

PART II

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

1. Opening by the Chair

The first session of STACFAD was opened by Fred Kingston (EU) on 19 September 2005.

The Chair welcomed delegates and members of the NAFO Secretariat to the meeting.

Present were delegates from Canada, Denmark (in respect of Faroe Islands and Greenland), European Union, France (in respect of St. Pierre et Miquelon), Norway, Russia, and the United States of America (Annex 1).

2. Appointment of Rapporteurs

Johanne Fischer and Stan Goodick (NAFO Secretariat), with assistance of Bob Steinbock (Canada), were appointed Rapporteurs.

3. Adoption of Agenda

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

4. Auditor's Report for 2004

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 the auditing firm of Grant Thornton LLP, Chartered Accountants had been engaged to audit the financial statements 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 2004. 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 2004 Auditor's Report be adopted.

5. Administrative and Financial Statements for 2005

Delegates reviewed the Administrative Report and Financial Statements for 2005 provided in document GC Doc. 05/1, Revised.

In 2004, STACFAD agreed that, starting 2005, this report should include two reporting periods. The Administrative Report now covers the last 12 months prior to the Annual Meeting, i.e., September of the previous year to August of the present year. This report now also includes 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. The EU relayed to participants its concern regarding the timeliness and accuracy of submission of Catch Reports that are needed not only for the scientific assessment of fisheries activities but are also in the calculation of Contracting Party contributions. **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 2005 (estimated from the end of July 2005) explaining the variances between projected and actual expenditures to date.

Highlights were:

- Expenditures for the year 2005 are projected to total \$1,516,000 which is below the approved budget.
- Considerable unforeseen costs were incurred in the beginning of 2005 when the X25 communication gateway used for the transmittal of VMS messages from national Fisheries Monitoring Centres to the Secretariat was terminated by the service provider on 7 January 2005 without prior notification. The Executive Secretary negotiated with the local service provider compensation in the order of \$32,000 for necessary modifications to the NAFO VMS software. Although a deficit in the VMS budget was unavoidable, the Secretariat was able to balance the additional VMS expenses with savings in other areas.
- Publication costs were considerably reduced mainly due to the implementation of such measures as more electronic publications, new CEM format, new Meeting Proceedings Format and a new printer.

Assessed Contributions and Expenditures – great concern was expressed regarding outstanding contributions from 5 Contracting Parties, representing about 21% of the total approved budget for 2005 (\$319,314.29). Outstanding to date are:

Cuba	\$55,604.15
Korea	\$31,175.31
Ukraine	\$31,175.31
USA*	\$199,230.97
Russia*	\$2,128.55

* See explanations below

Russia explained that its outstanding contribution is a result of exchange rate fluctuations between the time it paid and the time the payment was processed. Russia added that it intends to pay this outstanding amount shortly.

The USA Head of Delegation advised STACFAD that it would not be able to pay its full contribution level of \$199,231 but that NAFO could expect a partial payment of about \$56,000. The USA again expressed its frustration that the level of investment and participation in NAFO is inconsistent with the return and benefits it receives. As a fisheries management organization, the USA has no realistic opportunity to participate in NAFO fisheries. It is therefore realigning its commitment to NAFO with the level of its interests, and according to NAFO a commensurate priority in allocating its limited resources.

STACFAD recommended that Contracting Parties take immediate action to meet their financial obligations and bring financial stability to the Organization.

STACFAD recommended that outstanding contribution from Bulgaria (\$31,175.31) 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 2005 (Estimated from 31 July 2005) as reflected in Statement IV of the Financial Statements contained in NAFO/GC Doc 05/1 (revised).

A discussion arose concerning the possibility of raising the minimum balance of the Accumulated Surplus account from the current level of \$125,000 in order to allow the Organization to meet its financial obligations in early 2006 without having to borrow funds. Given the USA statement under agenda item 5, STACFAD recognized that almost 10% of the 2005 budget will not be paid this year (with the possibility of a similar situation in 2006). In addition, payments from several other Contracting Parties are uncertain. Denmark (in respect of Greenland and Faroe Islands)

noted, however, that increasing the Accumulated Surplus Account could send the wrong message to Contracting Parties that not paying their contributions would have no consequences for the Organization. Therefore, a further increase of the Accumulated Surplus Account might not be the right type of action under the present situation. This notion was shared by other delegates.

As a result, **STACFAD recommended that the minimum balance in the Accumulated Surplus Account remain at \$125,000. STACFAD also recommended that the Secretariat bill Contracting Parties in two instalments to encourage part of the contributions to be paid earlier and thus enable the Secretariat to have sufficient cash flow to operate in early 2006.** STACFAD also advised the Executive Secretary to prioritize and align resources when authorizing expenses.

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 Victoria, British Columbia, Canada 13-15 April 2005. Report of the proceedings was distributed under STACFAD W.P. 05/3 and presented by the Administrative Officer for NAFO. It is noteworthy that the tri-annual Actuarial Valuation Report indicated that the NAFO Pension Plan has an actuarial surplus of \$111,000. Also noted in the report is that normal cost for the employer's contribution will be increased from 9.3% in 2005 to 9.8% starting January 2006. Time and place of the next annual meeting is La Jolla, California, USA 5-7 April 2006.

8. Headquarters Agreement

The item Headquarters Agreement of NAFO was discussed at the 2004 Annual Meeting and deferred to this Annual Meeting.

EU said that it did not wish to address this issue at this meeting but that it wishes to maintain this agenda item for future meetings.

9. Renewal for lease of the NAFO Headquarters

The lease for NAFO Headquarters comes up for renewal in 2007. The Secretariat is very happy with the present accommodations and has conveyed this to the Public Works and Government Services Canada (PWGSC). STACFAD expressed appreciation to Canada for the good accommodations and requested that the lease be renewed to avoid a move which could be disruptive for the operations of the Organization. Canada advised that it is aware of the NAFO Secretariat's request and is communicating with PWGSC on the matter.

