2005 related to international cooperation that need to be attended by the Executive Secretary or other Secretariat members, estimated at \$40,000. A sum of \$5,000 has been budgeted for miscellaneous travel that cannot be foreseen at this time.
- The Communication budget is projected to remain on the same low level as in 2004.
- Publications budget includes a special printing of the NAFO inspections forms.
- Other Contractual Services include the first instalment of approximately \$8,000 for a high speed, high volume black and white printer intended to replace the outdated printing presses currently in use.
- Additional help has been requested by Scientific Council to enable the Secretariat to develop a realistic estimate of the costs to digitize the detailed portion of the observer reports (including retrospective work). A sum of \$3,000 has been budgeted.
- The Annual Meeting 2005 will take place in Estonia. The budget estimate includes travel costs for 9 Secretariat Members and 2 local assistants.
- For the Vessel Monitoring System an additional \$8,000 were budgeted for programming related to the harmonization of NAFO reporting formats with those of NEAFC.

A preliminary calculation of billings for the 2005 financial year is provided in Annex 9.

## **18. Budget Forecast for 2006 and 2007**

STACFAD reviewed the preliminary budget forecast for 2006 (\$1,531,000) and 2007 (\$1,341,000) (Annex 10) and approved the forecasts in principle. It was noted that the budget for 2006 will be reviewed in detail at the next Annual Meeting. Items of note are:

- Due to the implementation of Secretariat restructure, the salary and benefits budgets will be lower.
- However, we foresee a one-time amount for international recruitment and relocation costs (\$44,000) when the Deputy Executive Secretary retires.
- We assume that the Annual Meeting will take place in Dartmouth and that the Secretariat will need funds (\$20,000) to organize a reception for delegates.

## **19. Time and Place of 2006 and 2007 Annual Meetings**

The dates of the 2005 Annual Meeting (location to be announced) are as follows:

Scientific Council	-	19-23 September
General Council	-	19-23 September
Fisheries Commission	-	19-23 September

The dates of the 2006 Annual Meeting (to be held in Halifax, N.S., Canada, unless an invitation to host is extended by a Contracting Party and accepted by the Organization) are as follows:

Scientific Council	-	13-22 September
General Council	-	18-22 September
Fisheries Commission	-	18-22 September

Scientific Council Representative pointed out that the dates for all the next Annual Meetings coincide with the ICES Annual Meetings with the result that a number of scientists will not be able to come to the NAFO Annual Meeting. STACFAD stated that the dates for 2005 and 2006 are already agreed.

**Nevertheless, STACFAD recommended the dates for the 2007 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	-	12-21 September
General Council	-	17-21 September
Fisheries Commission	-	17-21 September

## **20. Other issues including any questions referred from the General Council during the current Annual Meeting**

STACFAD understands that a member of the Secretariat, Gordie Moulton, will be retiring in 2005 after 35 years of dedicated service to NAFO. STACFAD wants to express its great appreciation for Gordie's service to this Organization and wishes him all the best in all his future endeavours.

STACFAD supports cooperation with other secretariats regarding the support of joint meetings or of meetings hosted by another organization. For this purpose, the NAFO Secretariat should take advantage of all possibilities of remote meeting support in the context of electronic communication tools. STACFAD encourages the Executive Secretary to seek and present possibilities to reduce costs to NAFO at all times.

## **21. Adjournment**

The final session of the STACFAD meeting adjourned on 16 September 2004.



### Annex 1. List of Participants

<b>Name</b>	<b>Contracting Party</b>
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. Administrative and Financial Statements for 2004 (end July)
6. Review of Accumulated Surplus Account
7. Meeting of the Pension Society
8. Headquarters Agreement of NAFO
9. Progress report on the website and electronic publications (presentation by the Secretariat)
10. Rules for media attendance at NAFO meetings (introduction by the Secretariat)
11. Secretariat Human Resources (Presentations by Secretariat)
  - a) Proposed Rules and Procedures for the Assessment, Classification and Ongoing Review of the Secretariat Staff
  - b) Future Staff Development Proposal
12. Staff Rules (presentation by the Secretariat)
13. Update on Staff Committee
14. Salary of the Executive Secretary in comparison with other Regional Fishery Bodies (presentation by the Secretariat)
15. Appraisal of eligibility of Executive Secretary for performance bonus
16. NAFO Reception
17. Budget Estimate for 2005
18. Budget Forecast for 2006 and 2007
19. Time and Place of 2006-2007 Annual Meetings
20. Other issues including any questions referred from the General Council during the current Annual Meeting
21. Adjournment

### **Annex 3. Schedule of Outstanding Contributions from Bulgaria**

The following is a summary of outstanding contributions from Bulgaria:

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
1 January – 31 December 2004	24,266.74
	\$175,543.01

