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Report of the General Council
19-20 April 2007
Montreal, Quebec, Canada

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Report of the General Council
(GC Doc. 07/1)

19-20 April 2007
Montreal, Quebec, Canada

I. Opening Procedure

1. Opening by the Chair, David Bevan

The Chair welcomed all delegates to Montreal. Representatives of ten Contracting Parties were present: Canada, Denmark in respect of Faroe Islands and Greenland (DFG), the European Union, France in respect of St. Pierre et Miquelon (France-SPM), Iceland, Japan, Norway, Russia, Ukraine and the United States of America (Annex 1). The Chair of the Scientific Council was also in attendance.

2. Appointment of Rapporteur

The Executive Secretary was appointed Rapporteur.

3. Adoption of Agenda

It was agreed to change the order of the agenda items and move the current item 4 (Formula for budget contributions) to item 7 (Annex 2).

II. Outstanding Issues

Before the meeting, the Chair had requested the Chair of the Reform Working Group, Mr. Ekwall (EU) to up-date his working paper for an amended Convention. The GC Chair had also requested Contracting Parties to provide suggested changes to the text to the Executive Secretary within seven days of receipt, i.e. 5 April 2007. Following this request, a number of substantive new proposals regarding this Working Paper were submitted by Canada and the Chair of the Scientific Council.

4. Concerns of the Scientific Council

The SC Chair presented GC WP 07/1 (Annex 3). Many participants recognized that the proposed Article VI.4h (stipulating that the Commission should “guide the Scientific Council in its work”) could be misunderstood as a lack of independence of the Scientific Council with regard to its advice and the way it carries out its work. This was not the intention of the Organization.

Nonetheless, participants felt that the Convention should reflect the influence that the Commission has regarding the priorities of the Scientific Council. Therefore, it was agreed to reword the subparagraph as follows: “guide the Scientific Council in identifying tasks and priorities of its work”.

Furthermore, Delegates felt that Contracting Parties should have influence with regard to convening the Scientific Council meetings and opted to retain the original wording of the proposed Article VII paragraph 3.

Delegates however agreed to the suggestion by the Scientific Council to delete the addition “including scientific research” from the definition of “fishing activities” (Article I.g).

Finally, the meeting considered GC WP 07/6 (Annex 4) containing a proposal by the Scientific Council to redefine the area boundaries between 3L and 3M in order to take into account natural ecosystem boundaries (Flemish Cap) that influence the distribution of many fish stocks.

The General Council decided in view of time limitations that there was no urgency in considering this matter since the current and the amended Convention foresees a simplified procedure for modifying the provisions at issue by a two thirds majority at any time (Article XXI.6)

5. Whether entities should be entitled to become a member of NAFO

The DFG representative introduced this item referring to Reform WG WP 06/22. The proposal was to assure this possibility by including the term entity in the definitions of “Contracting Party” and “Flag State”.

A resulting drafting group attempted to adapt text from the UN Fish Stocks Agreement to address concerns voiced by some participants with regard to this proposal.

Alternative wording was revised several times during the meeting without final results. A concluding proposal was made by the DFG which will require additional intersessional discussions among some Contracting Parties: “‘Contracting Party’ means” ... “ii) any entity as referred to in Article 305 paragraph 1c), d) or e) of the 1982 Convention which has consented to be bound by this Convention and for which the Convention is in force”.

Reservations were raised by Russia on this issue pending internal consultations. It was suggested that the introduction of “entity” would not only be required for the definitions of “Contracting Party” and “Flag State” but also of “Port State”.

Finally, in this context Ukraine suggested that any articles from other agreements that are referenced in the body of the NAFO Convention should be included as full text in the amended Convention so that it could be completely understood as a stand-alone document. This was briefly discussed without conclusion.

6. Other issues raised by Contracting Parties

Canada explained its proposal for changes to the 5th revision of the Reform WG WP 06/1 (which during the meeting was replaced by GC Working Paper 07/12) (Annex 5). Regarding suggested changes to the preamble and to Article III (“General Principles”) the meeting agreed to maintain the text from September 2006.

Canada also proposed to maintain the fisheries management decision making powers of the Commission to the Regulatory Area only, with the explanation that this is reflected in the current Convention. Many Delegates voiced their concerns regarding the effective protection of straddling stocks on the basis of the UNFSA principles. However, Canada’s proposal to replace “Convention Area” with “Regulatory Area” in Article VI paragraph 4 was accepted with the amendment “or in the Convention Area where agreed by consensus”.

With regard to Article XI.1 it was agreed to delete the reference to “Convention Area” as area of application in item (a) and instead insert a reference to Article VI for clarification.

Furthermore, while participants did not agree to lower the required majority of two thirds for a decision-making vote in general, they however concurred to allow a simple majority for the purposes of convening an *ad hoc* panel (Article XIV.8).

DFG referred to their letter of 4 April (GFS/07-113) which sought clarification of provisions related to decision making (Article XIV). Discussions during the meeting confirmed that Parties share a common understanding of the importance of making all efforts to reach consensus, but that the objection procedures outlined in paragraphs 2 – 10 of Article XIV can ultimately also be invoked with respect to decisions made by the Commission in accordance with paragraph 11 of Article XIV.

Also, the meeting accepted Canada’s proposal to add two articles after Article XVIII, one entitled “Good faith and abuse of rights”, and the other entitled “Relations to other Agreements”. The proposal to delete the third paragraph of Article IV¹ was met with reservation by France-SPM.

¹ Article IV, paragraph 3 states: “Nothing in this Convention shall constitute recognition of the claims or positions of any Contracting Party concerning the legal status and extent of waters and zones claimed by any such Contracting Party.”

USA introduced GC WP 07/4 (Annex 6) suggesting changes to Article VI paragraphs 7 and 9 (addressing the allocation of fishing opportunities), Article XV (ability of CPs to have their case heard) and Article XIX (Amendments to the Convention).

It was agreed to accept the proposal regarding Article VI.9 provided that the reference to WTO was deleted. The USA withdrew its proposal amending Article XV. The other proposals were rejected by the meeting.

7. Formula for budget contributions (Article IX.2)

Canada presented GC WP 07/2 (Annex 7) with proposed solutions to eliminate “double taxation” by Coastal States, to take into account a national wealth component of Contracting Parties, and to revise the species list for the calculation of catches for financial contributions to NAFO.

The revised list includes relevant species for the NAFO fisheries as suggested by Scientific Council and deletes those (coastal) species that are not dealt with by NAFO.

The meeting did not wish to introduce a wealth component to the NAFO calculation of contributions. However, a number of participants suggested easing the burden of Contracting Parties with small populations. After much discussion and evaluation of different scenarios, the solution which found the most support among Contracting Parties was to keep the current contribution formula on the basis of a revised species list and a 15% limit for members with small populations (see Annex 9). However, DFG, Russia and Ukraine placed a reserve on this pending internal consultation within their governments.

Participants agreed to transfer the species list from Annex I of the Convention to the NAFO “Financial Regulations” to allow more flexibility for future adjustments.

III. Technical Editing

8. Technical editing considerations

The meeting decided that a Technical Editing Working Group (TEWG) should meet 22-23 May 2007. The Terms of Reference for this Working Group were agreed upon (GC WP 07/11, Revised) (Annex 8).

The meeting felt that it might not be possible to make available a French version of the amended Convention for the TEWG meeting and decided that the translation into French could be dealt with at a later time. Also, the TEWG might be overburdened when asked to deal with two languages.

IV. Closing Procedure

9. Other business

France-SPM reminded participants that the definition of the French EEZ for the purpose of the Convention Area map still needs to be addressed.

The meeting acknowledged the desirability of applying interim measures after adoption of the amended Convention and until it was ratified by Contracting Parties. The Chair stressed that discussions among Contracting Parties on interim measures should begin as soon as possible.

10. Adjournment

The Chair reminded the meeting that a proposal to amend the Convention had to be submitted to the Organization by 25 June 2007. Until then, Contracting Parties still had the opportunity to resolve some of the outstanding issues that will be identified by brackets in the new amended version resulting from this meeting (GC Working Paper 07/12) (Annex 5). Also, it would be favourable if any new wording for the outstanding issues would be available to the Technical Editing Working Group by 22 May 2007.

The meeting was adjourned on Friday, 20 April 2007 at 17:30 hours.

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Annex 2. Agenda

I. Opening Procedure

1. Opening by the Chair, David Bevan (Canada)
2. Appointment of Rapporteur
 - duties include maintaining record of agreed General Council decisions
3. Adoption of Agenda

II. Outstanding Issues

4. Concerns of the Scientific Council
5. Introduction of a term “entity” in definitions of “Contracting Party” and “Flag State”
6. Other issues raised by Contracting Parties
7. Formula for budget contributions

III. Technical Editing

8. Technical editing considerations

IV. Closing Procedure

9. Other business
10. Adjournment

Annex 3. Scientific Council Comments on Reform WG WP 06/1, Rev. 5
(GC Working Paper 07/1 – presented by Scientific Council Chair)

The suggestions here are based on Scientific Council discussions, SCS Doc. 06/21 (June 2006) presented to the Reform WG as Reform WG WP 06/17 (September 2006), and SC WP 06/35 (September 2006).

Substantive Issues

Article VI – The Commission

- 4(h) **original:** guide the Scientific Council in its work;
proposal: ensure that the Organization and its constituent bodies are guided by the Convention;

Article VII – the Scientific Council

3. **original:** Any meeting of the Scientific Council, other than the annual meeting convened pursuant to Article VI paragraph 3, may be called by the Chairperson at such time and place as the Chairperson may determine at his or her own initiative or upon the request of a Coastal State or upon the request of a Contracting Party with the concurrence of another Contracting Party.

proposal: Any special meeting of the Scientific Council, other than the annual meeting convened pursuant to Article VI paragraph 3, may be called by the Chairperson at such time and place as the Chairperson may determine.

- 4(e) operate within the framework of this Convention and Articles II, III and VII in particular;

A new statement to define the work of Scientific Council.

- 4(f) exercise such other functions and carry out such other duties and activities consistent with this Convention as it may from time to time decide.

A new statement to allow for changes in working protocol, likely to come mainly from the implementation of the Ecosystem Approach.

Less Substantive Issues

Article I – Use of Terms

- (g)(ii) **original:** engaging in any activity which can reasonably be expected to result in the locating, catching, taking, or harvesting of fishery resources for any purpose including scientific research;

proposal: engaging in any activity which can reasonably be expected to result in the locating, catching, taking, or harvesting of fishery resources for any purpose;

"for any purpose" covers scientific research and so "including scientific research" is not required.

Article VI – The Commission

- 4(g) **original:** supervise the organisational, administrative, financial and other internal affairs of the Organization, including the relations among its constituent bodies;

proposal: supervise the organisational, administrative, financial and other internal affairs of the Organization;

The second clause seems inappropriate here and the content is covered by the suggested change to 4(h).

Article VII – the Scientific Council

4(d) **original:** to provide scientific advice to the Commission, pursuant to paragraph 7 or on its own initiative as required for the purposes of the Commission.

proposal: to provide scientific advice to the Commission, pursuant to paragraph 7 or on its own initiative pursuant to the objective of Article II.

Advice to the Commission is covered under 8(a) and so can be removed from here and addition to clarification the relevance of the advice to the Convention.

Editorial Issues

These are suggestions that make the text more applicable to Scientific Council and improve consistency with Article VI. Edits included under substantive issues have not been included here.:

Article VII – the Scientific Council

1 **original:** Each Contracting Party shall be a member of the Scientific Council and shall appoint its own representatives who may be accompanied at any of its meetings by alternates, experts and advisers.

proposal: Each Contracting Party shall be a member of the Scientific Council and may appoint representatives who may be accompanied at any of its meetings by alternates, experts or advisers.

4(a) **original:** to provide a forum for consultation and cooperation among the Contracting Parties with respect to the study, appraisal and exchange of scientific information and views relating to the fishing activities in the Convention Area and their ecosystem, fishery resources status and their forecast including environmental and ecological factors affecting these fishing activities, and to encourage and promote cooperation among the Contracting Parties in scientific research designed to fill gaps in knowledge pertaining to these matters;

proposal: to provide a forum for Contracting Parties for the study, appraisal, and exchange of scientific information and views on-the fishery resources-of the Convention Area and their ecosystem.

5. **original:** The functions of the Scientific Council may, where appropriate, be carried out in cooperation with other public or private organisations having related objectives.

proposal: Scientific Council may cooperate with other public or private organisations sharing similar objectives.

6. **original:** Each Contracting Party shall furnish to the Scientific Council any available statistical and scientific information required by it for the purpose of this Article.

proposal: Scientific Council may request Contracting Parties to provide statistical or scientific information that it requires for the exercise of its functions.

10. **original:** Scientific advice to be provided by the Scientific Council pursuant to this Convention shall be determined by consensus. Where consensus cannot be achieved, the Scientific Council shall set out in its report all views advanced on the matter under consideration.

proposal: The Scientific Council shall provide advice by consensus. Where consensus cannot be achieved, the Scientific Council shall in its report set out the dissenting views of its members.

11. **original:** Decisions of the Scientific Council with respect to the election of officers, the adoption and the amendment of rules and other matters pertaining to the organisation of its work shall be taken by a majority of the votes of all Contracting Parties present and casting affirmative or negative votes, and for these purposes each Contracting Party shall have one vote. No vote shall be taken unless there is a quorum of at least two-thirds of the Contracting Parties.

proposal: Decisions of the Scientific Council with respect to the election of officers, adoption or amendment of rules and other matters pertaining to the organisation of its work shall be taken by a majority of the votes of all Contracting Parties present and casting affirmative or negative votes. Each Contracting Party shall have one vote. No vote shall be taken in the absence of a quorum of at least two-thirds of the Contracting Parties.