10. Level of compensation of NAFO staff members in relation to their Canadian Government peers (outstanding from the new Secretariat Structure adopted in 2004)

Last year NAFO adopted a new structure for the Secretariat (STACFAD WP 04/1) that included new job descriptions along with new titles, classifications using the "Hay" method and a determination of corresponding Canadian government salary categories for each new NAFO position. It had been proposed adding compensation to the gross salary of each new category. STACFAD had adopted the Working Paper (04/1) but uncertainty remained with regard to the appropriate level of compensation. Therefore, the Secretariat was asked to provide more information on (a) the disadvantages regarding benefits available to NAFO staff relative to a Canadian government employee and (b) the added responsibilities of NAFO staff in comparison with a Canadian government employee of the same job classification. This information was provided in STACFAD Working Paper 05/2 which proposed a total compensation of between 15% and 24% of salaries. Some participants expressed concerns that there could be difficulties in accepting the concept of base salaries plus percentage compensation and asked the Secretariat to revise the salary categories it proposed in 2004 to reflect additional staff responsibilities. The Secretariat then drafted and presented STACFAD WP 05/9 that proposes new Canadian salary categories for each Secretariat position identified in the Human Resources Strategy paper adopted in 2004. These new categories do not make up for all the recognized disadvantages. Therefore, the proposal of the Secretariat included (a) to apply for access to Canadian employment insurance for Canadian staff members and (b) to maintain the current overtime regulations and providing the Secretariat with an overtime pay-out provision to reduce absence from the office.

STACFAD recommended that the proposal for new salary categories as identified in STACFAD Working Paper 05/9 be approved along with budget provisions for employment insurance and overtime.

11. Staff Rules

The Secretariat presented its proposal for revised NAFO Staff Rules (STACFAD WP 05/1). STACFAD reviewed the proposed changes (STACFAD WP 05/1 Revised).

After much discussion, **STACFAD recommended the adoption of STACFAD WP 05/1 Revised (Annex 4)**. After adoption, the Secretariat is tasked with making the minor corrections necessary to provide consistency of those Articles of the Staff Rules that were left untouched by the revision with those that actually changed. **STACFAD asks the Secretariat to then circulate the new version to Contracting Parties within two months.**

STACFAD also requested the Executive Secretary and staff to implement a process of performance evaluation of staff as noted in Rule 5.4. Regarding a proposal for a repatriation grant for non-Canadian members of the Secretariat, which was not accepted, the Secretariat voiced concern that they are disadvantaged in comparison with Canadian members of the Secretariat given that Canadian employment insurance is only applicable to Canadians. A repatriation grant had been suggested to make up for this and other disadvantages for non-Canadian employees. The Secretariat requested that STACFAD discuss this issue at the next Annual Meeting based on additional background information to be provided by the Secretariat.

12. Adoption of 2006 Staff Committee Appointees

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

13. Preliminary Decision on 2006 Contracting Renewal of the present Executive Secretary

The Chair introduced the item and stated that, because of the desirability to advertise the position one year in advance, the decision should be taken in 2005, although the present contract was valid until the end of 2006. The item was then deferred to Heads of Delegation.

14. Discussion on modification of ceiling on the renewal of the Contract contained in Staff Rule 4.1

The Chair proposed that this item be deferred to Heads of Delegation.

15. Appraisal of eligibility of Executive Secretary for performance bonus

Pursuant to a decision of 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.

Heads of Delegation advised that the new salary category of the Executive Secretary, decided at the 26th Annual Meeting, includes an at-risk pay (i.e. performance bonus) of up to 10%. **STACFAD recommended, that for 2006, the specific goals for evaluating for the eligibility of the Executive Secretary for this performance pay allowance would be the following:**

Under the general supervision of the General Council, the Executive Secretary should focus on the following key elements in the management of the Organization during 2005-2006:

1. Improve and integrate service delivery and NAFO operations in a cost-effective way.

2. Within the constraints of the NAFO budget, enhance NAFO's management capacity through recruitment, targeted learning and staff development, and improved human resources management processes. In particular, this includes enhancing accountability and management practices by simplifying performance expectations and providing new tools to measure results more effectively.
3. Ensure balanced financial management by enhancing NAFO's ability to realign resources with priorities on an ongoing basis.
4. Promote professional values and ethics in the workplace through good interpersonal relationships and foster a positive, collaborative climate within the NAFO Secretariat and in relations within the Organization.
5. In particular, promote collaboration and improved communication between the Secretariat and the Scientific Council. With the Chair of the Scientific Council, develop a plan to improve support for the activities and programs of the Scientific Council.

16. Enhancement of Public Relations

The Executive Secretary introduced GC WP 05/5 that explained the activities the Secretariat had undertaken to advance NAFO's public image (new public web pages, Annual Report booklet) and what additional efforts would be necessary to expand and professionalize this area of services.

17. Translation of NAFO Reports and 19. Digitization of Archived Material

The Executive Secretary introduced STACFAD WP 05/5 explaining that more Observer Reports are submitted in languages other than English since 2005 and that there is no clear understanding among Contracting Parties whether the Convention and the Rules of Procedure require the submission of fishery reports in English. Therefore, the Secretariat proposed a modest translation budget for such reports in the order of \$2,500. In addition, most fishery reports and data continue to be submitted in either a paper format or in a text format unsuitable for easy transferral into a database. For that purpose, a budget of \$6,500 was proposed on the basis of the current requirements for digitization. STACFAD noted that the Secretariat is in the process of developing harmonized electronic forms that require final review by STACTIC. When these electronic forms become available, this budget item will no longer be required. Finally, the Executive Secretary explained that large amounts of fishery reports from previous years are archived in paper format at the Secretariat and are thus virtually inaccessible. A total amount of at least \$54,000 will be necessary to digitize this archived material by hired assistants. Such work would have to be spread over a number of years. The Secretariat proposed a budget of \$6,000 for the next 9 years to accomplish this task. **STACFAD recommended that (a) Contracting Parties be urged to submit their reports in English; (b) that the electronic form be developed quickly; and (c) that the Secretariat receive the necessary funds to translate and digitize the current and past fishery reports submitted by Contracting Parties.**

18. Evaluating of alternative VMS service providers and possible rules of re-tendering.

The Executive Secretary asked STACFAD whether the Organization would agree in principle to change the VMS service provider (TRACKWELL) if a re-tendering would prove long-term cost savings and more attractive service. **STACFAD endorsed that the Secretariat pursue a re-tendering of the VMS service provider with the understanding that the technical specifications given in the call for tender are adequate for the NAFO VMS database.** Any applications resulting from re-tendering will be reviewed by STACTIC and STACFAD at the next Annual Meeting.

19. Digitization of Archived Material

Discussion of this agenda item took place under agenda item 17.

20. Budget Estimate for 2006

STACFAD recommended that the budget for 2006 of \$ 1,519,000 (Annex 5) be adopted.