**Annex 4. Proposed NAFO Media Policy**  
(STACFAD W.P. 04/5, Revised)

**Conditions for Attendance by Media Representatives at NAFO Meetings**

- 1) All media requests for participation at each NAFO meeting or for interviews with NAFO officers shall be directed to the Secretariat.
- 2) After verification of media credentials, the Executive Secretary will inform the Chairs of the relevant NAFO bodies, the host country and the country in which the media organization is based, with as much advance notice as possible.
- 3) Media representatives shall register with the NAFO Secretariat on arrival at the meeting and provide a Press card or a letter of authorization or other documentation from the appropriate company.
- 4) The Executive Secretary can authorize attendance of media representatives at the Public Sessions of General Council, Scientific Council and Fisheries Commission, i.e. official opening and closing of the meetings, and other sessions so designated by the bodies concerned.
- 5) No more than two representatives of a particular publication or company shall be allowed to attend the meeting. They are required to remain in a designated area within the meeting room. Depending on the meeting facility, the total number of media representatives attending the meeting may have to be restricted.
- 6) Media representatives shall not be permitted to make statements or ask questions during sessions.
- 7) The use of cameras and/or recording equipment can be permitted by the Executive Secretary during the Public Sessions of NAFO meetings provided that it is set up and operated in a non-disruptive way. One additional person per team may be allowed into the meeting room for the operation of technical equipment (e.g. cameras).
- 8) Media representatives must leave the meeting premises when they are not attending sessions of NAFO bodies.
- 9) Background and other information material pertaining to the meeting in question will be compiled specifically for media representatives by the Executive Secretary and either handed out to them during meetings or sent electronically upon request prior to the meeting.
- 10) a) The Executive Secretary will prepare the Press Release in collaboration with the Chairs of the General Council, Fisheries Commission and Scientific Council and agreed upon at the end of the General Council meeting.  
b) At the discretion of the President and the Executive Secretary, a Press Conference shall be held following the close of the Annual Meeting by the Chairs of the General Council, Scientific Council and the Fisheries Commission and the Executive Secretary.
- 11) Media representatives shall comply with these and with any other conditions determined by General Council or by the Executive Secretary.

## **Annex 5. NAFO Staff Association and Staff Representative** (STACFAD W.P. 04/3, Revised)

### **Mandate of the Staff Representative**

It is the obligation of the Staff Representative (SR) to ensure that staff interests are adequately presented in relevant decision-making processes. The SR has the obligation to contribute to management transparency by informing the staff in a timely fashion about important developments and decisions. Confidential and personal information cannot be disclosed without consent in writing of the individual(s) concerned. If in need of guidance, the SR can call a Staff Association meeting. In the case of a conflict within the Secretariat that cannot be solved internally, the SR can call upon the Staff Committee.

### **Staff Association and Election of Staff Representative**

The Staff Association (SA) guides and mandates the SR to take specific actions or present particular viewpoints to the employer. All NAFO staff on permanent or at least one-year contract excluding the Executive Secretary (ES) form the SA and shall have the right to vote at the SA meetings. Decisions are valid only if at least two thirds of the members participate at the meeting and only if all possible precautions have been taken to ensure that every member had the opportunity to participate. A decision should be reached by consensus; if that is not possible, a simple majority decides. Decisions can be taken by show of hands unless requested otherwise by at least one staff member. The rules of procedure of the SA can only be changed if at least 75% of the staff agrees.

The SA elects the SR (and Vice Staff Representative if such a position is desired by the SA) by secret ballot and by simple majority<sup>1</sup> for a term of 1 year starting January (if a SR is elected after January, his/her term still ends with the calendar year). Each staff member is eligible for the post and can be re-elected without restrictions. The SR can be voted out of office by simple majority at any time. The SA can decide to not have a SR. In this case, the SA must meet the following November, or prior to that upon request of 3 members, to re-discuss the issue. If the SR resigns, a meeting has to be called within a month to deal with the new situation.

The SR can call a Staff Meeting on his/her initiative. In addition, an extraordinary SA Meeting can be called upon request of at least 3 staff members with an agenda circulated at least 3 working days before the meeting.

### **Rights of the Staff Representative**

To fulfil his/her duties the SR has a number of rights, namely

- Be informed about all issues (facts, events, plans, etc), negative or positive, regarding personnel matters and work situation in a timely and comprehensive fashion
- Advise the Executive Secretary on staff preferences regarding work time regulations, work safety and health issues, review of Staff Rules, and other staff-related matters
- Participate in STACFAD meetings when personnel matters and work situation are discussed
- Be partially freed from ordinary work in order to research issues relevant to his/her function (point in time and amount of time granted to be agreed upon by ES and SA but not to exceed 20% of annual work time).
- Be protected from reprimand/dismissal on the grounds of his/her activities in this function.

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<sup>1</sup> If no candidate secures the required number of votes, then:

- (a) If there are only two candidates, voting shall be continued until a candidate is elected by simple majority.
- (b) If there are three or more candidates, the candidate receiving the lowest number of votes shall be eliminated and voting shall be continued until a candidate is elected. If there are two or more candidates receiving the lowest number of votes, it shall be decided by separate vote which candidate shall be eliminated.