13. **original:** The Scientific Council may establish such subsidiary bodies and subcommittees as it considers desirable for the exercise of its duties and functions.
- proposal:** The Scientific Council may establish such subsidiary bodies as it considers desirable for the exercise of its functions and provide them with guidance for the exercise of their activities.
14. **original:** The Scientific Council shall adopt rules to provide for the participation as observers of representatives from inter-governmental organisations and non-governmental organisations to its meetings, as appropriate. The Scientific Council shall also adopt rules to provide for the participation of representatives of non-Contracting Parties as observers to meetings of the Scientific Council. The rules shall not be unduly restrictive and shall provide for timely access to reports and records of the Scientific Council, subject to the procedural rules that the Scientific Council may adopt.
- proposal:** The Scientific Council shall adopt rules to provide for the participation of representatives of inter-governmental organisations and non-governmental organisations as observers to its meetings, as appropriate. Such rules may include procedural requirements and may not be unduly restrictive.

Annex 4. References to 3M boundary definition
(GC Working Paper 07/6 – presented by Scientific Council Chair)

a) From the Report of the Scientific Council Meeting, 2006:

5. **NAFO Reform** (SCS Doc. 06/21)

3. Scientific Council noted that the boundary definition of Division 3M does not include the south-western deeper part of the Flemish Cap. Certain deep-water species living on the south-western corner of the Flemish Cap are currently recorded under Division 3L. An exception has been made for shrimp by recording catches from the rectangular portion of 3L as 3M (see CEM 2006, Annex 12, Fig. 1, p. 1-8). Scientific Council **recommended** that *boundaries of Divisions 3M and 3L be re-defined so that 3M includes that small rectangle currently in 3L.*

b) From the CEM:

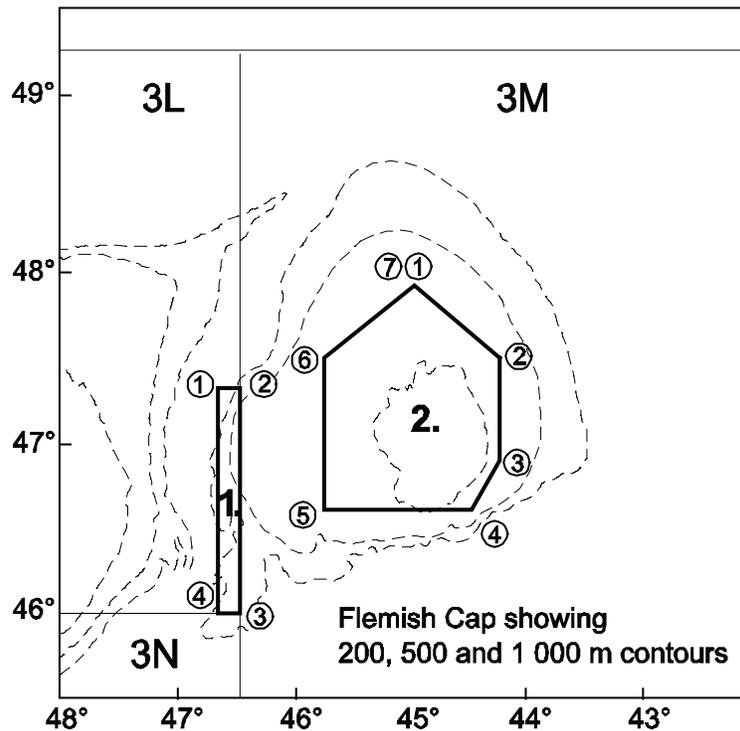


Figure 1. Geographic coordinates of areas in 3L (1) and 3M (2) referred to in Articles 5, 6, and 12.

c) Implications on stocks distributed on the said rectangle or close to it:

Cod 3M and 2J3KL – Cod seldom occurs in the rectangle. When it occurs, it must be considered from Div. 3M instead of Div. 3L.

Greenland halibut 2+3KLMNO – The populations in Divs. 3M and 3L are considered parts of the same stock unit.

American plaice 3M and 3LNO – American plaice seldom occurs in the rectangle. When it occurs, it must be considered from Div. 3M instead of Div. 3L.

Witch flounder 2J+3KL – while witch flounder distributes in the deepest strata of Divs. 2J+3KL, it distributes in the shallowest strata of Div. 3M, where its abundance does not allow a directed fishery. The occurrence in the rectangle is considered insignificant.

Yellowtail flounder 3LNO – A shallow water species in the Grand Banks. It is not found in Div. 3M or in the rectangle.

Thorny skate 3LNOPs – The stock in Div. 3M is low and, lacking further evidence, it is considered independent from the stock in Divs. 3LNOPs. It does not allow for a direct fishery. The species is distributed in less than 800 meters, and its occurrence in the rectangle should be considered from Div. 3M.

Squid 3+4 – Squid is a rare species in Div. 3M and the rectangle.

Redfish 3M and 3LN – These two stocks are considered independent and have different management. Catches in the rectangles must be considered Div. 3M and not Div. 3L, as it occurs at present.

Shrimp 3M and 3LNO – Current CEM regulation applies these boundaries to shrimp.

d) Proposed changes to the Reform Chair's WP

4(b) **Subarea 3 is composed of six Divisions:**

Division 3K

That portion of the Subarea lying north of the parallel of 49°15' north latitude (Cape Freels, Newfoundland);

Division 3L

That portion of the Subarea lying between the Newfoundland coast from Cape Freels to Cape St. Mary and a line described as follows: beginning at Cape Freels, thence due east to the meridian of 46°30' west longitude, thence due south to the parallel of 47°20' north latitude, thence due west to the meridian of 46°40' west longitude, thence due south to the parallel of 46°00' north latitude, thence due west to the meridian of 54°30' west longitude, thence along a rhumb line to Cape St. Mary, Newfoundland.

Division 3M

That portion of the Subarea lying south of the parallel of 49°15' north latitude and east of the meridian of 46°30' west longitude, including the zone south of the parallel of 47°20' north latitude and east of the meridian 46°40' west longitude;

Division 3N

That portion of the Subarea lying south of the parallel of 46°00' north latitude and between the meridian

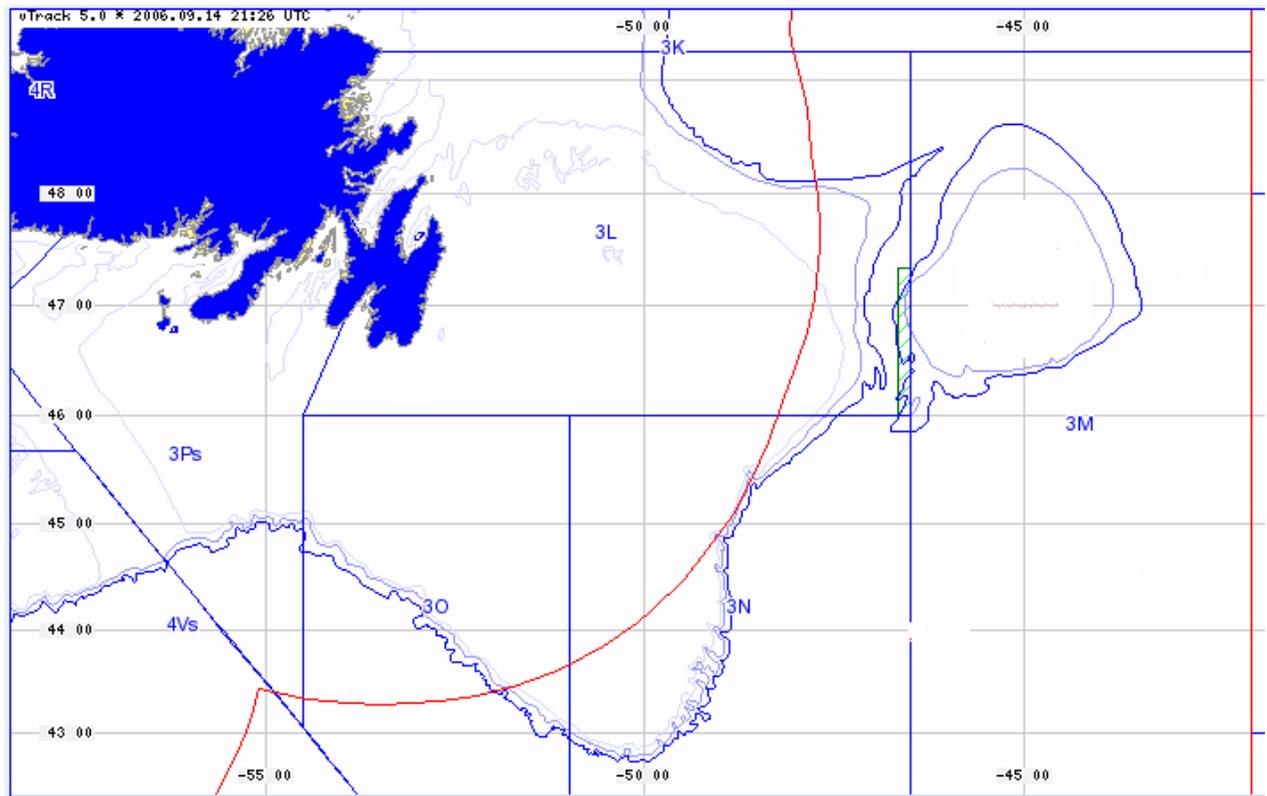


Figure 2. Reference area in NCA

Annex 5. Amended Convention Text
 (GC Working Paper 07/12)
Convention on
Cooperation in the Northwest
Atlantic Fisheries

(items with square-bracketed text indicated by arrow in left margin)

The CONTRACTING PARTIES,

NOTING that the Coastal States of the Northwest Atlantic have established exclusive economic zones in accordance with the United Nations Convention on the Law of the Sea of 10 December 1982, and general principles of international maritime law within which they exercise sovereign rights for the purpose of exploring and exploiting, conserving and managing living marine resources;

RECOGNISING the relevant provisions of the United Nations Convention on the Law of the Sea of 10 December 1982, the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks of 4 August 1995, the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas of 24 November 1993, taking into account the Code of Conduct for Responsible Fisheries adopted by the 28th Session of the Conference of the Food and Agriculture Organisation of the United Nations on 31 October 1995 and related instruments adopted by the Food and Agriculture Organization of the United Nations;

FURTHER RECOGNISING the economic and social benefits deriving from the sustainable use of fishery resources;

DESIRING to promote the long term conservation and sustainable use of the fishery resources of the Northwest Atlantic area, and accordingly to encourage international cooperation and consultation with respect to these resources;

MINDFUL that effective conservation and management measures for these fishery resources should be based on the best available scientific advice and the precautionary approach;

COMMITTED to applying an ecosystem approach to fisheries management in the Northwest Atlantic area which includes safeguarding the marine environment, conserving its marine biodiversity, minimizing the risk of long term or irreversible adverse effects of fishing activities in the area, and taking account of the relationship between all components of the ecosystem;

FURTHER COMMITTED to conducting responsible fishing activities and to prevent, deter and eliminate Illegal, Unreported and Unregulated (IUU) fishing activities;

HAVE AGREED as follows:

Article I – Use of Terms

For the purpose of this Convention, the following terms are used:

- (a) “1982 Convention” means the United Nations Convention on the Law of the Sea of 10 December 1982;
- (b) “1995 Agreement” means the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks of 4 August 1995;
- (c) "Coastal State" means a Contracting Party exercising fisheries jurisdiction in waters forming part of the Convention Area;

- (d) “Contracting Party” means
- i) any State and regional economic integration organisation which has consented to be bound by this Convention, and for which the Convention is in force;
 - [(ii) This Convention applies *mutatis mutandis* to any entity referred to in the Article 305, paragraph 1 c), d) and e) of the 1982 Convention, which becomes a Party to this Convention, and to that extent “Contracting Party” refers to such entities.]
- (e) “Convention Area”, means the area to which this Convention applies, as prescribed in Article IV paragraph 1;
- (f) “Fishery resources” means all resources of fish, molluscs and crustaceans within the Convention Area excluding:
- (i) sedentary species subject to the exclusive sovereign rights of Coastal States pursuant to Article 77 of the 1982 Convention; and
 - (ii) in so far as they are managed by other international Conventions or Agreements, anadromous and catadromous stocks as well as highly migratory species listed in Annex I of the 1982 Convention;
- (g) “Fishing activities” means harvesting fishery resources, processing operations of fishery resources, transshipment of fishery resources or fishery resource products, and any other activity in preparation for or related to the harvesting of fishery resources, including:
- (i) the actual or attempted searching for, catching, taking, or harvesting of fishery resources;
 - (ii) engaging in any activity which can reasonably be expected to result in the locating, catching, taking, or harvesting of fishery resources for any purpose;
 - (iii) any operation at sea in support of, or in preparation for, any activity described in this definition, except for any operation in emergencies involving the health and safety of crew members or the safety of the vessel.
- (h) “Fishing vessel” means any vessel which is or has been engaged in fishing activities, including fish processing vessels and vessels engaged in transshipment or any other activity in preparation for or related to fishing activities, including experimental or exploratory fishing activities;
- (i) “Flag State” means, unless otherwise indicated:
- (i) a State whose vessels are entitled to fly its flag; or
 - (ii) a regional economic integration organisation in which vessels are entitled to fly the flag of a member State of that regional economic integration organisation [; or]
 - [(iii) an entity referred to in Article 305 paragraph 1c), d) or e) of the 1982 Convention whose vessels are entitled to fly its flag.]
- (j) “IUU fishing” means activities as defined in paragraph 3 of the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated fishing of the Food and Agriculture Organisation of the United Nations of 2 March 2001.
- (k) “Living marine resources” means all living components of the marine ecosystems;
- (l) “Marine biological diversity” means the variability among living marine organisms and the ecological complexes of which they are part and this includes diversity within species, between species and of ecosystems;
- (m) “Nationals” include both natural and legal persons;
- (n) “Port State” means any State receiving fishing vessels in their ports including port offshore terminals and other installations for, inter alia, landing, transshipping, refuelling or re-supplying;
- (o) “Regional economic integration organisation” means a regional economic integration organisation to which its member States have transferred competence over matters covered by this Convention, including the authority to make decisions binding on its member States in respect of those matters;

- (p) "Regulatory Area" means the part of the Convention Area which lies beyond the areas in which Coastal States exercise fisheries jurisdiction;

Article II -Objective

The objective of this Convention is to ensure the long term conservation and sustainable use of the fishery resources in the Convention Area and, in so doing, to safeguard the marine ecosystems in which these resources occur.