Points of note are the following:

- Through retirement and the reorganization of duties, staffing levels will be reduced by one full time employee for 2006. Also, in 2006, employment insurance and overtime pay will be included in the NAFO budget for the first time.
- Included in the travel budget is the new Programme for Professional Development Internship. Russia requested that the Executive Secretary provide a comprehensive explanation for the Secretariat's use of training funds in general and, specifically, to provide STACFAD with a more detailed work plan for such projects in advance. Also, Russia asked that the next STACFAD agenda consider a discussion in principle of more detailed work plans regarding training and professional development. In this context, STACFAD agreed to approve the expenditure for 2006 on a trial basis pending an evaluation at the next Annual Meeting.
- The Communication budget is projected to remain at the same level as in 2005. Russia asked that the Secretariat continue exploring alternatives for long distance plans.
- The Publications budget includes the initial production of M.P. Fahay "Early Stages of Fishes in the Western North Atlantic Ocean North of 35°N and West of 40°W" as a hardcover, two volumes monograph. Scientific Council recommended that this publication be sold for US\$100 which should recover the production costs over a period of several years.
- The new HTTPS gateway for the Vessel Monitoring System will save approximately \$10,000 per year. However, this reduction will be largely offset by higher annual maintenance fees charged by Trackwell.
- Recruitment costs for the new SC Coordinator are estimated in the order of \$28,000.

STACFAD recognized that the implementation of items is dependent on the timely receipt of contributions from Contracting Parties.

A preliminary calculation of billings for the 2006 financial year is provided in Annex 6.

21. Budget Forecast for 2007 and 2008

STACFAD reviewed the preliminary budget forecast for 2007 (\$1,401,500) and 2008 (\$1,453,000) (Annex 7) and approved the forecasts in principle. It was noted that the budget for 2007 will be reviewed in detail at the next Annual Meeting. STACFAD noted that, due to the implementation of Secretariat restructuring, the salary and benefits budgets will be lower.

22. Election of Chair and Vice-Chair

Fred Kingston (European Union) was elected Chair and Frederik Schmidt (Denmark in respect of Greenland and the Faroe Islands) was elected Vice-Chair.

23. Time and Place of 2006 - 2008 Annual Meetings

The Scientific Council Representative pointed out that the dates for the 2006 Annual Meeting again coincide with the ICES Annual Meeting 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 2006 could not be changed due to booking requirements of the venue. However, the dates for the 2007 and 2008 meetings could be changed to avoid a conflict of meetings for many Scientific Council participants (even though the ICES meeting dates for 2007 and 2008 are still unknown).

The dates of the 2006 Annual Meeting (in Dartmouth) are as follows:

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

STACFAD recommended that

The dates of the 2007 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	-	24 September - 3 October
General Council	-	24 - 28 September
Fisheries Commission	-	24 - 28 September

The dates of the 2008 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	-	22 - 26 September
General Council	-	22 - 26 September
Fisheries Commission	-	22 - 26 September

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

STACFAD noted that two NAFO staff members will retire later this year. STACFAD expressed its appreciation to Forbes Keating who served NAFO for 3.1 decades and has been active in STACFAD for most of this time. Forbes' contribution to STACFAD will be missed. We all wish Forbes the very best for his future endeavours. Ron Myers has been the Secretariat's Graphic Arts and Printing Technician for 33 years and STACFAD thanks him for his dedication and wishes him all the best for his retirement.

25. Adjournment

The final session of the STACFAD meeting adjourned on 22 September 2005

Annex 1. List of Participants

Name	Contracting Party
Gregory Peacock	Canada
Bob Steinbock	Canada
Emmanuel Rosing	Denmark (in respect of Faroe
Frederik Schmidt	Islands and Greenland)
Fred Kingston	European Union
Manfred Stein	European Union
Patrick Brenner	France (in respect of St. Pierre et Miquelon)
Anniken Krutnes	Norway
Leonid Kokovkin	Russian Federation
Jack Dunnigan	United States of America
Nancy Jamison	United States of America
Johanne Fischer	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 2005
6. Review of Accumulated Surplus Account
7. Meeting of the Pension Society
8. Headquarters Agreement of NAFO
9. Renewal of lease for NAFO Headquarters
10. Level of compensation of NAFO staff members in relation to their Canadian Government peers (outstanding from the new Secretariat structure adopted in 2004)
11. Staff Rules (report of Working Group)
12. Adoption of 2006 Staff Committee Appointees
13. Preliminary Decision on 2006 Contracting Renewal of present Executive Secretary
14. Discussion on modification of ceiling on the renewal of the Contract contained in Staff Rule 4.1
15. Appraisal of eligibility of Executive Secretary for performance bonus
16. Enhancement of Public Relations
17. Translation of NAFO Reports
18. Evaluation of alternative VMS service providers and possible rules of re-tendering
19. Digitization of Archived Material
20. Budget Estimate for 2006
21. Budget Forecast for 2007 and 2008
22. Election of Chair and Vice-Chair
23. Time and Place of 2006-2008 Annual Meetings
24. Other issues including any questions referred from the General Council during the current Annual Meeting
25. 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
1 January – 31 December 2005	31,175.41
	\$206,718.42

Annex 4. Staff Rules

SECTION 1. Scope and General Provisions

Rule 1.1

These Staff Rules establish the fundamental principles of employment, regulate the working relationships and set out the rights and responsibilities of employees in the service of the Northwest Atlantic Fisheries Organization (hereinafter referred to as the "Organization").

Rule 1.2

The amount of leave with pay, sick leave credits and severance benefits credited to members of the Secretariat, at the time when these Staff Rules become effective, or at the time when those members become subject to them, shall be retained intact.

Rule 1.3

In these Rules:

- 1) **"Staff members"** are the permanent members of the staff of the Secretariat.
- 2) **"Members of the Secretariat"** are the Executive Secretary and the staff members.
- 3) **"Employees"** are all personnel hired or contracted by the Organization for service in the Secretariat.
- 4) **"General Council"**, **"Secretariat"** and **"Executive Secretary"** are the entities defined in the text of the International Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries, done at Ottawa, on 24 October 1978, hereinafter referred to as "the Convention".
- 5) **"Regular Pension Scheme"** is the pension plan of the International Fisheries Commissions Pension Society established by Canada and the United States for all employees of international fisheries commissions with headquarters in either of those two countries.
- 6) **"Social Security Plans"** are the life and disability plans of the Northwest Atlantic Fisheries Organization.
- 7) **"Separation from service"** is the ending of employment for any reason whatsoever, as in lay-off, resignation, retirement, termination of appointment by either side or death.
- 8) The **"Staff Association"** is composed of all NAFO staff on a permanent or at least a one-year contract excluding the Executive Secretary (see Annex 1).
- 9) The **"Staff Representative"** is elected as a spokesperson by the Staff Association (see Annex 1).
- 10) The **"Staff Committee"** is composed of 3 members appointed by General Council to mediate in the event of internal conflicts within the Secretariat (see Annex 2).