## **Annex 6. Staff Committee** (STACFAD W.P. 04/4)

### **Mandate**

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.

The Staff Committee is mandated to advise and mediate in the rare event that conflicts within the Secretariat cannot be solved internally. The Staff Committee is composed of three (3) members nominated by members of the Secretariat and appointed by General Council. Members of the Staff Committee serve one year and can be re-elected at every Annual Meeting.

### **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, one or more members of the Staff Committee can be approached by (a) the Staff Representative, and/or (b) the Executive Secretary and/or (c) 3 staff members<sup>[1]</sup>.
3. The Staff Committee will treat all cases in the strictest confidence. The Staff Committee 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.

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<sup>[1]</sup> 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. Job Classification and Salary Scales of Executive Secretaries in Regional Fishery Bodies** (STACFAD W.P. 04/2, Revised)

In 2003, STACFAD asked the NAFO Secretariat to provide information on the United Nation'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.

This revised version is updated to include UN September post adjustments. Also, it is now based on a comparison of net salaries instead of gross salaries to reflect UN salaries in a more common way (UN post adjustment is added to net salaries with no deductions; the former representation where it was added to gross salaries might therefore lead to confusion). This doesn't affect the overall results.

### **1. United Nations salary level and salary scales**

**UN level of salaries:** The level of salaries for Professional staff is determined on the Noblemaire Principle (established in 1921) which states that the international civil service should be able to recruit staff from its Member States, including the highest-paid. Therefore, the salaries of internationally recruited (professional) staff are set by reference to the highest-paying national civil service.

The International Civil Service Commission (ICSC) makes a periodic check to identify the national civil service of the Member State which has the highest pay levels and which by its size and structure lends itself to a significant comparison. The federal civil service of the United States of America has to date been taken as the highest paid national civil service<sup>1</sup>.

The application of the Noblemaire principle in the UN also takes into account a number of non-quantifiable factors as:

- Limited stability and security of employment
- Limited promotion prospects, and
- Costs arising from expatriation.

This has the effect that the salary levels are set **above** those paid by the comparator civil service (10-20%).

**UN salary scales:** The base/floor salary scales for the Professional and higher categories are based on five Professional grades (P-1 to P-5), two Director levels (D-1 and D-2) as well as the levels of Assistant Secretary-General and Under Secretary-General in some organizations and Assistant Director-General and Deputy Director-General in others (see Annex 1, Table 1). The scales are expressed as gross and net base salaries and applied uniformly, worldwide, by all organizations in the United Nations common system. Net base salary is obtained by deducting staff assessment from gross base salary.

"Post adjustment" is paid on top of the base/floor salaries as a means to ensure that professional salaries have the same purchasing power at all duty stations. To compensate for significant variation of cost-of-living between duty stations "post adjustment" (a percentage of the salary) is set at different levels at each duty station. ICSC measures differences in cost-of-living through periodic place-to-place surveys and publishes a monthly "post adjustment index" for all duty stations. In addition to base salary and post adjustment, the UN pays a number of subsidies, grants, allowances, and benefits to their professional employees.

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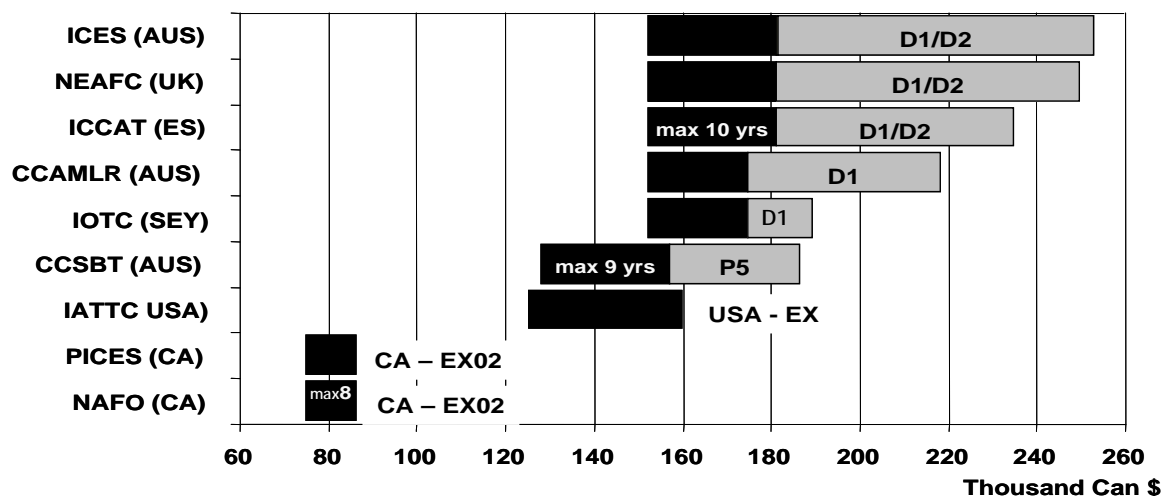
<sup>1</sup> This system has been criticized over the years, primarily due to the direct linkage to a single salary system: Some said that the resulting UN salaries were too low as civil services in other countries can be higher (e.g. Germany in 1995), others maintained that they might appear excessive to governments and taxpayers of countries with lower national salary levels. FICSA (Federation of International Civil Servants' Associations) complains that the level of Professional salaries in the UN is too low, particularly when compared with the salaries of other international civil servants working in the World Bank, OECD, and the European Commission and with those offered in the comparators private sector (FICSA/C/57/PSA/4)