Article III – General Principles

In giving effect to the objective of this Convention, Contracting Parties shall in particular:

- (a) promote the optimum utilization and long-term sustainability of fisheries resources;
- (b) base measures on the best scientific advice available and adopt measures to ensure that fishery resources are maintained at levels capable of producing maximum sustainable yield, and rebuild fishery resources to the said levels;
- (c) apply the precautionary approach in accordance with Article 6 of the 1995 Agreement;
- (d) take due account of the impact of fishing activities on other species and marine ecosystems and in doing so, adopt measures to minimize harmful impact on living marine resources and marine ecosystems;
- (e) take due account of the need to preserve marine biological diversity;
- (f) prevent or eliminate overfishing and excess fishing capacity, and ensure that levels of fishing effort do not exceed those commensurate with the sustainable use of the fishery resources;
- (g) ensure that complete and accurate data concerning the fishing activities within the area of application are collected and shared in a timely manner among the Contracting Parties.
- (h) ensure effective compliance with management measures and that sanctions for any infringements are adequate in severity; and
- (i) take due account of the need to minimise pollution and waste originating from fishing vessels as well as minimise discards, catch by lost or abandoned gear, catch of species not subject to a directed fishery and impacts on associated or dependent species, in particular endangered species.



Article IV – Area of Application [and Maritime Claims] Option to delete

1. This Convention applies to the waters of the Northwest Atlantic Ocean north of 35°00' N and west of a line extending due north from 35°00' N and 42°00' W to 59°00' N, thence due west to 44°00' W, and thence due north to the coast of Greenland, and the waters of the Gulf of St. Lawrence, Davis Strait and Baffin Bay south of 78°10' N.
2. The Convention Area shall be divided into scientific and statistical subareas, divisions and subdivisions, the boundaries of which shall be those defined in Annex I to this Convention. This Annex forms an integral part of this Convention.
3. [Nothing in this Convention shall constitute recognition of the claims or positions of any Contracting Party concerning the legal status and extent of waters and zones claimed by any such Contracting Party.] Option to delete

Article V – the Organisation

1. Contracting Parties hereby agree to establish, maintain and strengthen the Northwest Atlantic Fisheries Organisation, hereinafter “the Organization” which shall carry out its functions as set forth in this Convention in order to achieve the objective of this Convention.
2. The Organization shall consist of:
 - (a) a Commission and any subsidiary bodies and sub-committees that the Commission may establish from time to time to assist it in its work;
 - (b) a Scientific Council and any subsidiary bodies and sub-committees that the Scientific Council may establish from time to time to assist it in its work; and
 - (c) a Secretariat.
3. The Organization shall have legal personality and shall enjoy in its relations with other international organisations and in the territories of the Contracting Parties such legal capacity as may be necessary to perform its functions and achieve its objective. The immunities and privileges which the Organization and its officers shall enjoy in the territory of a Contracting Party shall be subject to an agreement between the Organization and the Contracting Party including, in particular, a Headquarters Agreement between the Organization and the host Contracting Party.
4. The Chairperson of the Commission shall be the President of the Organization and shall be its principal representative.
5. The headquarters of the Organization shall be in the Halifax Regional Municipality, Nova Scotia, Canada, or at such other place as may be decided by the Commission.

Article VI – The Commission

1. Each Contracting Party shall be a member of the Commission and shall appoint one representative to the Commission who may be accompanied by alternative representatives, experts and advisers.
2. The Commission shall elect a Chairperson and a Vice-Chairperson, each of whom shall serve for a term of two years and shall be eligible for re-election but shall not serve for more than four years in succession. The Chairperson and Vice-Chairperson shall be representatives of different Contracting Parties.
3. The Chairperson of the Commission shall convene a regular annual meeting of the Organization at a place decided upon by the Commission. Any meeting of the Commission, other than the annual meeting, may be called by the Chairperson at such time and place as the Chairperson may determine, upon the request of a Contracting Party.
4. The Commission shall in accordance with the principles set out in Article III exercise the following functions:
 - (a) adopt proposals for conservation and management measures to achieve the objective of this Convention within the Regulatory Area, or in the Convention Area, where agreed by consensus;
 - (b) adopt proposals for total allowable catches and/or levels of fishing effort and determine the nature and extent of participation in fishing in the Regulatory Area, or in the Convention Area, where agreed by consensus;
 - (c) adopt, where necessary, proposals for conservation and management measures to minimise the impact of fishing activities on living marine resources and marine ecosystems in the Regulatory Area, or in the Convention Area, where agreed by consensus;

- (d) adopt proposals for appropriate cooperative mechanisms for effective monitoring, control, surveillance and enforcement of the conservation and management measures adopted by the Commission. Those mechanisms shall include:
 - (i) provision for reciprocal rights of boarding and inspection by the Contracting Parties within the Regulatory Area and for flag State prosecution and sanctions on the basis of evidence resulting from such boardings and inspections; and
 - (ii) inspections of fishing vessels in ports by Contracting Parties where fishery resources originating from the Regulatory Area, or in the Convention Area, where agreed by consensus, are being landed and required follow-up actions by port or flag States on the basis of evidence resulting from such inspections in accordance with Article XII and international law;
 - (e) develop appropriate processes in accordance with international law to assess flag States' performance with respect to implementing the obligations regarding fishing vessels flying their flag set out in this Convention, and adopt proposals if appropriate to ensure flag state performance;
 - (f) adopt proposals for measures to prevent, deter and eliminate IUU fishing;
 - (g) supervise the organisational, administrative, financial and other internal affairs of the Organization, including the relations among its constituent bodies;
 - (h) guide the Scientific Council in identifying tasks and priorities for its work;
 - (i) direct the external relations of the Organization;
 - (j) approve the budget of the Organization pursuant to Article IX; and
 - (k) exercise any other function as is conferred upon it by this Convention as required from time to time.
5. The Commission shall exercise the following functions in collaboration with the Scientific Council:
- (a) identify conservation and management needs;
 - (b) keep under review the status of stocks and gather, analyse and disseminate relevant information on stocks;
 - (c) assess the impact of fishing, and other human activities, where appropriate, on living marine resources and marine ecosystems;
 - (d) develop proposals for the conduct of fishing for scientific purposes; and
 - (e) develop proposals for the collection, submission, verification, access to and use of data.
6. In exercising its functions pursuant to paragraphs 4 and 5, the Commission shall seek to ensure consistency between:
- (a) any proposal that applies to a stock or group of stocks occurring both within the Regulatory Area and within an area under the fisheries jurisdiction of a Coastal State, or any proposal that would have an effect through species interrelationships on a stock or group of stocks occurring in whole or in part within an area under the fisheries jurisdiction of a Coastal State; and
 - (b) any measures or decisions taken by a Coastal State for the management and conservation of that stock or group of stocks with respect to fishing activities conducted within the area under its fisheries jurisdiction.

The appropriate Coastal State and the Commission shall accordingly promote the coordination of such proposals, measures and decisions. Each Coastal State shall keep the Commission informed of its measures and decisions for the purpose of this Article.

7. Proposals adopted by the Commission for the allocation of fishing opportunities in the Regulatory Area shall take into account the interests of Contracting Parties whose vessels have traditionally fished within that area and the interest of the relevant Coastal States. In the allocation of fishing opportunities from the Grand Bank and Flemish Cap, the Commission shall give special consideration to the Contracting Party whose coastal communities are primarily dependent on fishing activities for stocks related to these fishing banks and which has undertaken extensive efforts to ensure the conservation of such stocks through international action, in particular, by providing surveillance and inspection of international fishing activities on these banks under an international scheme of joint enforcement.
8. The Commission may refer to the Scientific Council any question pertaining to the scientific basis for the decisions it may need to take concerning fishery resources, the impact of fishing activities on living marine resources, and the safeguarding of the ecosystem in which these resources occur.
9. The Commission, shall, when necessary, develop procedures which allow for measures, including non-discriminatory trade-related measures, to be taken, by Contracting Parties against any flag State or fishing entity whose fishing vessels participate in fishing activities in a manner that undermines the effectiveness of the conservation and enforcement measures adopted by the Commission. Implementation by a Contracting Party of trade-related measures shall be consistent with its international obligations.
10. The Commission shall adopt, and amend as occasion may require, its rules of procedure, financial regulations and other regulations, required for the functioning of the Commission.
11. The Commission may establish such subsidiary bodies and subcommittees as it considers desirable for the exercise of its duties and functions and guide their activities.
12. The Commission shall adopt rules to provide for the participation as observers of representatives from inter-governmental organisations and non-governmental organisations to its meetings, as appropriate. The Commission shall also adopt rules to provide for the participation of representatives of non-Contracting Parties as observers to meetings of the Commission. The rules shall not be unduly restrictive and shall provide for timely access to reports and records of the Commission, subject to the procedural rules that the Commission may adopt.

Article VII – the Scientific Council

1. Each Contracting Party shall be a member of the Scientific Council and shall appoint its own representatives who may be accompanied at any of its meetings by alternates, experts and advisers.
2. The Scientific Council shall elect a Chairperson and a Vice-Chairperson, each of whom shall serve for a term of two years and shall be eligible for re-election but shall not serve for more than four years in succession.
3. Any meeting of the Scientific Council, other than the annual meeting convened pursuant to Article VI paragraph 3, may be called by the Chairperson at such time and place as the Chairperson may determine at his or her own initiative or upon the request of a Coastal State or upon the request of a Contracting Party with the concurrence of another Contracting Party.
4. The functions of the Scientific Council, in accordance with the objective and principles of the Convention, shall be:
 - (a) to provide a forum for consultation and cooperation among the Contracting Parties with respect to the study, appraisal and exchange of scientific information and views relating to the fishing activities in the Convention Area and their ecosystem, fishery resources status and their forecast including environmental and ecological factors affecting these fishing activities, and to encourage and promote cooperation among the Contracting Parties in scientific research designed to fill gaps in knowledge pertaining to these matters;

- (b) to compile and maintain statistics and records and to publish or disseminate reports, information and materials pertaining to the fishing activities in the Convention Area and their ecosystems;
 - (c) to provide scientific advice to Coastal States, where requested to do so pursuant to paragraph 8; and
 - (d) to provide scientific advice to the Commission, pursuant to paragraph 7 or on its own initiative as required for the purposes of the Commission.
5. The functions of the Scientific Council may, where appropriate, be carried out in cooperation with other public or private organisations having related objectives.
 6. Each Contracting Party shall furnish to the Scientific Council any available statistical and scientific information required by it for the purpose of this Article.
 7. The Scientific Council shall consider and report on any question referred to it by the Commission pertaining to the scientific basis for the management and conservation of fishery resources and the ecosystems in which they occur within the Regulatory Area, and shall take into account the terms of reference specified by the Commission in respect of that question.
 8. The Scientific Council shall, at the request of a Coastal State, consider and report on any question pertaining to the scientific basis for the management and conservation of fishery resources and the conservation of the ecosystem in which they occur in waters under the fisheries jurisdiction of that Coastal State.
 9. The Coastal State shall, in consultation with the Scientific Council, specify terms of reference for the consideration of any question referred to the Scientific Council pursuant to paragraph 8. These terms of reference shall include, along with any other matters deemed appropriate, such of the following as are applicable:
 - (a) a statement of the question referred, including a description of the fishing activities and area to be considered;
 - (b) where scientific estimates or predictions are sought, a description of any relevant factors or assumptions to be taken into account; and
 - (c) where applicable, a description of any objectives the Coastal State is seeking to attain and an indication of whether specific advice or a range of options should be provided.
 10. Scientific advice to be provided by the Scientific Council pursuant to this Convention shall be determined by consensus. Where consensus cannot be achieved, the Scientific Council shall set out in its report all views advanced on the matter under consideration.
 11. Decisions of the Scientific Council with respect to the election of officers, the adoption and the amendment of rules and other matters pertaining to the organisation of its work shall be taken by a majority of the votes of all Contracting Parties present and casting affirmative or negative votes, and for these purposes each Contracting Party shall have one vote. No vote shall be taken unless there is a quorum of at least two-thirds of the Contracting Parties.
 12. The Scientific Council shall adopt, and amend as occasion may require, its rules of procedure.
 13. The Scientific Council may establish such subsidiary bodies and subcommittees as it considers desirable for the exercise of its duties and functions.
 14. The Scientific Council shall adopt rules to provide for the participation as observers of representatives from inter-governmental organisations and non-governmental organisations to its meetings, as appropriate. The Scientific Council shall also adopt rules to provide for the participation of representatives of non-Contracting Parties as observers to meetings of the Scientific Council. The rules shall not be unduly

restrictive and shall provide for timely access to reports and records of the Scientific Council, subject to the procedural rules that the Scientific Council may adopt.