SECTION 2. Duties, Obligations and Privileges

Rule 2.1

Members of the Secretariat are international civil servants. Upon assuming their responsibilities they shall discharge their duties faithfully and conduct themselves in the best interests of the Organization.

Rule 2.2

Employees are not expected to renounce their national feelings nor political nor religious convictions while working for the Secretariat. They are however expected to conduct themselves in a manner consistent with the international nature of the Organization. They must always exercise loyalty, discretion and tact in the performance of their duties and shall avoid actions, statements and public activities which might be detrimental to the Organization and its aims.

Rule 2.3

All employees are responsible to the Executive Secretary in the fulfilment of their duties, and shall not accept directions or instructions from any authority other than the Executive Secretary. In the case of the Executive Secretary, the Chairman of the General Council shall give such directions to the Executive Secretary as will ensure that the business of the Organization is carried out efficiently and in accordance with its decisions.

Rule 2.4

Authorization for the release of information for official purposes shall lie with the Organization or the Executive Secretary, as the Convention may require. Otherwise employees should abstain from releasing information they possess by reason of their position.

Rule 2.5

Employees shall not be restricted in engaging in other employment outside the hours they are required to work for NAFO as long as this work does not represent a conflict of interest with their position in the Organization.

Rule 2.6

No member of the Secretariat may be actively associated in the management of a business, industry or other enterprise, or have a financial interest therein if, as a result of the official position held in the Secretariat, that person may benefit from such association or interest. Ownership of non-controlling stock in a company shall not be considered to constitute a financial interest in the meaning of this Rule.

Rule 2.7

All members of the Secretariat shall reside in the area where the headquarters of the Organization is located. A staff member can be specifically exempted from this obligation by the Executive Secretary under extraordinary circumstances.

Rule 2.8

Members of the Secretariat shall enjoy the privileges and immunities to which they are deemed to be entitled as a consequence of the NAFO Convention and pursuant to the Northwest Atlantic Fisheries Organization Privileges and Immunities Order (Order-in-Council P.C. 1980-132, 11 January 1980), or under any agreement signed between the Organization and the Contracting Party concerned.

Rule 2.9

The Executive Secretary is empowered to delegate to any staff member those duties considered necessary to achieve the most efficient operation of the Secretariat.

Rule 2.10

Staff members have the right to form a Staff Association and elect a Staff Representative according to the rules specified in Annex 1.

Rule 2.11

Members of the Secretariat can call upon the Staff Committee in case of conflicts that cannot be solved internally according to the rules specified in Annex 2.

SECTION 3. Recruitment and Appointment

Rule 3.1

In accordance with Article XV.2 of the Convention, the General Council shall appoint the Executive Secretary and shall establish tenure, remuneration and other conditions and entitlements as appropriate, within the principles of these Rules. The term of the Executive Secretary's office shall be four (4) years subject to the possibility of renewal by the General Council for one (1) more four (4)-year period.

Rule 3.2

In accordance with Article XV.3 of the Convention, the Executive Secretary shall appoint all staff members.

Rule 3.3

Staff members of the Secretariat are recruited as follows:

- a) Coordinators: Positions of high responsibility of a managerial or scientific nature (Professional category) are to be filled by appropriately qualified professionals, preferably with advanced university qualifications or the equivalent. Staff members in this category will be recruited internationally among citizens of Contracting Parties of the Organization.
- b) General Services: Positions of general administrative and technical nature shall be recruited locally, if possible, otherwise nationally from the host country.

Rule 3.4

Staff members are generally appointed under a probation period of six (6) months. During the probation period either party may terminate the appointment upon written notice of one (1) month, or a shorter period if mutually agreed

Rule 3.5

Upon appointment at the start of the probation period, each staff member shall receive a letter of appointment stating: a) nature of the appointment, specifying the duties of the position and its title; b) date of appointment, coinciding with the beginning of the probation period; c) period of the appointment, either on a fixed term or a continuing basis, from the beginning of the probation period; d) category, level, initial salary, scale of increments and any allowances; e) any special terms and conditions which may be applicable; and f) that the appointment is subject to the Staff Rules.

Upon receipt of the letter of appointment and on or before the end of the period of probation, staff members shall indicate in writing that they are familiar with the terms of the appointment as specified and with the Staff Rules, and that all conditions are acceptable.

Rule 3.6

As a condition of the appointment, staff members must be willing to submit to a medical examination and present a resulting certificate stating that they have no medical conditions which might prevent them from performing their duties, or which might endanger the health of others; they may be required to undergo further medical examination from time-to-time at the expense of the Organization.

SECTION 4. Hours of Work and Pay Periods

Rule 4.1

The normal working week shall consist of thirty seven and a half (37-1/2) hours, Monday through Friday.

The Executive Secretary shall establish the detailed working hours, and may alter them for the benefit of the Secretariat, as circumstances may require.

Rule 4.2

The Organization will pay the members of the Secretariat twice a month, the reference days as pay days being the fifteenth (15th) day and the last day of each month. Members of the Secretariat will be given their pay cheques two (2) banking days before the pay days.

SECTION 5. Salaries, Allowances and Other Remuneration (old Section 6)

Rule 5.1

The scale of salaries, allowances and any other relevant conditions of employment for staff members shall be established and reflect to the extent possible the salary levels, allowances and conditions pertaining to similarly employed persons occupying similar positions in the public sector of the host country, subject to the NAFO Financial Regulations. The Executive Secretary shall be responsible for the determination of the appropriate public sector analogues following the procedures described by the "NAFO Staff Classification System".

Rule 5.2

Classification of staff members follows the procedures established by the "NAFO Staff Classification System". A new classification of a staff member can be provisionally authorized by the Executive Secretary and will be submitted for approval of the Organization at its next annual meeting.

Rule 5.3

Salaries, allowances and other remuneration shall be paid in the national currency of the host country.

Rule 5.4

The starting salary shall be that established according to the principles of Rules 5.1 and 5.2. Members of the Secretariat will receive a step increase in salary for each year of service to the maximum defined by their category level based on the principles established by the public sector of the host country. This increase can be denied if the staff member's performance has been considered unsatisfactory by the Executive Secretary, subject to the approval of the Organization at its next annual meeting.