## 2. Comparison of the salary of NAFO's Executive Secretary with that of other Regional Fishery Bodies

The following comparison includes nine well-known Regional Fishery Bodies (RFBs) with headquarters in **North-America** (IATTC, USA; NAFO and PICES, Canada), **Europe** (ICCAT, Spain; ICES, Denmark; NEAFC, UK), **Australia** (CCAMLR and CCSBT), and **Africa** (IOTC, Seychelles). Each of these RFBs shares between four and twelve Contracting Parties (CPs) with NAFO (see Table 1; e.g. over half of the NAFO CPs are also members in ICCAT, 60% are also members in ICES and more than 70% are also members in CCAMLR). Canada is a member in ICES, ICCAT, CCAMLR, and PICES.

Six of the nine RFBs have adopted the UN salary scales for their Executive Secretary, mostly on the director level (D1 or D2) and in one case on the highest professional level (P5; CCSBT). The three North American RFBs follow local salary scales (NAFO, PICES, IATTC).

NAFO ignores the differences between an international contractual employee and a permanent national government employee



**Figure 1. Net salaries of Executive Secretaries.**

*Black: net salary range after post adjustment of UN salaries for Montreal, Canada; Grey: actual net salaries at locality of the headquarter. ICCAT, IOTC and NAFO have a ceiling on contract renewal (maximum number of years).*

Figure 1 shows a comparison of Executive Secretaries' salaries<sup>2</sup>. The black portion of the bars represents the net salary ranges corrected for cost-of-living in Atlantic Canada (using the UN post adjustment index for Montreal, i.e. 136.4 in September 2004<sup>3</sup>). In reality, Executive Secretaries of our sample organizations have a net income of up to Can\$ 253,000 with an average of Can\$ 176,000. After post adjustment for Montreal, the maximum net pay would be Can\$ 181,279 and the average net income would be about Can\$ 153,573<sup>4</sup>. The USA based IATTC does not follow a UN salary scale; however, the post adjustment index for Washington (138.5) is similar to that of Montreal suggesting comparable living costs between USA and Atlantic Canada. Both Canadian-based Executive Secretaries have by far the lowest salary ranges.

In addition to a comparatively very low salary, NAFO has introduced a ceiling of 8 years for contract renewal of its Executive Secretary. Besides NAFO only two other RFBs in our sample prohibit contract prolongation after a fixed number of years (IOTC after 9 years, ICCAT after 10 years) (see Figure 1) but these two RFBs offer very competitive salaries.

To see whether the low salaries of Canada-based Executive Secretaries can be explained by a difference in the responsibilities of their Executive Secretaries or the size of their organizations, the RFBs in our sample were

<sup>2</sup> Comparison is based on maximum salaries. These salaries are reached automatically after 6 (D1), 9 (D2), or 13 (P5) years.

<sup>3</sup> This index results in a local conversion factor of 34.4% of the base salary which is added to the base salary.

Among NAFO CPs the post adjustment index varies between 123.6 for Estonia and 197.9 for Japan with an average of 142.4 for all NAFO member states (in Sep 2004).

<sup>4</sup> After post adjustment for Montreal, net salary for a P5 would be from Can\$ 128,044 to 156,932, a D1 from Can\$ 152,060 to 174,695 and a D2 from Can\$ 165,164 to 181,279.



compared regarding their mandate, number of staff, number of Contracting Parties, and annual budgets. Table 1 compares these variables to the hypothetical average salaries of Executive Secretaries if the headquarters of their organization was in Montreal (i.e. after post adjustment for Montreal).