Article VIII - the Secretariat

1. The Secretariat shall provide services to the Commission and the Scientific Council to facilitate the exercise of their duties and functions.
2. The chief administrative officer of the Secretariat shall be the Executive Secretary, who shall be appointed by the Commission according to such procedures and on such terms as it may determine.
3. The employees of the Secretariat shall be appointed by the Executive Secretary in accordance with such rules and procedures as may be determined by the Commission. The Commission may consult the Scientific Council.
4. The Executive Secretary shall, subject to the general supervision of the Commission, have full power and authority over managing employees and employee-related issues of the Secretariat and shall perform such other functions as the Commission prescribes.

Article IX -Budget

1. Each Contracting Party shall pay the expenses of its own delegation to all meetings held pursuant to this Convention.
2. [The Commission shall establish the amount of the annual contributions due from each Contracting Party pursuant to the annual budget on the following basis:
 - (a) 10% of the budget shall be divided among the Coastal States in proportion to their nominal catches in the Convention Area in the year ending two years before the beginning of the budget year;
 - (b) 30% of the budget shall be divided equally among all the Contracting Parties;
 - (c) 60% of the budget shall be divided among all Contracting Parties in proportion to their nominal catches in the Convention Area in the year ending two years before the beginning of the budget year; and
 - (d) the annual contribution of any Contracting Party which has a population of less than 300,000 inhabitants shall be limited to a maximum of 15% of the total budget. When this contribution is so limited, the remaining part of the budget shall be divided among the other Contracting Parties in accordance with sub-paragraphs (a), (b) and (c).

The nominal catches referred to above shall be the reported catches of the fishery resources specified in the financial regulations adopted by the Commission pursuant to paragraph 10 of Article VI.]

3. The Executive Secretary shall notify each Contracting Party of the contribution due from that Party as calculated pursuant to paragraph 2, and as soon as possible thereafter each Contracting Party shall pay its contribution to the Organization. .
4. Contributions shall be payable in the currency of the country in which the headquarters of the Organization is located, except if otherwise authorized by the Commission.
5. The Executive Secretary shall for each financial year submit drafts of the annual budget to each Contracting Party together with a schedule of contributions, not less than sixty days before the annual meeting of the Organization at which the budgets are to be considered.

6. A Contracting Party acceding to this Convention during the course of a financial year shall contribute in respect of that year a part of the contribution calculated in accordance with the provisions of this Article that is proportional to the number of complete months remaining in the year.
7. A Contracting Party which has not paid its contributions in full for two consecutive years shall not enjoy any right of casting votes and presenting objections pursuant to this Convention until it has fulfilled its obligations, unless the Commission decides otherwise.
8. The financial affairs of the Organization shall be audited annually by external auditors to be selected by the Commission.

Article X – Contracting Party Duties

1. Each Contracting Party shall:
 - (a) promptly implement this Convention and any conservation, management and enforcement measures or matters which may be adopted by the Commission and by which they are bound;
 - (b) co-operate in furthering the objective of this Convention;
 - (c) take all necessary measures in order to ensure the effectiveness and enforcement of the conservation, management and enforcement measures adopted by the Commission;
 - (d) collect and exchange scientific, technical and statistical data pertaining to the living marine resources and their ecosystems of the Convention Area, and with respect to the fishery resources in accordance with Article VII, paragraph 6 of this Convention ensure that:
 - (i) complete and detailed information on commercial catches and fishing effort is collected;
 - (ii) appropriate measures are taken to verify the accuracy of such data;
 - (iii) biological sampling on the commercial catches is performed;
 - (iv) they contribute to the scientific knowledge of the living marine resources and their ecosystem; and
 - (v) information is made available in a timely manner to fulfil the requirements of the Scientific Council and the Commission;
 - (e) ensure that information on steps taken to implement the conservation, management and enforcement measures adopted by the Commission is provided in a timely manner.
2. Each Contracting Party shall regularly submit to the Commission a statement of implementing and compliance measures, including the outcome of the proceedings referred to in Article XI paragraph 4, it has taken in accordance with this Article and, in the case of Coastal States that are Contracting Parties to this Convention, in relation to the conservation, management and enforcement measures they have taken for straddling stocks occurring in waters under their fisheries jurisdiction in the Convention Area.
3. Without prejudice to the jurisdiction of the flag State, each Contracting Party shall, to the greatest extent possible, take measures, or cooperate, to ensure that its nationals and fishing vessels owned or operated by its nationals conducting fishing activities comply with the provisions of this Convention and with the conservation, management and enforcement measures adopted by the Commission.
4. Without prejudice to the jurisdiction of the flag State, each Contracting Party shall, to the greatest extent possible, and when provided with the relevant information, immediately investigate and fully report on actions taken in response to any alleged serious infringement by its nationals, or foreign flagged fishing vessels owned or operated by its nationals, of the provisions of this Convention or any conservation, management and enforcement measure adopted by the Commission.

Article XI – Flag State Duties

1. Each Contracting Party shall ensure that:
 - (a) fishing vessels flying its flag comply with the provisions of this Convention and with the conservation, management and enforcement measures adopted by the Commission in accordance with Article VI and that such vessels do not engage in any activity which undermines the effectiveness of such measures;
 - (b) fishing vessels flying its flag do not conduct unauthorized fishing activities within waters under the fisheries jurisdiction of a Coastal State within the Convention Area.
2. No Contracting Party shall allow any fishing vessel entitled to fly its flag to be used for fishing activities in the Regulatory Area unless it has been authorised to do so by the appropriate authorities of that Contracting Party.
3. Each Contracting Party shall:
 - (a) authorize the use of vessels flying its flag for fishing activities in the Regulatory Area only where it is able to exercise effectively its responsibilities in respect of such vessels pursuant to this Convention and in accordance with international law;
 - (b) maintain a record of fishing vessels entitled to fly its flag and authorized to fish for the fishery resources in the Regulatory Area, and ensure that, for all such vessels, such information as may be specified by the Commission is entered in that record. Contracting Parties shall exchange this information in accordance with such procedures as may be adopted by the Commission.
4. Each Contracting Party shall, in accordance with measures adopted by the Commission, investigate immediately and report fully on actions taken in response to an alleged infringement by a vessel flying its flag of measures adopted by the Commission.
5. In respect of an alleged infringement referred to in paragraph 4, each Contracting Party shall ensure that appropriate measures are taken without delay, including administrative or judicial proceedings, in accordance with its laws.
6. Measures taken or sanctions applied pursuant to paragraph 5 by flag States in conformity with national legislation shall be adequate in severity to be effective in securing compliance, discourage further infringements and deprive offenders of the benefits accruing from their illegal activities.

Article XII – Port State Duties

1. Measures taken by a Port State Contracting Party in accordance with this Convention shall take full account of the rights and the duties of a port State to take measures, in accordance with international law, to promote the effectiveness of conservation, management and enforcement measures.
2. Each Port State Contracting Party shall implement the measures concerning inspections in port adopted by the Commission.
3. Nothing in this Article affects the exercise by the Contracting Parties of their sovereignty over ports in their territory in accordance with international law.

Article XIII – Decision making of the Commission

1. As a general rule, decision-making within the Commission shall be by consensus. For the purposes of this Article, “consensus” means the absence of any formal objection made at the time when the decision was taken.

2. If the Chairperson considers that all efforts to reach a decision by consensus have been exhausted, decisions of the Commission shall, except where otherwise provided, be taken by two-thirds majority of the votes of all Contracting Parties present and casting affirmative or negative votes, provided that no vote shall be taken unless there is a quorum of at least two-thirds of the Contracting Parties. Each Contracting Party shall have one vote in the voting proceedings of the Commission.

Article XIV - Implementation of Commission Decisions

1. Each proposal adopted by the Commission pursuant to Article VI paragraph 4 (a) to (f) and paragraph 5 (d) and (e) shall become binding on the Contracting Parties in the following manner:
 - (a) The Executive Secretary shall within five working days transmit each proposal to all Contracting Parties, specifying the date of transmittal for the purposes of paragraph 2.
 - (b) Subject to the provisions of paragraph 2, the proposal shall become binding upon all Contracting Parties sixty days following the date of transmittal pursuant to subparagraph (a) unless otherwise specified in the proposal.
2. If any Contracting Party presents to the Executive Secretary an objection to a proposal within sixty days of the date of transmittal specified in the notification of the measure by the Executive Secretary, any other Contracting Party may similarly present an objection prior to the expiration of an additional twenty day period, or within fifteen days after the date of transmittal specified in the notification to the Contracting Parties of any objection presented within that additional twenty day period, whichever shall be later. The proposal shall then become a binding measure on all Contracting Parties, except those which have presented objections, at the end of the extended period or periods for objecting. If, however, at the end of such extended period or periods, objections have been presented and maintained by a majority of Contracting Parties, the proposal shall not become a binding measure, unless any or all of the Contracting Parties nevertheless agree as among themselves to be bound by it on an agreed date.
3. Any Contracting Party which has presented an objection to a proposal may at any time withdraw that objection and the proposal shall then become a binding measure on such a Contracting Party.
4. At any time after the expiration of one year from the date on which a measure enters into force, any Contracting Party may give to the Executive Secretary notice of its intention not to be bound by the measure and, if that notice is not withdrawn, the measure shall cease to be binding on that Contracting Party at the end of one year from the date of receipt of the notice by the Executive Secretary. At any time after a measure has ceased to be binding on a Contracting Party pursuant this paragraph, the measure shall cease to be binding on any other Contracting Party upon the date a notice of its intention not to be bound is received by the Executive Secretary.
5. Any Contracting Party which has presented an objection to a proposal pursuant to paragraph 2 or has given notice of its intention not to be bound by a measure pursuant to paragraph 4 shall at the same time provide an explanation for its reasons for taking this action. This explanation shall specify whether the reasons for taking this action is that the Contracting Party considers that the proposal or measure is inconsistent of the provisions with this Convention, or that the proposal or measure unjustifiably discriminates in any form or fact against it. The explanation shall also include a declaration of its intentions following the objection or notice, including a description of the alternative measures it intends to take or has taken for the conservation, management and control of the relevant fishery resources in accordance with the objective of this Convention.
6. The Executive Secretary shall immediately notify each Contracting Party of:
 - (a) the receipt of each objection and withdrawal of objection pursuant to paragraphs 2 and 3;
 - (b) the date on which any proposal becomes a binding measure pursuant to the provisions of paragraph 1;
 - (c) the receipt of each notice pursuant to paragraph 4; and

- (d) each explanation and description of alternative measures received pursuant to paragraph 5.
7. In the event that any Contracting Party invokes the procedure set out in paragraphs 2, 4 and 5, it may at the same time request that an *ad hoc* panel be convened in accordance with Annex II.
 8. Should an *ad hoc* panel not be requested pursuant to paragraph 7, the Commission shall decide by simple majority, through a mail vote, whether to convene an *ad hoc* panel in accordance with Annex II.
 9. Where, pursuant to paragraph 8, the Commission decides not to convene an *ad hoc* panel, any Contracting Party may request a meeting of the Commission to review proposal or measure of the Commission and the alternative measures.
 10. Any *ad hoc* Panel established pursuant to paragraphs 7 or 8 shall review the alternative measures and the proposal or measure of the Commission and make recommendations to the Commission on:
 - (a) whether the alternative measures proposed in paragraph 5 are in accordance with the objective on this Convention and preserve the rights of all Contracting Parties, and
 - (b) whether the explanation pursuant to paragraph 5 is well founded, and whether the proposal or measure of the Commission should be modified or amended, and if so, how, or maintained or revoked.
 11. Thirty days following the procedures set out in paragraph 10, the Commission shall meet to consider the recommendations of the *ad hoc* panel.
 12. Where the procedures set out in paragraphs 7 to 11 have been concluded, any Contracting Party may invoke the dispute settlement procedures set out in Article XV.

Article XV – Settlement of Disputes

1. Contracting Parties shall co-operate in order to prevent disputes.
2. If any dispute arises between two or more Contracting Parties concerning the interpretation or application of this Convention, including the explanation, declaration and alternative measures referred to in Article XIV paragraph 5 as well as any actions taken by a Contracting Party further to its application of Article XIV paragraphs 2 or 4, those Contracting Parties, hereinafter referred to as Contracting Parties to the dispute, shall seek to resolve their dispute by negotiation, inquiry, mediation, conciliation, *ad hoc* panel procedures, arbitration, judicial settlement or other peaceful means of their own choice.
3. Where a dispute concerns the interpretation or application of a proposal adopted by the Commission pursuant to Article VI paragraph 4 (a) to (f) and paragraph 5 (d) and (e) or matters related thereto, including the explanation, declaration and alternative measures referred to in Article XIV paragraph 5 as well as any actions taken by a Contracting Party to the dispute further to its application of Article XIV paragraphs 2 or 4, the parties to the dispute may submit the dispute to a non binding *ad hoc* panel constituted in accordance with the procedures laid down in Annex II of this Convention. This Annex forms an integral part of this Convention.
4. Where a dispute has been submitted to *ad hoc* panel procedures, the *ad hoc* panel shall at the earliest possible opportunity confer with the Contracting Parties to the dispute and shall endeavour to resolve the dispute expeditiously. The *ad hoc* panel shall present a report to the Contracting Parties to the dispute and through the Executive Secretary to the other Contracting Parties. The report shall as far as possible include any recommendations which the *ad hoc* panel considers appropriate to resolve the dispute.
5. If the Contracting Parties to the dispute accept the recommendations of the *ad hoc* panel, they shall within 14 days of receipt of the *ad hoc* panel's recommendations, notify, through the Executive Secretary, all other Contracting Parties of the actions they intend to take with a view to implementing the recommendations.