Rule 5.5

When, at the request of the Executive Secretary, staff members are required to work more than thirty seven and a half (37-1/2) hours per week, or outside the detailed normal working hours or days, this will be compensated with leave or pay equivalent to the hours of overtime worked. The Executive Secretary will determine the correspondent equivalent leave or pay based on the principles for payment of overtime by the public sector of the host country.

Rule 5.6

The Organization will pay for justified hospitality and representation expenses incurred by the Executive Secretary, after promptly documented claims for the corresponding expenses have been submitted. Exceptionally the Executive Secretary might authorize a Coordinator or any other member of the staff to participate in this type of activity and the corresponding expenses will be limited to the amounts and circumstances the Executive Secretary will define.

SECTION 6. Leave and Holidays

A. Annual Leave

Rule 6.1

Members of the Secretariat shall be entitled to annual leave with pay at the following rates:

- a) one and one-quarter ($1+1/4$) days for each calendar month until the month in which the anniversary of the employee's eighth (8th) year of continuous employment occurs;
- b) one and two-thirds ($1+2/3$) days for each calendar month commencing with the month in which the employee's eighth (8th) anniversary of continuous employment occurs;
- c) one and five-sixth ($1+5/6$) days for each calendar month commencing with the month in which the employee's sixteenth (16th) anniversary of continuous employment occurs.
- d) one and eleven-twelfths ($1+11/12$) days for each calendar month, commencing with the month in which the employee's seventeenth (17th) anniversary of continuous employment occurs;
- e) two and one-twelfth ($2+1/12$) days for each calendar month, commencing with the month in which the employee's eighteenth (18th) anniversary of continuous employment occurs;
- f) two and one-quarter ($2-1/4$) days for each calendar month commencing with the month in which the employee's twenty-seventh (27th) anniversary on continuous employment occurs;
- g) two and a half ($2-1/2$) days for each calendar month commencing with the month in which the employee's twenty-eighth(28th) anniversary on continuous employment occurs;
- h) For the purposes of leave entitlements in accordance with these staff rules, the Executive Secretary or a Coordinator (Rule 3.3 (a)) may receive credit for continuous years of service prior to joining NAFO in federal or provincial governments (and international equivalencies), and years of service in other international organizations as agreed by a signed contract between the employee and NAFO;
- i) The Executive Secretary will determine the acceptability of past years experience of an employee in the General Services Category (Rule 3.3b).

Rule 6.2

Annual leave shall be authorized in advance by the Executive Secretary who, insofar as possible, shall bear in mind the personal circumstances, needs and preferences of staff members. Nevertheless, the leave period shall not cause disruption of normal Secretariat operations and consequently leave shall be subject to the exigencies of the Organization.

Rule 6.3

Members of the Secretariat are expected to take all their annual leave during the year in which it accrues. When in any year a staff member has not been granted all of their accrued annual leave, a maximum of twenty-five (25) work days of the unused accrued leave may be carried over to the following year.

Rule 6.4

Annual leave in anticipation of future days to be accrued shall be at the discretion of the Executive Secretary.

Rule 6.5

Staff members while on probation are not to be granted annual leave, although they shall accrue such a leave from the beginning of their appointment

B. Official Holidays

Rule 6.6

Members of the Secretariat shall be entitled to the paid holidays traditionally celebrated in the location of the headquarters of the Organization. Such official holidays shall be announced by the Executive Secretary at the beginning of the year. If any of these dates fall on a Saturday or a Sunday, the holiday shall be observed on another day, to be set by the Executive Secretary, subject to service needs and, if possible, staff preference.

C. Sick Leave

Rule 6.7

Members of the Secretariat shall earn sick leave credits at the rate of one and a quarter (1-1/4) days for each calendar month during which they worked for at least ten (10) days.

Rule 6.8

No member of the Secretariat shall be granted sick leave for a period of more than three (3) consecutive days, and more than a total of seven (7) working days in any calendar year without producing a medical certificate. A staff member shall not, whilst on sick leave, leave the area of the Organization without the prior approval of the Executive Secretary.

Rule 6.9

Members of the Secretariat shall be granted sick leave with pay when they are unable to perform their duties because of illness or injury provided that:

- i. they satisfy the Executive Secretary of their condition
- ii. They have the necessary leave credits

Rule 6.10

When a staff member has insufficient or no credits to cover the granting of sick leave with pay, sick leave with pay may, at the discretion of the Executive Secretary, be granted for a period of up to fifteen (15) working days, subject to the deduction of such advanced leave from any sick leave credits subsequently earned, and, in the event of termination of employment for reasons other than death or lay-off, subject to the recovery of the advance, from any monies owed the staff member. No deduction and no recovery of the advance are to be affected if the sick leave is considered the result of injury on duty, in which case the advance sick leave credits to a maximum of six (6) months could be provided at the discretion of the Executive Secretary.

Rule 6.11

Accidents at work must be reported immediately to the Executive Secretary.

D. Marriage Leave

Rule 6.12

After the completion of one (1) year continuous employment, and provided that ten (10) days notice is given, any member of the Secretariat has the right to be granted five (5) days leave with pay for the purpose of getting married.

E. Parental Leave

Rule 6.13

Members of the Secretariat who have completed their probation period shall be entitled to maternity leave for pregnancy upon presentation of medical certificate and a written application submitted at least four weeks before such absence is to commence for a period not exceeding 17 weeks. The maternity leave shall begin no earlier than eleven weeks before the anticipated date of delivery set out in the medical certificate and shall terminate no later than 17 weeks following the actual date of confinement.

Every employee who has completed six months of continuous service with NAFO is entitled to leave of absence up to a maximum of thirty-seven (37) weeks in the year following either (a) the day the child is born, or (b) the day the child comes into the employee's actual care and custody upon a written application submitted at least four weeks before such absence is to commence. Either one parent may take all the parental leave or both parents may share the parental leave. In either case, the total parental leave cannot exceed thirty-seven (37) weeks. The total aggregated amount of maternity and parental leave that may be taken by one or two employees in relation to the same birth or adoption is fifty two weeks.

During maternity and parental leave salary will be paid at a rate of 50% of the gross salary plus full employer's benefits. Alternatively, a rate of 100% of the gross salary can be paid for up to 8.5 weeks of maternity leave and 17.5 weeks of parental leave. During this period the staff member shall continue to receive allowances based on his/her salary, including accrual of annual leave, provided he/she continues to remain in the Organization's employment for a period of at least six (6) months after returning to work. Should he/she fail to return to work for the required six (6) month period she shall be indebted to the Organization for the amounts received as maternity or parental leave pay and allowances. At the expiration of the leave, the employee shall be reinstated to the position prior to the commencement of the leave or where this is not possible, to a comparable position with the same wages and benefits and in the same location.