Organization	Location	Net salary after PA Montreal, in Can\$, rounded	Mandate	# Staff	# CPs (# NAFO CPs)	Annual Budget, rounded (million Can \$) <sup>5</sup>
ICES	Copenhagen, Denmark	181,000	Scientific Advice	35	19 (10 + 9 EU)	5
NEAFC	London, UK	181,000	Management	4	6 (6)	3.8
ICCAT	Madrid, Spain	181,000	Sci. Adv. & Manag.	20	38 (9)	3
CCAMLR	N-Hobart, Australia	175,000	Sci. Adv. & Manag.	23	31 (12 + 9 EU)	2.5
IOTC	Victoria, Seychelles	175,000	Sci. Adv. & Manag.	11	22 (4)	1.5
IATTC	La Jolla, CA, USA	160,000 <sup>6</sup>	Sci. Adv. & Manag.	45	14 (4)	6.5
CCSBT	Canberra, Australia	157,000	Sci. Adv. & Manag.	5	5 (2)	2
PICES	Sydney, Canada	86,000	Research Coordination	4	6 (5)	0.7
NAFO	Halifax, Canada	86,000	Sci. Adv. & Manag.	13	17	1.5

*Table 1. Comparison of 9 RFBs regarding their average Executive Secretaries' (ES) net salaries (after post adjustment (PA) for Montreal, rounded to the nearest 1,000,) mandate, number of Contracting Parties (CPs), number of staff, and annual budget. Bracketed numbers under CPs indicate the number of NAFO CPs that are also members in the other organizations (in the cases of ICES and ICCAT, 9 members are individual EU countries that are represented through the EU in NAFO). Budget information may not be always up-to-date and has been rounded to the nearest 100,000.*

Although there are differences between RFBs with regard to the features compared, these are not staggering but are on a relatively small scale. It is obvious that none of these features can explain why the NAFO Executive Secretary earns less than half of what Executive Secretaries of most other RFBs earn. NEAFC, IOTC, or CCSBT, for example, rank similarly or lower than NAFO and among the 3 highest paying RFBs, two do not have a double mandate and one also has low numbers of CPs and staff.

It appears that most RFBs subscribe to the Noblemaire Principle when determining the salary of their Executive Secretary, i.e. they wish to make sure that the salary is competitive enough to attract individuals from all their member states.

### 3. Conclusions

From the above, it is clear that NAFO offers its Executive Secretaries the least attractive employment conditions from the sample reviewed: Not only does NAFO pay about half or less of the average salary of most other Executive Secretaries but NAFO also restricts contract renewal of this position through a ceiling of 8 years with the result of high future uncertainty of employment of their Executive Secretaries.

<sup>5</sup> Annual budgets tend to be closely linked to staff numbers (in general about Can\$ 110,000 to 180,000 per employee), with the exception of NEAFC (almost Can\$ 1 million per employee) and CCSBT (about Can\$ 400,000 per employee).

<sup>6</sup> For IATTC only gross salary figures are available. The gross salary figure upon which this estimate is based is Can\$ 237,000.

By treating the NAFO Executive Secretary exactly like a permanent government employee of Canada, NAFO does not compensate for the particular situation of a non-national executive who

- is recruited internationally and from among all economic sectors (not just the public one),
- has to relocate to another country and continent,
- works on a contract basis and does not have a permanent position (nor unemployment insurance or generous termination benefits) or even the possibility to retire in his/her position through contract prolongation if younger than 57 when hired, and
- will have to leave the country after termination of assignment.

The lack of job security and the insecure employment situation after his/her assignment can be especially aggravating for a non-permanent international employee. During his/her long absence, contacts and networks of relations in the home country will have weakened or disappeared making it difficult to find a job. Also, individuals past the age of 50 have a poor chance of being newly employed anywhere. In addition, it is often very difficult for an accompanying spouse to find local employment of acceptable level (due to unaccepted professional certificates, language barrier, lack of contacts, etc) resulting in the loss of a salary.

Most international organizations agree that it is highly desirable that the positions of their executives attract well qualified individuals from all member states and also from the private sector (Noblemaire Principle). Among NAFO Contracting Parties quite a few have civil services offering higher salaries to their citizens than those offered by the Canadian civil service. The private sector in Canada and in most other NAFO member states also pays much higher remunerations. Therefore, international recruitment of the Executive Secretary is difficult for NAFO under its current conditions of salary and benefits that are not even very appealing for Canadian citizens and much less so for non Canadians. Another disadvantage for NAFO resulting from the present situation is that NAFO Executive Secretaries who cannot expect to retire in their present position will be forced to start searching for alternative employment before the end of their assignment which will diminish their overall work efficiency during those last years.

In the past, there has been resistance among NAFO Contracting Parties to introduce a UN salary scale for the NAFO Executive Secretary and it was argued that salaries paid to government executives of the host country, Canada, should constitute adequate compensation for this position. However, even by Canadian standards for its own non-permanent public executives the presently used EX 02 salary category is quite low. The Canadian government recognizes that their public executives working on a contract basis and recruited from private and public sectors require higher compensation than their permanent government executives. Crown Corporations, for example, are Canadian government operated companies<sup>7</sup> with the objective to provide service to the public<sup>8</sup> (non-profit). Consequently, Chief Executive Officers (CEOs) of Canadian Crown Corporations follow a different and higher salary scale than permanent government executives (see Table 2, a and b).