Consideration of the recommendations of the *ad hoc* panel may be referred to the Commission, in accordance with the appropriate procedures of the Organization.

6. Where a dispute has not been resolved through agreement among the Contracting Parties to the dispute following the recommendations of the *ad hoc* panel it may be referred, on request of any one of the Contracting Parties to the dispute, to a binding dispute settlement procedure as provided in paragraph 8.
7. Where the Contracting Parties to a dispute have agreed to submit the dispute to *ad hoc* panel procedures, they may agree at the same time to apply provisionally the relevant proposal adopted by the Commission until the recommendations of the *ad hoc* panel are presented, unless the parties have settled the dispute beforehand by other means.
8. If the Contracting Parties to the dispute do not agree to any other peaceful means to resolve a dispute, or no settlement has been reached by recourse to these means, the dispute shall be referred, if one of the Contracting Parties to the dispute so requests, to binding dispute settlement procedures set out in Part XV of the 1982 Convention or Part VIII of the 1995 Agreement.
9. If binding dispute settlement procedures are invoked in accordance with this paragraph, the Contracting Parties to the dispute, unless they agree otherwise, shall apply provisionally any recommendation made by the *ad hoc* panel pursuant to paragraph 4, or, where applicable, Article XIV paragraph 10. Such provisional application of the *ad hoc* panel's recommendation shall cease when the Contracting Parties to the dispute agree on arrangements of equivalent effect, when a court or tribunal to which the dispute has been referred has prescribed provisional measures or made a final determination or, in any case, at the date of expiration, if applicable, of the proposal of the Commission.
10. Paragraph 5 shall apply *mutatis mutandis* to the provisional application of the *ad hoc* panel recommendations and to any final determination made by a court or tribunal to which the dispute was referred.
11. A court, tribunal or *ad hoc* panel to which any dispute had been submitted pursuant to this Article shall apply the relevant provisions of:
 - a) this Convention;
 - b) the 1982 Convention;
 - c) the 1995 Agreement,

as well as generally accepted standards for the conservation, management and enforcement as regards living marine resources and other rules of international law not incompatible with the said instruments, with a view to meet the objective of the Convention as set out in Article II.
12. Notwithstanding paragraphs 1 to 11, the following shall apply:
 - (a) where a Contracting Party to a dispute is a State Party to the 1982 Convention, nothing in this Convention shall be argued or construed as preventing it from submitting the dispute to binding procedures pursuant to Part XV of the 1982 Convention as against any other State Party to that Convention; and
 - (b) where a Contracting Party to a dispute is a State Party to the 1995 Agreement, nothing in this Convention shall be argued or construed as preventing it from submitting the dispute to binding procedures pursuant to Article 30 of the 1995 Agreement as against any other State Party to that Agreement.

Article XVI - Co-operation with non-Contracting Parties

1. The Commission shall request non-Contracting Parties to this Convention whose vessels engage in fishing activities in the Regulatory Area to cooperate fully with the Organization either by becoming a Party to the Convention or by agreeing to apply the conservation, management and enforcement measures adopted by the Commission with a view to ensuring that such measures are applied to all activities regulated by the Organization in the Regulatory Area.
2. Contracting Parties shall exchange information on the fishing activities of fishing vessels flying the flags of non-Contracting Parties to this Convention which are engaged in fishing activities in the Regulatory Area and of any action taken in response to fishing activities by non-Contracting Parties to this Convention.
3. Contracting Parties shall take measures consistent with this Convention and relevant international law to deter the fishing activities of vessels flying the flags of non-Contracting Parties to this Convention which undermine the effectiveness of conservation, management and enforcement measures adopted by the Commission.
4. Contracting Parties shall draw the attention of any non-Contracting Party to this Convention to any fishing activity undertaken by its nationals or vessels flying its flag which, in the opinion of the Contracting Party, undermines the effectiveness of conservation, management and enforcement measures adopted by the Commission.
5. Contracting Parties shall when needed seek co-operation with any non-Contracting Party to this Convention which has been identified as importing, exporting or re-exporting products deriving from fishing activities in the Convention Area.

Article XVII - Co-operation with other organisations

1. The Organization shall cooperate, as appropriate, with the Food and Agriculture Organisation of the United Nations, with other specialised agencies of the United Nations and with other organisations on matters of mutual interests.
2. The Organization shall seek to develop cooperative working relationships with other intergovernmental organisations which can contribute to their work and which have an interest in ensuring the long-term conservation and sustainable use of living marine resources in the Convention Area or have competence regarding the ecosystems where these resources occur.
3. The Commission may enter into such agreements with the organisations referred to in this Article and with other organisations as may be appropriate. The Commission may invite such organisations to send observers to its meetings, or to the meetings of any subsidiary bodies of the Organisation. The Commission may also seek participation in meetings of such organisations as appropriate.
4. In the application of Articles II and III of this Convention to fishery resources, the Organization shall cooperate with other relevant regional fisheries management organisations and take account of their conservation and management measures.

Article XVIII –Review

The Commission shall, at appropriate intervals, initiate reviews and assessments of the adequacy of provisions of this Convention and, if necessary, propose means of strengthening the substance and methods of implementation of those provisions in order to better address any continuing problems in meeting the objective of this Convention as set out in Article II.

Article XIX – Good faith and abuse of rights

Contracting Parties shall fulfil in good faith the obligations assumed under the Convention and shall exercise the rights recognised in this Convention in a manner which would not constitute an abuse of right.

Article XX Relation to other Agreements

1. This Convention shall not alter the rights and obligations of Contracting Parties that arise from other Agreements compatible with this Convention and that do not affect the enjoyment by other Contracting Parties of their rights or the performance of their obligations under this Convention.
2. Nothing in this Convention shall prejudice the rights, jurisdiction and duties of Contracting Parties under the 1982 Convention or the 1995 Agreement. This Convention shall be interpreted and applied in the context of and in a manner consistent with the 1982 Convention and the 1995 Agreement.

Article XXI – Amendments to the Convention

1. Any Contracting Party may propose amendments to this Convention to be considered and acted upon by the Commission at the annual or at a special meeting. Any such proposals shall be sent to the Executive Secretary at least ninety days prior to the meeting at which it is proposed to be acted upon, and the Executive Secretary shall immediately transmit the proposal to all Contracting Parties.
2. The adoption of a proposed amendment to the Convention by the Commission shall require a three-fourth majority of the votes of all Contracting Parties. The text of any amendments so adopted shall be transmitted by the Depositary to all Contracting Parties.
3. An amendment shall take effect for all Contracting Parties one hundred and twenty days following the date of transmittal specified in the notification by the Depositary of receipt of written notification of approval by three-fourths of all Contracting Parties unless any other Contracting Party notifies the Depositary that it objects to the amendment within ninety days of the date of transmittal specified in the notification by the Depositary of such receipt, in which case the amendment shall not take effect for any Contracting Party. Any Contracting Party which has objected to an amendment may at any time withdraw that objection. If all objections to an amendment are withdrawn, the amendment shall take effect for all Contracting Parties one hundred and twenty days following the date of transmittal specified in the notification by the Depositary of receipt of the last withdrawal.
4. Any Party which becomes a Contracting Party to the Convention after an amendment has been adopted in accordance with paragraph 2 shall be deemed to have approved the said amendment.
5. The Depositary shall promptly notify all Contracting Parties of the receipt of notifications of approval of amendments, the receipt of notifications of objection or withdrawal of objections, and the entry into force of amendments.
6. Notwithstanding paragraphs 1 to 5, the Commission may, on the request of the Scientific Council, by a two-thirds majority vote of all Contracting Parties, if deemed necessary for scientific or statistical purposes, modify the boundaries of the scientific and statistical subareas, divisions and subdivisions set out in Annex I, provided that each Coastal State exercising fisheries jurisdiction in any part of the area affected concurs with such action.
7. Notwithstanding paragraphs 1 to 5, the Commission may, after having consulted the Scientific Council, by a two-thirds majority vote of all Contracting Parties, if deemed necessary for management purposes, divide the Regulatory Area into appropriate regulatory divisions and subdivisions. These may subsequently be modified in accordance with the same procedure. The boundaries of any such divisions and subdivisions shall be defined in Annex I.

Article XXII - Signature, Ratification, Acceptance and Approval

1. This Convention shall be open for signature at Ottawa until 31 December 1978, by the Parties represented at the Diplomatic Conference on the Future of Multilateral Cooperation in the Northwest Atlantic Fisheries, held at Ottawa from 11 to 21 October 1977. It shall thereafter be open for accession.
2. This Convention shall be subject to ratification, acceptance or approval by the Signatories and the instruments of ratification, acceptance or approval shall be deposited with the Government of Canada, referred to in this Convention as "the Depositary".
3. This Convention shall enter into force upon the first day of January following the deposit of instruments of ratification, acceptance or approval by not less than six Signatories; at least one of which exercises fisheries jurisdiction in waters forming part of the Convention Area.
4. Any party which has not signed this Convention may accede thereto by a notification in writing to the Depositary. Accessions received by the Depositary prior to the date of entry into force of this Convention shall become effective on the date this Convention enters into force. Accessions received by the Depositary after the date of entry into force of this Convention shall become effective on the date of receipt by the Depositary.
5. The Depositary shall inform all Signatories and all Contracting Parties of all ratifications, acceptances or approvals deposited and accessions received.

Article XXIII - Withdrawal

1. Any Contracting Party may withdraw from the Convention on 31 December of any year by giving notice on or before the preceding 30 June to the Depositary, which shall communicate copies of such notice to other Contracting Parties.
2. Any other Contracting Party may thereupon withdraw from the Convention on the same 31 December by giving notice to the Depositary within one month of the receipt of a copy of a notice of withdrawal given pursuant to paragraph 1.

Article XXIV - Registration

1. The original of the present Convention shall be deposited with the Government of Canada, which shall communicate certified copies thereof to all the Signatories and to all the Contracting Parties.
2. The Depositary shall register the present Convention and any amendment thereof with the Secretariat of the United Nations.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Convention.

DONE at Ottawa, this 24th day of October, 1978, in a single original, in the English and French languages, each text being equally authentic.

FOR BULGARIA:

FOR CANADA:

FOR CUBA:

FOR DENMARK (IN RESPECT OF THE FAROE ISLANDS):

FOR THE EUROPEAN ECONOMIC COMMUNITY:

FOR THE GERMAN DEMOCRATIC REPUBLIC:

FOR ICELAND:

FOR JAPAN:

FOR NORWAY:

FOR POLAND:

FOR PORTUGAL:

FOR ROMANIA:

FOR SPAIN:
FOR THE UNION OF SOVIET SOCIALIST REPUBLICS:
FOR THE UNITED STATES OF AMERICA:

The Under-Secretary of State for External Affairs certifies that this is a true copy of the original deposited in the Treaty Archives of the Government of Canada.

Under-Secretary of State for External Affairs

Annex I to the Convention – Scientific and
Statistical subareas, divisions and subdivisions

The scientific and statistical subareas, divisions and subdivisions provided for by Article IV of this Convention shall be as follows:

1(a) **Subarea 0**

That portion of the Convention Area bounded on the south by a line extending due east from a point at 61° 00' N and 65° 00' W to a point at 61° 00' N and 59° 00' W, thence in a southeasterly direction along a rhumb line to a point at 60° 12' N and 57° 13' W; thence bounded on the east by a series of geodisic lines joining the following points:

Point No.	Latitude	Longitude	Point No.	Latitude	Longitude	Point No.	Latitude	Longitude
1	60°12.0'	57°13.0'	40	67°28.3'	57°55.3'	79	71°31.8'	62°32.0'
2	61°00.0'	57°13.1'	41	67°29.1'	57°56.1'	80	71°32.9'	62°33.5'
3	62°00.5'	57°21.1'	42	67°30.7'	57°57.8'	81	71°44.7'	62°49.6'
4	62°02.3'	57°21.8'	43	67°35.3'	58°02.2'	82	71°47.3'	62°53.1'
5	62°03.5'	57°22.2'	44	67°39.7'	58°06.2'	83	71°52.9'	63°03.9'
6	62°11.5'	57°25.4'	45	67°44.2'	58°09.9'	84	72°01.7'	63°21.1'
7	62°47.2'	57°41.0'	46	67°56.9'	58°19.8'	85	72°06.4'	63°30.9'
8	63°22.8'	57°57.4'	47	68°01.8'	58°23.3'	86	72°11.0'	63°41.0'
9	63°28.6'	57°59.7'	48	68°04.3'	58°25.0'	87	72°24.8'	64°13.2'
10	63°35.0'	58°02.0'	49	68°06.8'	58°26.7'	88	72°30.5'	64°26.1'
11	63°37.2'	58°01.2'	50	68°07.5'	58°27.2'	89	72°36.3'	64°38.8'
12	63°44.1'	57°58.8'	51	68°16.1'	58°34.1'	90	72°43.7'	64°54.3'
13	63°50.1'	57°57.2'	52	68°21.7'	58°39.0'	91	72°45.7'	64°58.4'
14	63°52.6'	57°56.6'	53	68°25.3'	58°42.4'	92	72°47.7'	65°00.9'
15	63°57.4'	57°53.5'	54	68°32.9'	59°01.8'	93	72°50.8'	65°07.6'
16	64°04.3'	57°49.1'	55	68°34.0'	59°04.6'	94	73°18.5'	66°08.3'
17	64°12.2'	57°48.2'	56	68°37.9'	59°14.3'	95	73°25.9'	66°25.3'
18	65°06.0'	57°44.1'	57	68°38.0'	59°14.6'	96	73°31.1'	67°15.1'
19	65°08.9'	57°43.9'	58	68°56.8'	60°02.4'	97	73°36.5'	68°05.5'
20	65°11.6'	57°44.4'	59	69°00.8'	60°09.0'	98	73°37.9'	68°12.3'
21	65°14.5'	57°45.1'	60	69°06.8'	60°18.5'	99	73°41.7'	68°29.4'
22	65°18.1'	57°45.8'	61	69°10.3'	60°23.8'	100	73°46.1'	68°48.5'
23	65°23.3'	57°44.9'	62	69°12.8'	60°27.5'	101	73°46.7'	68°51.1'
24	65°34.8'	57°42.3'	63	69°29.4'	60°51.6'	102	73°52.3'	69°11.3'
25	65°37.7'	57°41.9'	64	69°49.8'	60°58.2'	103	73°57.6'	69°31.5'
26	65°50.9'	57°40.7'	65	69°55.3'	60°59.6'	104	74°02.2'	69°50.3'
27	65°51.7'	57°40.6'	66	69°55.8'	61°00.0'	105	74°02.6'	69°52.0'
28	65°57.6'	57°40.1'	67	70°01.6'	61°04.2'	106	74°06.1'	70°06.6'
29	66°03.5'	57°39.6'	68	70°07.5'	61°08.1'	107	74°07.5'	70°12.5'
30	66°12.9'	57°38.2'	69	70°08.8'	61°08.8'	108	74°10.0'	70°23.1'
31	66°18.8'	57°37.8'	70	70°13.4'	61°10.6'	109	74°12.5'	70°33.7'
32	66°24.6'	57°37.8'	71	70°33.1'	61°17.4'	110	74°24.0'	71°25.7'
33	66°30.3'	57°38.3'	72	70°35.6'	61°20.6'	111	74°28.6'	71°45.8'
34	66°36.1'	57°39.2'	73	70°48.2'	61°37.9'	112	74°44.2'	72°53.0'
35	66°37.9'	57°39.6'	74	70°51.8'	61°42.7'	113	74°50.6'	73°02.8'
36	66°41.8'	57°40.6'	75	71°12.1'	62°09.1'	114	75°00.0'	73°16.3'

37	66°49.5'	57°43.0'	76	71°18.9'	62°17.5'	115	75°05'	73°30'
38	67°21.6'	57°52.7'	77	71°25.9'	62°25.5'			
39	67°27.3'	57°54.9'	78	71°29.4'	62°29.3'			

and thence due north to the parallel of 78° 10' N; and bounded on the west by a line beginning at 61° 00' N and 65° 00' W and extending in a northwesterly direction along a rhumb line to the coast of Baffin Island at East Bluff (61° 55' N and 66° 20' W), and thence in a northerly direction along the coast of Baffin Island, Bylot Island, Devon Island and Ellesmere Island and following the meridian of 80° W in the waters between those islands to 78° 10' N; and bounded on the north by the parallel of 78° 10' N.

1(b) **Subarea 0 is composed of two divisions:**

Division 0–A

That portion of the subarea lying to the north of the parallel of 66° 15' N;

Division 0–B

That portion of the subarea lying to the south of the parallel of 66° 15' N.

2(a) **Subarea 1**

That portion of the Convention Area lying to the east of subarea 0 and to the north and east of a rhumb line joining a point at 60° 12' N and 57° 13' W with a point at 52° 15' N and 42° 00' W.

2(b) **Subarea 1 is composed of six divisions:**

Division 1A

That portion of the subarea lying north of the parallel of 68° 50' N (Qasigiannguit);

Division 1B

That portion of the subarea lying between the parallel of 66° 15' N (approximately 5 nautical miles north of Umanarsugssuak) and the parallel of 68°50' N (Qasigiannguit);

Division 1C

That portion of the subarea lying between the parallel of 64° 15' N (approximately 4 nautical miles north of Nuuk) and the parallel of 66° 15' N (approximately 5 nautical miles north of Umanarsugssuak);

Division 1D

That portion of the subarea lying between the parallel of 62° 30' N (Paamiut Glacier) and the parallel of 64° 15' N (approximately 4 nautical miles north of Nuuk),

Division 1E

That portion of the subarea lying between the parallel of 60° 45' N (Cape Desolation) and the parallel of 62° 30' N (Paamiut Glacier);

Division 1FT

That portion of the subarea lying south of the parallel of 60° 45' N (Cape Desolation).

3(a) **Subarea 2**

That portion of the Convention Area lying to the east of the meridian of 64° 30' W in the area of Hudson Strait, to the south of subarea 0, to the south and west of subarea 1 and to the north of the parallel of 52° 15' N.

3(b) **Subarea 2 is composed of three divisions:**

Division 2G

That portion of the subarea lying north of the parallel of 57° 40' N (Cape Mugford);

Division 2H

That portion of the subarea lying between the parallel of 55° 20' N (Hopedale) and the parallel of 57° 40' N (Cape Mugford);

Division 2J

That portion of the subarea lying south of the parallel of 55° 20' N (Hopedale).

4(a) **Subarea 3**

That portion of the Convention Area lying south of the parallel of 52° 15' N, and to the east of a line extending due north from Cape Bauld on the north coast of Newfoundland to 52° 15' N; to the north of the parallel of 39° 00' N; and to the east and north of a rhumb line commencing at 39° 00' N, 50° 00' W and extending in a northwesterly direction to pass through a point at 43° 30' N, 55° 00' W in the direction of a point at 47° 50' N, 60° 00' W until it intersects a straight line connecting Cape Ray, 47° 37.0' N; 59° 18.0' W on the coast of Newfoundland, with Cape North, 47° 02.0' N; 60° 25.0' W on Cape Breton Island; thence in a northeasterly direction along said line to Cape Ray, 47° 37.0' N, 59° 18.0' W.

4(b) **Subarea 3 is composed of six divisions:**

Division 3K

That portion of the subarea lying north of the parallel of 49° 15' N (Cape Freels, Newfoundland);

Division 3L

That portion of the subarea lying between the Newfoundland coast from Cape Freels to Cape St. Mary and a line described as follows: beginning at Cape Freels, thence due east to the meridian of 46° 30' W, thence due south to the parallel of 46° 00' N, thence due west to the meridian of 54° 30' W, thence along a rhumb line to Cape St. Mary, Newfoundland.

Division 3M

That portion of the subarea lying south of the parallel of 49° 15' N and east of the meridian of 46° 30' W;

Division 3N

That portion of the subarea lying south of the parallel of 46° 00' N and between the meridian of 46° 30' W and the meridian of 51° 00' W;

Division 3O

That portion of the subarea lying south of the parallel of 46° 00' N and between the meridian of 51° 00' W and the meridian of 54° 30' W;

Division 3P

That portion of the subarea lying south of the Newfoundland coast and west of a line from Cape St. Mary, Newfoundland to a point at 46° 00' N, 54° 30' W, thence due south to a limit of the subarea;

Division 3P is divided into two subdivisions:

3Pn – Northwestern subdivision – That portion of division 3P lying northwest of a line extending from 47° 30.7' N; 57° 43.2' W Newfoundland, approximately southwest to a point at 46° 50.7' N and 58° 49.0' W;
 3Ps – Southeastern subdivision – That portion of division 3P lying southeast of the line defined for Subdivision 3Pn.

5(a) **Subarea 4**

That portion of the Convention Area lying north of the parallel of 39° 00' N, to the west of subarea 3, and to the east of a line described as follows:

beginning at the terminus of the international boundary between the United States of America and Canada in Grand Manan Channel, at a point at 44° 46' 35.346" N; 66° 54' 11.253" W; thence due south to the parallel of 43° 50' N; thence due west to the meridian of 67° 24' 27.24" W; thence along a geodetic line in a southwesterly direction to a point at 42° 53' 14" N and 67° 44' 35" W; thence along a geodetic line in a southeasterly direction to a point at 42° 31' 08" N and 67° 28' 05" W; thence along a geodetic line to a point at 42° 20' N and 67° 18' 13.15" W;

thence due east to a point in 66° 00' W; thence along a rhumb line in a southeasterly direction to a point at 42° 00' N and 65° 40' W and thence due south to the parallel of 39° 00' N.

5(b) **Subarea 4 is composed of six divisions:**

Division 4R

That portion of the subarea lying between the coast of Newfoundland from Cape Bauld to Cape Ray and a line described as follows: beginning at Cape Bauld, thence due north to the parallel of 52° 15' N, thence due west to the Labrador coast, thence along the Labrador coast to the terminus of the Labrador-Quebec boundary, thence along a rhumb line in a southwesterly direction to a point at 49° 25' N, 60° 00' W, thence due south to a point at 47° 50' N, 60° 00' W, thence along a rhumb line in a southeasterly direction to the point at which the boundary of subarea 3 intersects the straight line joining Cape North, Nova Scotia with Cape Ray, Newfoundland, thence to Cape Ray, Newfoundland;

Division 4S

That portion of the subarea lying between the south coast of Quebec from the terminus of the Labrador-Quebec boundary to Pte. des Monts and a line described as follows: beginning at Pte. des Monts, thence due east to a point at 49° 25' N, 64° 40' W, thence along a rhumb line in an east-southeasterly direction to a point at 47° 50' N, 60° 00' W, thence due north to a point at 49° 25' N, 60° 00' W, thence along a rhumb line in a northeasterly direction to the terminus of the Labrador-Quebec boundary;

Division 4T

That portion of the subarea lying between the coasts of Nova Scotia, New Brunswick and Quebec from Cape North to Pte. des Monts and a line described as follows: beginning at Pte. des Monts, thence due east to a point at 49° 25' N, 64° 40' W, thence along a rhumb line in a southeasterly direction to a point at 47° 50' N, 60° 00' W, thence along a rhumb line in a southerly direction to Cape North, Nova Scotia;

Division 4V

That portion of the subarea lying between the coast of Nova Scotia between Cape North and Fourchu and a line described as follows: beginning at Fourchu, thence along a rhumb line in an easterly direction to a point at 45° 40' N, 60° 00' W, thence due south along the meridian of 60° 00' W to the parallel of 44° 10' N, thence due east to the meridian of 59° 00' W, thence due south to the parallel of 39° 00' N, thence due east to a point where the boundary between subareas 3 and 4 meets the parallel of 39° 00' N, thence along the boundary between subareas 3 and 4 and a line continuing in a northwesterly direction to a point at 47° 50' N, 60° 00' W, and thence along a rhumb line in a southerly direction to Cape North, Nova Scotia;

Division 4V is divided into two subdivisions:

4Vn – Northern subdivision – That portion of division 4V lying north of the parallel of 45° 40' N;

4Vs – Southern subdivision – That portion of division 4V lying south of the parallel of 45° 40' N.

Division 4W

That portion of the subarea lying between the coast of Nova Scotia from Halifax to Fourchu and a line described as follows: beginning at Fourchu, thence along a rhumb line in an easterly direction to a point at 45° 40' N, 60° 00' W, thence due south along the meridian of 60° 00' W to the parallel of 44° 10' N, thence due east to the meridian of 59° 00' W, thence due south to the parallel of 39° 00' N, thence due west to the meridian of 63° 20' W, thence due north to a point on that meridian at 44° 20' N, thence along a rhumb line in a northwesterly direction to Halifax, Nova Scotia;

Division 4X

That portion of the subarea lying between the western boundary of subarea 4 and the coasts of New Brunswick and Nova Scotia from the terminus of the boundary between New Brunswick and Maine to Halifax, and a line described as follows: beginning at Halifax, thence along a rhumb line in a southeasterly direction to a point at 44° 20' N, 63° 20' W, thence due south to the parallel of 39° 00' N, and thence due west to the meridian of 65° 40' W.

6(a) Subarea 5

That portion of the Convention Area lying to the west of the western boundary of subarea 4, to the north of the parallel of 39° 00' N, and to the east of the meridian of 71° 40' W.

6(b) Subarea 5 is composed of two divisions:

Division 5Y

That portion of the subarea lying between the coasts of Maine, New Hampshire and Massachusetts from the border between Maine and New Brunswick to 70° 00' W on Cape Cod (at approximately 42° N) and a line described as follows: beginning at a point on Cape Cod at 70° W (at approximately 42° N), thence due north to 42° 20' N, thence due east to 67° 18' 13.15" W at the boundary of subareas 4 and 5, and thence along that boundary to the boundary of Canada and the United States;

Division 5Z

That portion of the subarea lying to the south and east of division 5Y.

Division 5Z is divided into two subdivisions: an eastern subdivision and a western subdivision defined as follows:

5Ze – Eastern subdivision – That portion of division 5Z lying east of the meridian of 70° 00' W;

5Zw – Western subdivision – That portion of division 5Z lying west of the meridian of 70° 00' W.

7(a) **Subarea 6**

That part of the Convention Area bounded by a line beginning at a point on the coast of Rhode Island at $71^{\circ} 40' W$, thence due south to $39^{\circ} 00' N$, thence due east to $42^{\circ} 00' W$, thence due south to $35^{\circ} 00' N$, thence due west to the coast of North America, thence northwards along the coast of North America to the point on Rhode Island at $71^{\circ} 40' W$.