F. Other Leave

Rule 6.14

The Executive Secretary is empowered to grant requests by a staff member for leave with pay in cases of bereavement or exceptional family related responsibilities. In the case of death of an immediate family member the period of leave with pay shall normally be five (5) working days.

Rule 6.15

At the discretion of the Executive Secretary leave may be granted with or without pay for purposes other than those specified in these Rules (e.g. compassionate care).

G. Application for Leave

Rule 6.16

As far in advance of the leave period as possible, a form titled Application for Leave is to be completed by each staff member.

H. Irregular Leave or Absence

Rule 6.17

Any leave or absence not acceptable within the terms of these Rules shall be deducted from the annual leave and its payment will be at the discretion of the Executive Secretary.

SECTION 7. Social Security

Rule 7.1

It shall be a condition of employment that members of the Secretariat join the Regular Pension Scheme and the Social Security Plans set up by the Organization covering life and disability insurances.

Rule 7.2

It shall be a condition of employment that members of the Secretariat, who have been advised, under the terms of Rule 7.1, that they cannot comply with provision of the Regular Pension Scheme and/or Social Security Plans, make appropriate personal arrangements to cover, as necessary, retirement, medical and hospital, life and disability insurances, which shall be initiated as early as possible and duly documented before the end of the first year of employment. Costs to the member of the Secretariat of achieving this coverage shall be met by the Organization in accordance with such rules as it may prescribe, provided that such costs contributed by the Organization shall not exceed fourteen percent (14%) of the total of the salary and salary-related allowances of the member concerned. Costs in excess of this figure shall be the responsibility of that member.

SECTION 8. Travel and Transportation

Rule 8.1

All official travel shall require previous authorization by the Executive Secretary.

Rule 8.2

With regard to official travel, members of the Secretariat shall be entitled to a travel allowance, payable in advance for travel expenses, accommodation, daily living expenses, and any other type of expenses necessarily incurred by reason of travel.

Rule 8.3

Economy Class shall be utilized, wherever feasible, for air travel. Business Class shall be used on the authority of the Executive Secretary only. Exceptionally, when no reasonable alternative is available the Executive Secretary may approve the use of First Class. For land travel outside Canada First Class may be utilized on discretion of the Executive Secretary.

Rule 8.4

On completion of travel, the staff member shall submit, normally within 15 days, for the approval by the Executive Secretary, a detailed claim of expenses with, where reasonably possible, proof of expenditure.

Rule 8.5

Under the control of the Executive Secretary, members of the Secretariat who, in the course of their duties, are requested to use private motor vehicles for official travel or transportation purposes, shall be entitled to receive reimbursement of the costs involved in line with those available to the public sector of the host country. The costs associated with normal daily travel to and from place of work shall not be reimbursed.

Rule 8.6

On taking up an appointment and to the degree to be negotiated as part of terms of employment, members of the Secretariat not residing within commuting distance, shall be eligible for:

- a) payment of travel expenses for arrival at post for the member and family from the place of residence to the location of the headquarters of the Organization;

- b) a "subsistence allowance" calculated on the basis of the relocation rules in force in the public sector of the host country;
- c) payment of removal costs including the shipment of personal effects and household goods from the place of residence to the location of the headquarters of the Organization, subject to the maximum weight and volume limits. Staff members without dependants 4890 kg and/or a 20' standard international shipping container (33 m³) and staff members with dependants 8150 kg and/or a 40' standard international shipping container (67 m³).
- d) payment or reimbursement of sundry other expenses related to relocation, including insurance of goods in transit and excess baggage charges, on the basis of the relevant relocation rules in force in the public sector of the host country.
- e) an installation allowance of \$2,000 plus up to two months salary advance to be repaid within one year without interest in the case of internationally relocating staff members
- f) payments to staff members shall be subject to prior approval by the Executive Secretary.

Rule 8.7

After eighteen (18) months of service, and if the member of the Secretariat is recruited internationally, from outside Canada, the Organization shall pay, in accordance with Regulations 9.3 and 9.4, travel expenses for the member and family to visit the home country on annual leave. This payment to include economy air fare, meal allowance, hotel accommodation and transportation costs to airports and stations while in travel status. Following this, home leave and its travel expenses shall be granted at two (2) year intervals provided that:

- a) family who benefit from this grant have resided in the host country for at least six (6) months prior to travel;
- b) It is understood that the member of the Secretariat will return to continue rendering services for a minimum additional period of six (6) months, or, unless otherwise authorized by the Organization, the accounts paid for his or her travel expenses will have to be returned.

SECTION 9. Separation from Service

Rule 9.1

Staff members may separate from service by giving four (4) weeks notice in writing to the Executive Secretary.

Rule 9.2

The Executive Secretary may terminate the appointment of a staff member by giving three (3) months written notice, when that termination is due to restructuring of the Organization or of any of its constituent bodies, or if the Organization would decide to cease its functions. If at any time the Executive Secretary considers that a staff member does not give satisfactory service or fails to comply with the duties and obligations set out in these Rules, the staff member will receive a formal written warning. If the performance does not improve or the employee continues to fail to comply with the duties and obligations set out in these Rules, the staff member will receive a second formal written warning and if necessary, other disciplinary action (e.g., suspension, demotion) may follow. If after the second formal written warning the staff member's performance does not improve to a satisfactory standard, the appointment of the staff member may be terminated upon written notice of one (1) month in advance subject to the prior notification to the Chair of General Council. In the case of serious misconduct by a staff member that threatens the organization's operations or the organization's staff members (for example, criminal offence, theft, intentional breach of confidentiality), appointment of the staff member may be terminated without prior warning.

Rule 9.3

The normal retirement age in the NAFO Secretariat is 65 years of age. In some circumstances, the Executive Secretary may extend a staff members' service beyond 65 years of age.

Rule 9.4

The effective date of separation is the first working day after the date of termination of the notice period, except in the event of death of a member of the Secretariat, when it is the day after death and on that date all salary and related emoluments shall cease.