In the light of these findings NAFO Contracting Parties might wish to reconsider the present salary compensation of the NAFO Executive Secretary. Such a discussion could contemplate the salary scale of Canadian Crown Corporations as an alternative to a UN salary scale. However, it should take into consideration that these remunerations for non-permanent Canadian public executives do not compensate for the described additional disadvantages connected to international relocation experienced by a NAFO Executive Secretary. In addition, reconsideration of the present ceiling for contract renewal of the NAFO Executive Secretary could be discussed.

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<sup>7</sup> Direct control by government is exerted over the corporation's budget and the appointment of its chairperson and directors.

<sup>8</sup> Canadian Crown corporations are used to control everything from the distribution, use, and price of certain goods and services, to energy development, resource extraction, public transportation, cultural promotion, and property management.

<b>Table a: CEOs of Can. Crown Corp.</b>	<b>2004 Job Rates \$000</b>	<b>At-Risk Pay</b>
<b>Group 1</b>	119.1	10%
<b>Group 2</b>	133.4	10%
<b>Group 3</b>	149.4	10%
<b>Group 4</b>	167.3	10%
<b>Group 5</b>	187.4	10%
<b>Group 6</b>	215.5	15%
<b>Group 7</b>	247.8	15%
<b>Group 8</b>	285.0	15%
<b>Group 9</b>	342.0	20%
<b>Group 10</b>	410.4	25%

<b>Table b: permanent government executives</b>	<b>2004 Job Rates \$000</b>	<b>At-Risk Pay</b>
<b>EX01</b>	102.5	10%
<b>EX02</b>	114.9	10%
<b>EX03</b>	128.5	10%
<b>EX04</b>	147.8	15%
<b>EX05</b>	165.5	15%
<b>DM01</b>	185.2	15%
<b>DM02</b>	212.9	20%
<b>DM03</b>	238.5	20%
<b>DM04</b>	267.2	25%

**Table2, a and b.** 2004 Job Rates and At-Risk Pay for (a)

CEOs of Crown Corporations and (b) for Canadian Government Executives and Deputy Ministers (from "Treasury Board of Canada Secretariat. Advisory Committee on Senior Level Retention and Compensation Sixth Report: May 2003").

**Examples for Canadian Crown Corporations** (from: "Treasury Board of Canada Secretariat. Advisory Committee on Senior Level Retention and Compensation Second Report: March 2000):

**Group 1**  
Atlantic Pilotage Authority  
Great Lakes Pilotage Authority

**Group 2**  
Canadian Race Relations  
Foundation  
Enterprise Cape Breton Corporation  
Laurentian Pilotage Authority  
Pacific Pilotage Authority

**Group 3**  
Defence Construction (1951)  
Limited  
Federal Bridge Corporation Limited  
Freshwater Fish Marketing  
Corporation  
Standards Council of Canada

**Group 4**  
Canadian Dairy Commission  
Canadian Film Development Corp

Canadian Museum of Nature  
National Arts Centre Corporation  
National Gallery of Canada  
Nat. Museum Science & Technol.  
Corp.

**Group 5**  
Canada Council  
Canada Lands Company Limited  
Canadian Commercial Corporation  
Can. Museum of Civilization Corp.  
Marine Atlantic Incorporated  
National Capital Commission

**Group 6**  
Canada Deposit Insurance  
Corporation  
Cape Breton Development  
Corporation  
Farm Credit Corporation  
International Dev. Research Centre

**Group 7**  
Business Development Bank of  
Canada  
Export Development Corporation  
Royal Canadian Mint  
Via Rail Canada Incorporated

**Group 8**  
Atomic Energy of Canada Limited  
Can. Mortgage and Housing Corp.

**Group 9**  
Bank of Canada  
Canadian Broadcasting  
Corporation

**Group 10**  
Canada Post Corporation  
Benchm. of Current Cash  
Compensation  
External Benchmarking

**Annex 8. Budget Estimate for 2005**

NORTHWEST ATLANTIC FISHERIES ORGANIZATION  
Budget Estimate for 2005  
(Canadian Dollars)