7(b) **Subarea 6 is composed of eight divisions:**

Division 6A

That portion of the subarea lying to the north of the parallel of $39^{\circ} 00' N$ and to the west of subarea 5;

Division 6B

That portion of the subarea lying to the west of $70^{\circ} 00' W$, to the south of the parallel of $39^{\circ} 00' N$, and to the north and west of a line running westward along the parallel of $37^{\circ} 00' N$ to $76^{\circ} 00' W$ and thence due south to Cape Henry, Virginia;

Division 6C

That portion of the subarea lying to the west of $70^{\circ} 00' W$ and to the south of subdivision 6B;

Division 6D

That portion of the subarea lying to the east of divisions 6B and 6C and to the west of $65^{\circ} 00' W$;

Division 6E

That portion of the subarea lying to the east of division 6D and to the west of $60^{\circ} 00' W$;

Division 6F

That portion of the subarea lying to the east of division 6E and to the west of $55^{\circ} 00' W$;

Division 6G

That portion of the subarea lying to the east of division 6F and to the west of $50^{\circ} 00' W$;

Division 6H

That portion of the subarea lying to the east of division 6G and to the west of $42^{\circ} 00' W$.

Annex II to the Convention – Rules concerning the *ad hoc* panel procedure pursuant to Article XV

1. The Executive Secretary shall establish and maintain a list of experts who are willing and able to serve as panellists. Each Contracting Party shall be entitled to nominate up to five experts whose competence in the legal, scientific or technical aspects of fisheries covered by the Convention is established. The nominating Contracting Party shall provide information on relevant qualifications and experience of each of its nominees.
2. The Contracting Parties to the dispute shall notify the Executive Secretary of their intention to submit a dispute to an *ad hoc* panel. The notification shall be accompanied by a full description of the subject matter of the dispute as well as the grounds invoked by each Party. The Executive Secretary shall promptly transmit a copy of the notification to all Contracting Parties.
3. Where another Contracting Party wishes to become Party to a dispute, it may join the process of constituting a *ad hoc* panel, unless the original Parties to the dispute disagree. The Contracting Party wishing to become a party to the dispute should notify this intention within 15 days after having received the notification referred to in paragraph 2.
4. No sooner than 30 days and no later than 45 days after the notification referred to in paragraph 2, the Contracting Parties to the dispute shall notify the Executive Secretary of the constitution of the *ad hoc* panel, including the names of the panellists and the time schedule for its work. Unless the Parties agree otherwise, the following shall apply:
 - a) the *ad hoc* panel shall consist of three members;
 - b) the Contracting Parties to the dispute shall each select one panellist and agree on the third panellist;
 - c) the third panellist shall chair the *ad hoc* panel;
 - d) the third panellist shall not be a national of either Contracting Party to the dispute and shall not be of the same nationality as either of the first two panellists; and
 - e) in case of a dispute between more than two Contracting Parties, Contracting Parties to the dispute which are of the same interest shall select one panellist jointly. If the Parties to the dispute can not agree on the nomination of the third panellist, the President of the International Tribunal of the Law of the Sea shall make the appointment, unless the Contracting Parties to the dispute agree that the appointment be made by another person or a third state.

The Executive Secretary shall promptly transmit a copy of the notification to all Contracting Parties.

5. Any Contracting Party, which is not a Party to the dispute, may attend all hearings of the *ad hoc* panel, make written and oral submissions to the *ad hoc* panel and receive the submissions of each Party to the dispute.
6. At the request of a Contracting Party to the dispute, or on its own initiative, the *ad hoc* panel may seek information and technical advice from any person or body that it deems appropriate, provided that the Parties to the dispute so agree.
7. Unless the Contracting Parties to the dispute otherwise agree, the *ad hoc* panel shall, within 90 days from the constitution of the *ad hoc* panel, make its report and recommendations referred to in Article XV paragraph 4 of the Convention. The report and recommendations shall be confined to the subject matter of the dispute and state the reasons on which they are based. The report and recommendations shall be communicated promptly, through the Executive Secretary, to all Contracting Parties.
8. The *ad hoc* panel shall aim at reaching a consensus in its conclusions. If this is not possible the *ad hoc* panel shall reach its conclusions by a majority of its members, who may not abstain from voting.
9. The *ad hoc* panel may adopt any rules of procedure, which it deems necessary to accelerate the proceedings.
10. Costs of the *ad hoc* panel shall be borne by the Contracting Parties to the dispute in equal parts.
11. In relation to the *ad hoc* panel established pursuant to Article XIV paragraphs 7 and 8, the parties shall be deemed to be the Commission and the objecting Contracting Party and the provisions of this Annex shall apply, with the exceptions of paragraphs 3 and 4 (e).

Annex 6. US Proposals
(GC Working Paper 07/4)

Article VI The Commission

7. Proposals adopted by the Commission for the allocation of fishing opportunities in the Regulatory Area shall take into account the interests of Contracting Parties whose vessels have traditionally fished within that area, ~~and the interest of the relevant Coastal States, and the respective contributions of Contracting Parties to the Commission and to the conservation and management of the stocks, including the provision by them of accurate data and their contribution to the conduct of scientific research in the Convention Area.~~

In the allocation of fishing opportunities from the Grand Bank and Flemish Cap, the Commission shall give special consideration to the Contracting Party whose coastal communities are primarily dependent on fishing activities for stocks related to these fishing banks and which has undertaken extensive efforts to ensure the conservation of such stocks through international action, in particular, by providing surveillance and inspection of international fishing activities on these banks under an international scheme of joint enforcement.

Proposals for the allocation of fishing opportunities shall be applied in a fair and equitable manner with the goal of ensuring opportunities for all qualifying Contracting Parties.

9. The Commission, shall, when necessary, develop procedures which allow for measures, including non-discriminatory trade-related measures, to be taken, ~~consistent with the international obligations of~~ by Contracting Parties against any flag State whose fishing vessels participate in fishing activities in a manner that undermines the effectiveness of the conservation and enforcement measures adopted by the Commission. Any implementation by a Contracting Party of trade-related measures shall be consistent with its international obligations, including obligations under the WTO Agreement.

Article XV Settlement of Disputes

4. Where a dispute has been submitted *ad hoc* to panel procedures, the panel shall at the earliest possible opportunity confer with the Contracting Parties to the dispute and shall endeavour to resolve the dispute expeditiously. The panel shall present a report to the Contracting Parties to the dispute and through the Executive Secretary to the other Contracting Parties. The report shall as far as possible include any recommendations which the panel considers appropriate to resolve the dispute. The panel may modify or revise such recommendations later upon the request of any Contracting Party to the dispute provided all parties to the dispute have an opportunity to be heard.

Article XIX Amendments to the Convention

6. Any Contracting Party may propose amendments to this Convention, which includes its Annexes, to be considered and acted upon by the Commission at the annual or at a special meeting. Any such proposals shall be sent to the Executive Secretary at least ninety days prior to the meeting at which it is proposed to be acted upon, and the Executive Secretary shall immediately transmit the proposal to all Contracting Parties.
8. Delete entire paragraph.

Annex 7. Options for NAFO Contribution Formula
(GC Working Paper 07/2 – presented by Canada)

NAFO Convention

Article IX – Budget

Paragraph 2

The Commission shall establish the amount of the annual contribution due from each Contracting Party pursuant to the annual budget on the following basis:

- (a) 10% of the budget shall be divided among Contracting Parties in proportion to a national wealth component based upon an equal weighting of proportional gross domestic product per capita and proportional gross domestic product (calculated on a three-year average);
- (b) 30% of the budget shall be divided equally among all Contracting Parties; and
- (c) 60% of the budget shall be divided among all Contracting Parties in proportion to their nominal catches in the Convention Area in the year ending two years before the beginning of the budget year;

where the nominal catches referred to above are reported catches specified in the financial regulations adopted by the Commission pursuant to paragraph 10 of Article VI.

Financial Regulations for the Organization

Add Rule 2.5

The list of species for the determination of nominal catches to be used in calculating the annual budget pursuant to Article IX shall be as follows:

Atlantic cod	<i>Gadus morhua</i>
Atlantic redfish	<i>Sebates spp.</i>
Silver hake	<i>Merluccius bilinearis</i>
American Plaice	<i>Hippoglossoides platessoides</i>
Witch flounder	<i>Glyptocephalus cynoglossus</i>
Yellowtail flounder	<i>Limanda ferruginea</i>
Greenland halibut	<i>Reinhardtius hippoglossoides</i>
Roundnose grenadier	<i>Coryphaenoides rupestris</i>
Capelin	<i>Mallatus villosus</i>
Short-finned squid	<i>Illex illecebrosus</i>
Shrimp	<i>Pandalus sp.</i>
White hake	<i>Urophycis tenuis</i>
Skate	<i>Amblyraja radiata</i>
Greenland cod	<i>Gadus ogac</i>
Atlantic wolffish	<i>Anarhichas lupus</i>
Spotted wolffish	<i>Anarhichas minor</i>
Roughhead grenadier	<i>Macrourus berglax</i>
Spiny dogfish	<i>Squalus acanthias</i>
Black dogfish	<i>Centroscyllium fabricii</i>

**Explanatory note
Options for NAFO Contribution Formula
Presented by Canada**

In response to the concerns expressed by some Contracting Parties in previous meetings of the NAFO Reform Working Group, a principled-based approach is proposed for a new contribution formula. The principles as articulated by Contracting Parties and the Scientific Council to date are:

- 1- Eliminate the “double-taxation” to Coastal States as the current formula uses the nominal catches in the Convention Area of Coastal States in two elements
- 2- Include a national wealth component to address concerns of Contracting Parties with small economies/populations
- 3- Amend the species list to include only those species that are part of NAFO’s work

The options below replace the component applied to Coastal States with an “ability to pay” component. The Western and Central Pacific Fisheries Commission (WCPFC) approach has been used to introduce a national wealth component. The national wealth component is calculated using Gross Domestic Product (GDP) and GDP per capita as the GNI (Gross National Income) data (used in the WCPFC Convention) are not available for some Contracting Parties.

The Species List is amended to reflect the species where there is value added by NAFO. The list proposed reflects all species where Scientific Council has provided formal advice to the Fisheries Commission since NAFO inception in 1979. It is proposed that this list be moved to the Financial Regulations to allow for easier modification at annual meetings.

The current list of species listed in Annex I to the Convention:

Atlantic cod
Haddock
Atlantic redfish
Silver hake
Red hake
Pollock
American plaice
Witch flounder
Yellowtail flounder
Greenland halibut
Roundnose grenadier
Atlantic herring
Atlantic mackerel
Atlantic butterfish
River herring (alewife)
Atlantic argentine
Capelin
Long-finned squid
Short-finned squid
Shrimp

The June 2006 Meeting of Scientific Council provided a response (NAFO SCS Doc 06/22) to the NAFO Reform Working Group. **Scientific Council proposed to add the following species to the current list:**

White hake
Thorny skate
Deepwater redfish
Acadian redfish
Greenland cod

Atlantic wolffish
 Spotted wolffish
 Lumpsucker
 Roughhead grenadier
 Spiny dogfish
 Black dogfish

Canada proposes to amend the current List of Species to reflect the species where there is a value added by NAFO. **We suggest the following species be deleted from the current list** in Annex I since Scientific Council has never provided advice to the Fisheries Commission on these species:

Haddock
 Pollock
 Atlantic herring
 Atlantic mackerel
 Atlantic butterfish
 River herring (alewife)
 Atlantic argentine
 Lumpsucker

These species are discreet species found only in the exclusive economic zones (EEZ) of Coastal States.

In the attached document, **a Contribution Formula based on the following species is suggested:**

Atlantic Cod
 Atlantic Redfish (includes Deepwater redfish and Acadian redfish)
 Silver hake
 American Plaice
 Witch Flounder
 Yellowtail Flounder
 Greenland halibut
 Roundnose grenadier
 Capelin
 Short-finned squid
 Shrimp
 White hake
 Skate
 Greenland cod
 Atlantic wolffish
 Spotted wolffish
 Roughhead grenadier
 Spiny dogfish
 Black dogfish

In **Option A**, the same proportion of components as in the current formula is maintained: 30% base fee, 10% national wealth component and 60% nominal catches.

In **Option B**, a 20% base fee, 20% national wealth component and 60% nominal catches is suggested in order to put more emphasis on the Contracting Parties' "ability to pay".

In **Option C**, a 30% base fee, 20% national wealth component and 50% nominal catches is suggested in order to put more emphasis on the Contracting Parties' "ability to pay", and less on catches.