Rule 9.5

- a) In the event of separation from service with the Secretariat, staff members shall be compensated an indemnity equivalent to the rate of two (2) weeks current salary for every year of service, free of all deductions except statutory deductions, limited to a maximum of 40 weeks;
- b) For the purposes of entitlements in accordance with these staff rules, the Executive Secretary or a Coordinator (Rule 3.3.a) may receive credit for continuous years of service prior to joining NAFO in federal or provincial governments (and international equivalencies) and in other international organizations as agreed by a signed contract between the employee and NAFO;
- c) The Executive Secretary will determine the acceptability of past years experience of an employee in the General Services Category (Rule 3.3.b).

Rule 9.6

On separation from service, a member of the Secretariat shall be entitled to the following:

- a) payment of travel expenses from the place of residence for arrival at the new residence, for the member and family;
- b) payment of removal costs including the shipment of personal effects and household goods from the place of residence to the location of the new place of residence if not paid by the new employer. Staff members without dependants 4890 kg and/or a 20' standard international shipping container (33 m³) and staff members with dependants 8150 kg and/or a 40' standard international shipping container (67 m³).
- c) payment of reimbursement of sundry other expenses related to relocation, including insurance of goods in transit and excess baggage charges subject to the relevant rules and criteria applicable on appointment of the same member of the Secretariat.
- d) Payments to staff members shall be subject to prior approval by the Organization on the recommendation of the Executive Secretary.

Rule 9.7

Upon separation, accrued unused annual leave shall be paid to any member of the Secretariat at the rate of the current salary at the time of separation but this monetary compensation will not be paid for more than a maximum of twenty five (25) days plus the leave accrued during the year of separation. In case of death this money will be paid to the member's estate. In the event of termination of employment for reasons other than death or lay-off, the Organization will recover from the member of the Secretariat an amount equivalent to any unearned annual leave taken by that member, in anticipation of future days to be accrued.

Rule 9.8

In case of death of a member of the Secretariat, the Organization shall pay shipment of the remains from place of death to a place designated by the next of kin, limiting the payment of costs to those that correspond to shipping them to the deceased member's home for purposes of home leave or to the place from which personal effects or household goods were shipped.

Rule 9.9

In case of death, the family of a deceased member of the Secretariat shall be entitled to the payments specified in Rule 9.6 except that this right shall lapse if the travel is not undertaken within the six (6) months of the date of the member's death, except if a reasonable extension of that period of time is approved.

SECTION 10. Temporary Personnel

The Executive Secretary may hire temporary personnel as necessary, by utilizing whenever possible, persons residing in the area in which the headquarters of the Organization are located.

SECTION 11. Application and Amendment of Staff Rules**Rule 11.1**

Any doubts concerning the interpretation or application of these Rules shall be resolved by the Executive Secretary unless it applies to the Executive Secretary in which case the General Council shall be consulted. The Executive Secretary shall submit to approval by the General Council at its next meeting any resolution taken previously under the terms of this Rule.

Rule 11.2

All matters not foreseen in these Staff Rules shall be brought to the attention of the Organization by the Executive Secretary or the Staff Representative after consultation with the Executive Secretary.

Rule 11.3

Any changes in these Staff Rules must be approved by the General Council in accordance with its Rules of Procedure, on the advice of STACFAD.

NAFO Staff Association and Staff Representative

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 majority¹ 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.

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.

Staff Committee

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^[1].
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.

^[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 5. Budget Estimate for 2006

NORTHWEST ATLANTIC FISHERIES ORGANIZATION
Budget Estimate for 2006
(Canadian Dollars)

	Approved Budget for 2005	Projected Expenditures for 2005	Preliminary Budget Forecast for 2006	Budget Estimate for 2006
1. Personal Services				
a) Salaries	\$884,000	\$891,000	\$810,000	\$792,000
b) Superannuation and Annuities	95,000	91,000	82,000	86,000
c) Group Medical and Insurance Plans	88,000	82,500	85,300	93,300
d) Termination Benefits	31,000	44,000	38,000	32,000
e) Accrued Vacation Pay	5,000	1,000	5,000	1,000
f) Termination Benefits Liability	10,300	10,300	-	-
g) Clerical (CR) Retroactive Salary Liability	-	-	-	-
h) Overtime Pay	27,700	27,700	27,700	27,700
2. Travel	-	-	-	12,000
3. Transportation	45,000	45,000	35,000	40,000
4. Communications	1,000	1,000	1,000	1,000
5. Publications	30,000	29,000	30,000	30,000
6. Public Relations	25,000	17,000	25,000	20,000
7. Other Contractual Services	-	-	-	7,000
8. Additional Help	47,000	47,000	41,000	43,000
9. Materials and Supplies	3,000	3,000	10,000	15,000
10. Equipment	30,000	30,000	30,000	30,000
11. Meetings	15,000	20,000	20,000	10,000
Annual General Meeting and Scientific Council Meetings	72,000	71,000	83,000	81,500
Inter-sessional Meetings	36,000	16,000	36,000	30,000
Scientific Council Special Session	-	-	5,000	7,500
Annual Meeting Reception	-	-	20,000	20,000
Hospitality Allowance	3,000	3,000	5,000	5,000
12. Computer and Web Services				
Computer and Web Services	31,000	26,000	31,000	31,000
Vessel Monitoring System	45,000	53,000	78,000	76,000
13. Recruitment and Relocation	-	7,500	44,000	28,000
	\$1,524,000	\$1,516,000	\$1,542,000	\$1,519,000

Notes on Budget Estimate 2006
(Canadian Dollars)

Notes on Budget Estimate 2006
(Canadian Dollars)

Re Item 1(a)	Salaries Salaries budget estimate for 2006 implements the Human Resources strategy presented at last years Annual Meeting according to STACFAD Working Paper 05/2. Through retirement and the reorganization of duties, staffing levels will be reduced by one full time employee for 2006.	\$792,000
Re Item 1(b)	Superannuation and Annuities Employer's portion (includes employer normal cost, past service liability and early retirement provisions) and administration costs.	\$86,000
Re Item 1(c)	Group Medical and Insurance Plans Employer's portion of Canada Pension Plan, Employment Insurance, Group Life Insurance, Long Term Disability Insurance and Medical Insurance.	\$93,300
Re Item 1(d)	Termination Benefits This figure is for 2006 credits and conforms to NAFO Staff Rule 10.4(a).	\$32,000
Re Item 2	Travel Travel costs associated with the following: i) Internships for professional development. New training program for Secretariat Staff at other Regional Fisheries Bodies. ii) the Co-ordinating Working Party on Fish Statistics (CWP), Inter- sessional Meeting, and the Fisheries Resources Monitoring Systems (FIRMS) Steering Committee Meeting, of the Food and Agriculture Organization (FAO) of the United Nations (UN), Spring 2006, at FAO Headquarters, Rome, Italy; and, iii) the Executive Secretary's home leave to Germany; and, iv) Miscellaneous and unforeseen travel; and, v) the UN Consultative Process on the Oceans and Law of the Sea at UN Headquarters, June 2006, New York, USA; and, vi) the Annual Meeting of the International Fisheries Commissions Pension Society, April 2006, La Jolla, California, USA.	\$40,000 \$10,000 9,000 7,000 5,500 5,000 3,500
Re Item 4	Communications Telephone and fax Postage Courier/Mail service	\$30,000 \$14,300 12,500 3,200
Re Item 5	Publications 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.	\$20,000
Re Item 7	Other Contractual Services Leases: • Print department printer • Photocopier • Postage meter	\$43,000 \$10,500 8,000 4,000