	Approved Budget for 2004	Projected Expenditures for 2004	Preliminary Budget Forecast for 2005	Budget Estimate for 2005
1. Personal Services				
a) Salaries	\$842,000	\$842,000	\$856,000	\$864,000
b) Superannuation and Annuities	78,000	80,000	83,000	92,000
c) Group Medical and Insurance Plans	88,000	72,500	89,000	87,000
d) Termination Benefits	50,000	50,000	25,000	30,000
e) Accrued Vacation Pay	1,000	1,000	1,000	5,000
f) Termination Benefits Liability	10,000	10,000	10,300	10,300
g) Clerical (CR) Retroactive Salary Liability	27,000	27,000	27,000	27,700
2. Travel	19,000	17,500	38,700	45,000
3. Transportation	1,000	1,000	1,000	1,000
4. Communications	30,000	29,000	30,000	30,000
5. Publications	20,000	30,000	20,000	25,000
6. Other Contractual Services	50,000	50,000	43,000	47,000
7. Additional Help	1,000	1,000	1,000	3,000
8. Materials and Supplies	30,000	30,000	30,000	30,000
9. Equipment	20,000	17,000	20,000	15,000
10. Meetings				
Annual General Meeting and Scientific Council Meetings	75,000	77,000	73,000	72,000
Inter-sessional Meetings	45,000	36,000	40,000	36,000
Scientific Council Special Session	5,000	5,000	-	-
Annual Meeting Reception	-	-	-	-
Hospitality Allowance	-	-	-	3,000
11. Computer and Web Services				
Computer and Web Services	33,000	33,000	25,000	31,000
Vessel Monitoring System	75,000	79,000	35,000	45,000
12. Recruitment and Relocation	-	-	-	-
	\$1,500,000	\$1,488,000	\$1,448,000	\$1,499,000

Notes on Budget Estimate 2005  
(Canadian Dollars)

Notes on Budget Estimate 2005  
(Canadian Dollars)

Re Item 1(a)	<b>Salaries</b> Salaries budget estimate for 2005 includes a 2.5% economic increase. The actual increase will be based on the economic increases received in the equivalent classifications of the Public Service of Canada.		\$864,000
Re Item 1(b)	<b>Superannuation and Annuities</b> Employer's portion (includes employer normal cost, past service liability and early retirement provisions) and administration costs.		\$92,000
Re Item 1(d)	<b>Termination Benefits</b> This figure is for 2005 credits and conforms to NAFO Staff Rule 10.4(a).		\$30,000
Re Item 2	<b>Travel</b> Travel costs associated with the following:		\$45,000
	i) the Executive Secretary and the Chair of STACREC to the Co-ordinating Working Party on Fish Statistics (CWP), 21 <sup>st</sup> Session, and the Fisheries Resources Monitoring Systems (FIRMS) Steering Committee Meeting and Workshop, 2 <sup>nd</sup> Session, of the Food and Agriculture Organization of the United Nations (FAO), February/March 2005, Copenhagen, Denmark; and,	\$14,000	
	ii) the 26 <sup>th</sup> 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,	6,000	
	iii) the Annual Meeting of North Atlantic Regional Fisheries Management Organizations (NARFMO), Rome, Italy; and,		
	vi) the Annual Meeting of the International Fisheries Commissions Pension Society, April 2005, Victoria, British Columbia, Canada; and,	6,500	
	v) the Review operations of the North-East Atlantic Fisheries Commission Secretariat; and,	9,000	
	vi) Miscellaneous and unforeseen travel; and,	5,000	
	vii) the Technical Working Group of Fisheries Resources Monitoring Systems (FIRMS).	4,500	
Re Item 4	<b>Communications</b> Postage Telephone Courier/Mail service Fax	\$13,000 12,800 3,200 1,000	\$30,000
Re Item 5	<b>Publications</b> Conservation and Enforcement Measures, Convention, Inspection Forms, Journal of Northwest Atlantic Fishery Science, Meeting Proceedings, Rules of Procedure, Scientific Council Reports, Scientific Council Studies, etc.		\$25,000

Re Item 6	<b>Other Contractual Services</b>		\$47,000
	Leases:		
	• Color laser printers (including buyout option)	\$9,400	
	• Photocopier	8,000	
	• Print department copier	7,900	
	• Postage meter	3,900	
	Maintenance Agreements:		
	• Photocopier, printers and telephones	4,000	
	Other Contracts:		
	• Audit	7,000	
	• Consulting & legal fees	4,000	
	• Fidelity bond and fire insurance	2,500	
	• P.O. box rental	300	
Re Item 7	<b>Additional Help</b>		
	Additional help required for Scientific Council recommendation to complete task of digitizing observer data.		\$3,000
Re Item 10	<b>Meetings</b>		
	i) Annual General Meeting and Scientific Council Meetings:		\$72,000
	This figure includes the cost for the 27 <sup>th</sup> Annual Meeting, September 2005, Tallinn, Estonia, the Scientific Council Meeting, June 2005 and the Scientific Council Shrimp Meeting, November 2005, to be held in Halifax/Dartmouth, Nova Scotia, Canada.		
	ii) Inter-sessional Meetings:		36,000
	General provision for inter-sessional meetings		
	iii) Scientific Council Special Session		-
	iv) Annual Meeting Reception		-
	v) Hospitality Allowance		3,000
Re Item 11	<b>Computer and Web Services</b>		
	Computer and Web Services:		\$31,000
	• Computer supplies and equipment	\$13,000	
	• Training and professional development	10,000	
	• Software updates	5,000	
	• Consulting and maintenance	2,000	
	• Web hosting	1,000	
	Vessel Monitoring System (VMS)		\$45,000
	• Annual Operating Expenses	\$37,000	
	• Possible recommendation to come from STACTIC during the Annual Meeting for programming changes to harmonize the VMS message format and reports by fishing vessels consistent with the formats used in NEAFC. The budget amount has been estimated and will be updated during the Annual Meeting.	8,000	