BUDGET CALCULATION 2007	Amended List Nominal catches in the Convention Area (2004)	Percent	
Canada	304,509	44.87%	Canada
Cuba	1,114	0.16%	Cuba
DFG	181,707	26.77%	DFG
European Union	66,329	9.77%	EU
SPM	2,711	0.40%	France
Iceland	7,588	1.12%	Iceland
Japan	1,919	0.28%	Japan
Korea, Rep.	0	0.00%	Korea
Norway	13,115	1.93%	Norway
Russian Federation	21,697	3.20%	Russia
Ukraine	579	0.09%	Ukraine
United States	77,440	11.41%	USA
TOTAL	678,708	100.00%	Total

OPTION A	30%	10%	60%	Total	TOTAL current formula
Canada	\$32,409.25	\$8,492.84	\$348,977.47	\$389,879.56	\$516,795.12
Cuba	\$32,409.25	\$890.66	\$1,276.68	\$34,576.59	\$33,187.07
DFG	\$32,409.25	\$6,208.24	\$208,242.28	\$246,859.77	\$187,121.06
European Union	\$32,409.25	\$27,315.38	\$76,015.25	\$135,739.88	\$73,011.56
SPM	\$32,409.25	\$6,644.38	\$3,106.90	\$42,160.52	\$37,109.63
Iceland	\$32,409.25	\$8,714.15	\$8,696.10	\$49,819.50	\$37,931.79
Japan	\$32,409.25	\$17,437.42	\$2,199.24	\$52,045.91	\$33,731.55
Korea, Rep.	\$32,409.25	\$4,510.16	\$0.00	\$36,919.41	\$32,409.25
Norway	\$32,409.25	\$11,653.44	\$15,030.23	\$59,092.91	\$41,431.99
Russian Federation	\$32,409.25	\$2,215.61	\$24,865.49	\$59,490.35	\$45,165.53
Ukraine	\$32,409.25	\$431.68	\$663.55	\$33,504.49	\$32,798.16
United States	\$32,409.25	\$35,123.03	\$88,748.82	\$156,281.10	\$225,677.29
TOTAL				\$1,296,370.00	\$1,296,370.00

OPTION B	20%	20%	60%	Total	TOTAL current formula
Canada	\$21,606.17	\$16,985.69	\$348,977.47	\$387,569.32	\$516,795.12
Cuba	\$21,606.17	\$1,781.32	\$1,276.68	\$24,664.17	\$33,187.07
DFG	\$21,606.17	\$12,416.48	\$208,242.28	\$242,264.93	\$187,121.06
European Union	\$21,606.17	\$54,630.76	\$76,015.25	\$152,252.17	\$73,011.56
SPM	\$21,606.17	\$13,288.75	\$3,106.90	\$38,001.82	\$37,109.63
Iceland	\$21,606.17	\$17,428.30	\$8,696.10	\$47,730.57	\$37,931.79
Japan	\$21,606.17	\$34,874.84	\$2,199.24	\$58,680.25	\$33,731.55
Korea, Rep.	\$21,606.17	\$9,020.33	\$0.00	\$30,626.49	\$32,409.25
Norway	\$21,606.17	\$23,306.87	\$15,030.23	\$59,943.26	\$41,431.99
Russian Federation	\$21,606.17	\$4,431.23	\$24,865.49	\$50,902.88	\$45,165.53
Ukraine	\$21,606.17	\$863.37	\$663.55	\$23,133.09	\$32,798.16
United States	\$21,606.17	\$70,246.06	\$88,748.82	\$180,601.05	\$225,677.29
TOTAL				\$1,296,370.00	\$1,296,370.00

OPTION C	30%	20%	50%	Total	TOTAL current formula
Canada	\$32,409.25	\$16,985.69	\$290,814.56	\$340,209.49	\$516,795.12
Cuba	\$32,409.25	\$1,781.32	\$1,063.90	\$35,254.47	\$33,187.07
DFG	\$32,409.25	\$12,416.48	\$173,535.23	\$218,360.97	\$187,121.06
European Union	\$32,409.25	\$54,630.76	\$63,346.04	\$150,386.05	\$73,011.56
SPM	\$32,409.25	\$13,288.75	\$2,589.08	\$48,287.08	\$37,109.63
Iceland	\$32,409.25	\$17,428.30	\$7,246.75	\$57,084.30	\$37,931.79
Japan	\$32,409.25	\$34,874.84	\$1,832.70	\$69,116.79	\$33,731.55
Korea, Rep.	\$32,409.25	\$9,020.33	\$0.00	\$41,429.58	\$32,409.25
Norway	\$32,409.25	\$23,306.87	\$12,525.19	\$68,241.31	\$41,431.99
Russian Federation	\$32,409.25	\$4,431.23	\$20,721.24	\$57,561.71	\$45,165.53
Ukraine	\$32,409.25	\$863.37	\$552.96	\$33,825.58	\$32,798.16
United States	\$32,409.25	\$70,246.06	\$73,957.35	\$176,612.66	\$225,677.29
TOTAL				\$1,296,370.00	\$1,296,370.00

	National Wealth Component - see attachment
Canada	6.55%
Cuba	0.69%
DFG	4.79%
European Union	21.07%
SPM	5.13%
Iceland	6.72%
Japan	13.45%
Korea, Rep.	3.48%
Norway	8.99%
Russian Federation	1.71%
Ukraine	0.33%
United States	27.09%
TOTAL	100.00%

NATIONAL WEALTH COMPONENT 2007 BUDGET

COUNTRY	Population (total) Source: The World Bank: http://devdata.worldbank.org/data-query/ *				GDP per capita (current US\$) Source: The World Bank: http://devdata.worldbank.org/data-query/ *				GDP (ave Pop X ave GDP p/c)		GDP as % of total	Proportion of NWC (weighted average)
	2003	2004	2005	Average 2003-2005	2003	2004	2005	Average 2003-2005	GDP			
									per capita	per capita		
Canada	31630000.00	31974360.00	32270510.00	31958290.00	\$27,079.53	\$30,586.01	\$34,557.62	\$30,741.05	9.60%	982,431,480,850.35	3.50%	6.55%
Cuba	11219840.00	11244990.00	11269400.00	11244743.33				\$3,900.00	1.22%	43,854,499,000.00	0.16%	0.69%
DFG				104862.00				\$30,640.55	9.57%	3,213,029,169.30	0.01%	4.79%
EU	308073100.00	309344600.00	310597200.00	309338300.00	\$26,992.05	\$30,713.06	\$31,593.86	\$29,766.32	9.29%	9,207,863,114,284.16	32.85%	21.07%
SPM				6316.00				\$32,830.00	10.25%	207,354,280.00	0.00%	5.13%
Iceland	289548.10	292096.20	295111.60	292251.97	\$35,905.12	\$41,892.98	\$50,951.67	\$42,916.59	13.40%	12,542,458,362.87	0.04%	6.72%
Japan	127573000.00	127644000.00	127956000.00	127764466.67	\$33,636.62	\$36,192.00	\$35,267.33	\$35,028.65	10.94%	4,475,416,567,619.02	15.97%	13.45%
Korea	47849230.00	48082160.00	48294140.00	48075176.67	\$12,709.67	\$14,135.69	\$16,308.90	\$14,384.75	4.49%	691,549,513,427.91	2.47%	3.48%
Norway	4577457.00	4591081.00	4618450.00	4595662.67	\$48,193.40	\$54,464.78	\$61,475.19	\$54,711.12	17.08%	251,433,859,890.87	0.90%	8.99%
Russia	144599400.00	143849600.00	143151300.00	143866766.67	\$2,984.02	\$4,104.04	\$5,335.05	\$4,141.04	1.29%	595,757,605,476.86	2.13%	1.71%
Ukraine	47812570.00	47451290.00	47110920.00	47458260.00	\$1,048.53	\$1,367.36	\$1,733.45	\$1,383.11	0.43%	65,640,113,457.69	0.23%	0.33%
USA	290810000.00	293655400.00	296496600.00	293654000.00	\$37,657.92	\$39,882.90	\$42,007.46	\$39,849.43	12.44%	11,701,944,292,145.50	41.75%	27.09%
TOTAL Countries				1,018,359,095.97				\$320,292.61	100.00%	28,031,853,886,944.60	100.00%	100.00%

COUNTRY	GDP from World bank data			Other sources			GDP p/c
	2003	2004	2005	Population	GDP	GDP p/c	
Canada	8.565256E+11	9.77968E+11	1.115192E+12	32,710	\$ 1,857,751,745	\$ 30,641	
EU	8.315524E+12	9.500919E+12	9.812963E+12	56795	\$ 1,355,277,425		
Iceland	1.039626E+10	1.223678E+10	1.503643E+10	48067			
Japan	4.291124E+12	4.622771E+12	4.505912E+12	6316			
Korea	6.081477E+11	6.796744E+11	7.876245E+11				
Norway	2.206032E+11	2.500522E+11	2.839201E+11	104862	\$ 3,213,029,169		
Russia	4.31487E+11	5.903645E+11	7.6372E+11				
Ukraine	5.013296E+10	6.488306E+10	8.16642E+10				
USA	1.09513E+13	1.171183E+13	1.245507E+13				

* Note: data for Cuba are taken from CIA World Factbook:
<https://www.cia.gov/cia/publications/factbook/>
 SPM and DFG are taken from their national websites : <http://www.ieodom.fr/index.asp>,
http://www.hagstova.fo/portal/page?_pageid=33_316936&_dad=portal&_schema=PORTAL and
<http://www.statgreen.gl/english/index.html>

Annex. 8. Terms of Reference for the Technical Editing Working Group
(GC Working Paper 07/11, Revised)

1. Review the existing text by addressing the following:
 - a. Consistency check of use of terminology within the Convention text
 - b. Issues related to format (e.g. punctuation, spelling, format for numbering, cross references, etc.)
 - c. Correct use of language
2. Transform the negotiated text into a proposal to amend the NAFO Convention.

The mandate of the Technical Editing Working Group does not include making any changes to the negotiated text unless absolutely necessary from a legal drafting point of view.

The TEWG is scheduled to meeting on 22-23 May 2007, hosted by the EU in Brussels. Participants per Contracting Party are set at a maximum of two.

**Annex 9. Summary Information related to a Proposal for the Calculation of Contracting Parties
Financial Contributions as Recommended by the Intersessional General Council Meeting,
19-20 April 2007 in Montreal, Canada**
(GC Working Paper 07/13)

This Working Paper includes: (1) the proposed new text in the NAFO Convention, (2) the new proposed list of Species, and (3) as an example a calculation of Contracting Parties 2007 contributions based on the current formula in comparison to the proposed formula.

1. New proposed text regarding budget in the NAFO Convention.

Article IX -Budget

8. [The Commission shall establish the amount of the annual contributions due from each Contracting Party pursuant to the annual budget on the following basis:



- (a) 10% of the budget shall be divided among the Coastal States in proportion to their nominal catches in the Convention Area in the year ending two years before the beginning of the budget year;
- (b) 30% of the budget shall be divided equally among all the Contracting Parties;
- (c) 60% of the budget shall be divided among all Contracting Parties in proportion to their nominal catches in the Convention Area in the year ending two years before the beginning of the budget year; and
- (d) the annual contribution of any Contracting Party which has a population of less than 300,000 inhabitants shall be limited to a maximum of 15% of the total budget. When this contribution is so limited, the remaining part of the budget shall be divided among the other Contracting Parties in accordance with sub-paragraphs (a), (b) and (c).

The nominal catches referred to above shall be the reported catches of the fishery resources specified in the financial regulations adopted by the Commission pursuant to paragraph 10 of Article VI.]

2. Proposed species for the calculation of budget contributions and their reported catches in 2004

NW Atlant. 2004 Catches	Canada	Cuba	DFG	EU	France SPM	Iceland	Japan	Korea	Norway	Russia	Ukraine	USA	Total
American plaice	2,698	0	0	1,117	72	0	43	0	0	237	79	1,711	5,957
Atlantic cod	24,621	0	4,882	309	2,331	0	0	0	3	98	0	7,289	39,533
Atlantic redfishes	12,861	0	3,244	14,062	17	3,917	272	0	2	12,418	7	398	47,198
Atlantic wolffish	166	0	320	444	1	0	6	0	0	8	0	119	1,064
Capelin	33,443	0	289	10	0	0	0	0	0	0	0	0	33,742
Dogfishes (spiny and black)	2,367	0	0	367	0	0	0	0	0	0	0	1,308	4,042
Greenland cod	0	0	949	0	0	0	0	0	0	0	0	0	949
Greenland halibut	18,617	0	30,437	8,361	2	0	1,416	0	1,364	3,135	0	0	63,332
Roughhead grenadier	140	0	0	1,155	0	0	3	0	8	416	0	0	1,722
Roundnose grenadier	0	0	42	2,574	0	0	123	0	0	115	0	0	2,854
Shortfin squid	2,524	0	0	15	0	0	0	0	0	1	0	24,973	27,513
Shrimp	175,792	1,114	141,856	27,116	529	3,671	0	0	11,738	795	460	1,265	364,336
Silver hake	13,387	0	0	7	0	0	0	0	0	544	0	8,572	22,510
Spotted wolffish	0	0	0	0	0	0	0	0	0	13	0	0	13
Thorny skate	1,915	0	8	8,205	87	0	55	0	0	3,594	0	18,774	32,638
White hake	3,687	0	0	1,804	22	0	0	0	0	96	0	3,525	9,134
Witch flounder	1,925	0	0	1,228	37	0	7	0	0	76	0	2,923	6,196
Yellowtail flounder	12,899	0	0	356	143	0	0	0	0	159	33	7,236	20,826
Totals	307,042	1,114	182,027	67,130	3,241	7,588	1,925	0	13,115	21,705	579	78,093	683,559

3. **Contracting Parties 2007 financial contributions based on the current formula in comparison to the proposed formula.** The contributions shown in the table slightly deviate from the ones presented during the meeting due to updated catch information.

Contracting Parties	Current contribution	Contribution based on proposal	Difference %	Difference
Canada	\$499,602	\$475,302	-4.9%	-\$24,299
Cuba	\$32,026	\$34,863	8.9%	\$2,837
DFG	\$180,843	\$187,650	3.8%	\$6,807
EU	\$70,531	\$114,035	61.7%	\$43,503
Fr-SPM	\$34,290	\$38,182	11.4%	\$3,892
Iceland	\$36,604	\$42,639	16.5%	\$6,035
Japan	\$32,551	\$35,844	10.1%	\$3,293
Korea	\$31,275	\$33,550	7.3%	\$2,275
Norway	\$39,982	\$49,271	23.2%	\$9,289
Russia	\$43,660	\$59,586	36.5%	\$15,926
Ukraine	\$31,650	\$34,209	8.1%	\$2,558
USA	\$218,061	\$145,868	-33.1%	-\$72,193
Total	\$1,251,075	\$1,251,000		