	Maintenance Agreements:		
	• Photocopier and printers	5,000	
	Other Contracts:		
	• Audit	7,500	
	• Consulting and legal fees	5,000	
	• Fidelity bond and fire insurance	2,700	
	• P.O. box rental	300	
Re Item 8	Additional Help		
	Digitization of NAFO Observer Program data for Scientific Council		\$15,000
Re Item 11	Meetings		
	i) Annual General Meeting and Scientific Council Meetings:		\$81,500
	This figure includes the cost for the 28 th Annual Meeting, September 2006 and the Scientific Council Meeting, June 2006, both to be held in Halifax/Dartmouth, Nova Scotia, Canada, and the Scientific Council Shrimp Assessment Meeting, November 2006, venue to be determined.		
	ii) Inter-sessional Meetings:		30,000
	General provision for inter-sessional meetings		
	iii) Annual Meeting Reception		20,000
	iv) Scientific Council Special Session		7,500
	v) Hospitality Allowance		5,000
Re Item 12	Computer and Web Services		
	Computer and Web Services:		\$31,000
	• Computer supplies and equipment	\$13,000	
	• Training and professional development	8,000	
	• Software updates	7,000	
	• Consulting and maintenance	2,000	
	• Web hosting	1,000	
	Vessel Monitoring System (VMS)		\$76,000
	• Possible recommendation to come from STACTIC during the Annual Meeting for programming changes to the VMS resulting from a proposal for amendments to the NAFO Conservation and Enforcement Measures.	\$35,000	
	• Annual Operating Expenses	31,000	
	• Upgrade VMS Server	10,000	

Annex 6. Preliminary Calculation of Billing for 2006

Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,519,000 for the 2006
financial year (based on 13 Contracting Parties to NAFO).
(Canadian Dollars)

Budget Estimate	\$1,519,000.00
Deduct: Amount from Accumulated Surplus Account	<u>204,825.00</u>
Funds required to meet 2006 Administrative Budget	<u>\$1,314,175.00</u>
60% of funds required =	\$788,504.94
30% of funds required =	394,252.56
10% of funds required =	131,417.50

Contracting Parties	Nominal Catches for 2003	% of Total Catch in the Convention Area	% of Total Catch in the Convention Area			Amount Billed
			10%	30%	60%	
Bulgaria	-	-	-	\$30,327.12	-	\$30,327.12
Canada (1)	488,467	51.94%	\$79,954.05	30,327.12	\$409,549.49	519,830.66
Cuba (1)	227	0.02%	-	30,327.12	157.69	30,484.81
Denmark (in respect of Faroe Islands and Greenland) (2)	133,199	14.16%	21,802.50	30,327.12	111,652.30	163,781.92
European Union (1)	75,879	8.08%	-	30,327.12	63,711.19	94,038.31
France (in respect of St. Pierre et Miquelon)	3,652	0.39%	597.77	30,327.12	3,075.16	34,000.05
Iceland	7,210	0.77%	-	30,327.12	6,071.48	36,398.60
Japan	3,091	0.33%	-	30,327.12	2,602.07	32,929.19
Republic of Korea	-	-	-	30,327.12	-	30,327.12
Norway	20,308	2.16%	-	30,327.12	17,031.71	47,358.83
Russian Federation	30,394	3.23%	-	30,327.12	25,468.71	55,795.83
Ukraine	387	0.04%	-	30,327.12	315.40	30,642.52
United States of America (1)	177,557	18.88%	29,063.18	30,327.12	148,869.74	208,260.04
	940,371	100.00%	\$131,417.50	\$394,252.56	\$788,504.94	<u>\$1,314,175.00</u>
Funds required to meet 1 January - 31 December 2006 Administrative Budget						<u>\$1,314,175.00</u>

(1) Provisional Statistics used when calculating 2003 nominal catches which have not been reported from Contracting Parties.

(2) Faroe Islands = 14,436 metric tons
Greenland = 118,763 metric tons

Annex 7. Preliminary Budget Forecast for 2007 and 2008
(Canadian Dollars)

		Preliminary Budget Forecast for 2007	Preliminary Budget Forecast for 2008
1.	Personal Services		
	a) Salaries	\$ 762,000	\$ 805,000
	b) Superannuation and Annuities	82,000	86,000
	c) Group Medical and Insurance Plans	87,000	83,000
	d) Termination Benefits	28,000	34,000
	e) Accrued Vacation Pay	3,000	1,000
	f) Overtime Pay	12,000	12,000
2.	Travel	35,000	35,000
3.	Transportation	1,000	1,000
4.	Communications	30,000	20,000
5.	Publications	20,000	10,000
6.	Public Relations	10,000	
7.	Other Contractual Services	41,000	39,000
8.	Additional Help	15,000 ^a	15,000 ^a
9.	Materials and Supplies	30,000	30,000
10.	Equipment	10,000	10,000
11.	Meetings		
	Annual General Meeting and Scientific Council Meetings	75,000 ^b	81,500 ^b
	Inter-sessional Meetings	30,000	30,000
	Scientific Council Special Session	7,500	7,500
	Annual Meeting Reception	20,000	20,000
	Hospitality Allowance	5,000	5,000
12.	Computer and Web Services		
	Computer and Web Services	31,000	31,000
	Vessel Monitoring System	67,000 ^c	67,000 ^c
		\$1,401,500	\$1,453,000

^a Additional help forecast is a continuation of Scientific Council recommendation of digitizing observer data.

^b Forecasted costs associated with Annual Meetings, September 2007/2008 and Scientific Council Meetings, June and November 2007/2008.

^c Vessel Monitoring System forecasts for 2007/2008 include \$35,000 each year for programming changes, if required.