### Annex 9. Preliminary Calculation of Billing for 2005

Preliminary calculation of billing for Contracting Parties  
against the proposed estimate of \$1,499,000 for the 2005  
financial year (based on 13 Contracting Parties to NAFO).  
(Canadian Dollars)

Budget Estimate	\$1,499,000.00
Deduct: Amount from Accumulated Surplus Account	178,254.00
Funds required to meet 2005 Administrative Budget	<u>\$1,320,746.00</u>

60% of funds required =	\$792,447.65
30% of funds required =	396,223.75
10% of funds required =	132,074.60

Contracting Parties	Nominal Catches for 2002	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Bulgaria	-	-	-	\$30,478.75	-	\$30,478.75
Canada	507,877	54.04%	\$81,998.61	\$30,478.75	\$428,238.69	540,716.05
Cuba	-	-	-	\$30,478.75	-	30,478.75
Denmark (in respect of Faroe Islands and Greenland) (1,2)	143,532	15.27%	23,173.77	\$30,478.75	121,006.76	174,659.28
European Union (1)	68,935	7.33%	-	\$30,478.75	58,086.42	88,565.17
France (in respect of St. Pierre et Miquelon)	3,196	0.34%	516.01	\$30,478.75	2,694.33	33,689.09
Iceland	6,878	0.73%	-	\$30,478.75	5,784.87	36,263.62
Japan	3,256	0.35%	-	\$30,478.75	2,773.57	33,252.32
Republic of Korea	-	-	-	\$30,478.75	-	30,478.75
Norway (1)	14,362	1.53%	-	\$30,478.75	12,124.45	42,603.20
Russian Federation	28,412	3.02%	-	\$30,478.75	23,931.92	54,410.67
Ukraine	-	-	-	\$30,478.75	-	30,478.75
United States of America (1)	163,429	17.39%	26,386.21	\$30,478.75	137,806.64	194,671.60
	939,877	100.00%	\$132,074.60	\$396,223.75	\$792,447.65	<u>\$1,320,746.00</u>
Funds required to meet 1 January - 31 December 2005 Administrative Budget						<u>\$1,320,746.00</u>

(1) Provisional Statistics used when calculating 2002 nominal catches which have not been reported from Contracting Parties.

(2) Faroe Islands = 9,149 metric tons  
Greenland = 134,383 metric tons

**Annex 10. Preliminary Budget Forecast for 2006 and 2007**  
(Canadian Dollars)

		Preliminary Budget Forecast for 2006	Preliminary Budget Forecast for 2007
1.	Personal Services		
	a) Salaries	\$ 802,000	\$ 738,000
	b) Superannuation and Annuities	79,000	74,000
	c) Group Medical and Insurance Plans	85,300	76,000
	d) Termination Benefits	38,000	25,000
	e) Accrued Vacation Pay	5,000	1,000
	f) Termination Benefits Liability	-	-
	g) Clerical (CR) retroactive salary liability	27,700	-
2.	Travel	35,000	35,000
3.	Transportation	1,000	1,000
4.	Communications	30,000	30,000
5.	Publications	25,000	25,000
6.	Other Contractual Services	41,000	41,000
7.	Additional Help	10,000 <sup>a</sup>	1,000
8.	Materials and Supplies	30,000	30,000
9.	Equipment	20,000 <sup>b</sup>	10,000
10.	Meetings		
	Annual General Meeting and Scientific Council Meetings	83,000 <sup>c</sup>	79,000 <sup>c</sup>
	Inter-sessional Meetings	36,000	36,000
	Scientific Council Special Session	5,000	5,000
	Annual Meeting Reception	20,000	20,000
	Hospitality Allowance	5,000	5,000
11.	Computer and Web Services		
	Computer and Web Services	31,000	31,000
	Vessel Monitoring System	78,000 <sup>d</sup>	78,000 <sup>d</sup>
12.	Recruitment and Relocation	44,000 <sup>e</sup>	-
		<b>\$1,531,000</b>	<b>\$1,341,000</b>

<sup>a</sup> Additional help 2006 forecast is a continuation of Scientific Council recommendation of digitizing observer data.

<sup>b</sup> Equipment 2006 forecast includes \$10,000 for office renovations.

<sup>c</sup> Forecasted costs associated with Annual Meetings, September 2006/2007 and Scientific Council Meetings, June and November 2006/2007.

<sup>d</sup> Vessel Monitoring System forecasts for 2006/2007 include \$40,000 each year for programming changes, if required.

<sup>e</sup> Recruitment and Relocation costs forecast for 2006 are to replace the anticipated retirement of the Deputy Assistant Secretary.