

## PART II

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

28<sup>th</sup> Annual Meeting, 18-22 September 2006  
Dartmouth, Canada

#### 1. Opening by the Chair

The first session of STACFAD was opened by Fred Kingston (EU) on 18 September 2006.

The Chair welcomed delegates and members of the NAFO Secretariat to the meeting. Present were delegates from Canada, European Union, France (in respect of St. Pierre et Miquelon), Norway, Russia, and the United States of America (Annex 1).

#### 2. Appointment of Rapporteurs

Stan Goodick (NAFO Secretariat) was appointed Rapporteur.

#### 3. Adoption of Agenda

The provisional agenda was adopted as amended (Annex 2).

#### 4. Auditor's Report for 2005

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

Delegates were advised that the auditing firm of Grant Thornton LLP, Chartered Accountants had been engaged to audit the financial statements of the Organization. The Senior Finance and Staff Administrator for NAFO presented the Auditor's Report and Financial Statements of the Northwest Atlantic Fisheries Organization for the year ended 31 December 2005.

It was noted in the Auditor's Report that the Organization has a policy not to capitalize capital assets and has not recorded a liability for retroactive salary adjustments. The Committee was informed that the third and final payment of the retroactive salary liability was paid during 2006 and therefore this item will not appear in future reports. It should be noted that in order to assist with the Organization's cash flow situation the respective employees had voluntarily accepted a deferred payment plan over a three-year period.

Other than the failure to record the liabilities and capital assets referred to in the preceding paragraph, the audit determined the financial affairs of the Organization had been conducted in accordance with the Financial Regulations and budgetary provisions of NAFO and presented a fair and accurate accounting of the financial affairs of the Organization.

The Auditors noted the Organization's accounting policy for uncollectible accounts states contributions that are one year in arrears will be deemed uncollectible for the purposes of the current financial budget year as approved by the General Council. However, in practice outstanding contributions are not considered in the financial statements until they are two years in arrears. **STACFAD recommended that the accounting policy for uncollectible accounts be that an allowance for uncollectible accounts be recorded for contributions that are two payments in arrears.**

**STACFAD recommended that the 2005 Auditor's Report be adopted.**

## 5. Administrative and Financial Statements for 2006

The Committee reviewed the Administrative Report and Financial Statements for 2006 provided in document GC Doc. 06/2, Revised.

Under Membership, the Secretariat stated that it had received from Canada (Depositary) notification of Bulgaria's withdrawal from the NAFO Convention which will become effective 31 December 2006. Regarding fishery statistics, concerns were again expressed regarding the timeliness and accuracy of submissions of Catch Reports that are needed, not only for the scientific assessment of fisheries activities, but also in the calculation of Contracting Party contributions. **Delegates were urged to convey this message to their respective authorities and ensure future compliance with this NAFO requirement.**

STACFAD noted that two NAFO staff members will retire later this year. STACFAD expressed its appreciation to Ferne Perry, Senior Publications Manager, who served NAFO for 32 years and Dorothy Auby, Office Manager, for her 25 years of service. STACFAD thanks them for their dedication to the Organization and wishes them all the best on their retirement.

The Senior Finance and Staff Administrator for NAFO presented the Financial Statements for the fiscal year ending 31 December 2006. As a result of postponing the hiring of staff, delaying projects and cancelling expenditures, the Secretariat predicts that it will be able to reduce its appropriations by approximately \$250,000. He noted that the unprecedented outstanding contributions by Contracting Parties had forced the Secretariat to reduce expenditures because of cash flow concerns and the possibility of not being able to meet its financial obligations. These outstanding contributions are as follows:

	2005	2006
Bulgaria		\$30,419
Cuba		30,577
Korea		30,419
Ukraine	\$ 31,175	30,735
USA	86,368	208,889
Total	\$117,543	\$331,039

Concern was expressed regarding the unprecedented level of outstanding contributions.

The Delegates from the USA indicated that they did not yet know the level of funds that will be available to pay its 2007 contribution. STACFAD noted the existing practice of applying payments received from Contracting Parties with outstanding contributions towards their oldest debt.

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

**Because Bulgaria will no longer be a Contracting Party of NAFO next year, STACFAD recommended that the outstanding contribution from Bulgaria (\$30,419) be deemed uncollectible and that this amount be applied against the accumulated surplus.** Annex 3 outlines total outstanding contributions from Bulgaria which includes previous arrears. **In addition, STACFAD recommended that outstanding contributions from Ukraine (\$31,175) and USA (\$86,368) for the year 2005 should also be deemed uncollectible at the end of the current fiscal year if payments are not received by 31 December 2006 and that this amount be applied against the accumulated surplus.** The USA emphasized that it did not consider that deeming its outstanding 2005 contribution uncollectible for the purposes of the 2007 financial year cancelled its obligation to pay all assessed contributions. STACFAD requested that the Secretariat provide background information regarding the possibility of collecting interest on outstanding contributions.

## 6. Review of the Accumulated Surplus Account

The Committee reviewed the Statement of Accumulated Surplus for the Year Ending 31 December 2006 (estimated from 31 July 2006) as reflected in Statement IV of the Financial Statements contained in NAFO/GC Doc 06/2 (revised).

A discussion arose based on STACFAD Working Paper 06/1 (revised) presented by the Secretariat concerning accumulated surplus and cash flow. As a result of outstanding contributions, the Secretariat may once again be faced with the possibility of not being able to meet its financial obligations in early 2007. In particular, the Executive Secretary was concerned that the \$250,000 in savings NAFO had achieved in 2006 would not be credited to the operations of the Organization if the normal practice of maintaining a \$125,000 accumulated surplus for the following year was followed. Moreover the deeming of any 2005 outstanding contributions as uncollectible, while helpful, was still insufficient to resolve the current cash flow problem.

The Committee considered various options that would allow the Secretariat to function sufficiently in 2007. A combination of raising the accumulated surplus account to the maximum limit of 20% (according to Rule 4.4 of the Financial Regulations) and deeming uncollectible the amounts owed in 2005 was considered to be the best way forward. In addition, voluntary payment of the contributions in 2007 in two instalments, as recommended in 2005, was supported.

**As a result, STACFAD was of the opinion that the current cash flow situation be considered an emergency in accordance with Rule 4.4 of the Financial Regulations. As a consequence, STACFAD recommended that an amount representing 20% of the proposed 2007 budget, namely \$291,800, be maintained as the minimum balance in the Accumulated Surplus Account. STACFAD stresses that this extraordinary recommendation be considered as an interim measure pending the resolution of the current financial situation. STACFAD also recommended that the Secretariat bill Contracting Parties in two instalments to encourage part of the contributions to be paid earlier and thus enable the Secretariat to have sufficient cash flow to operate in early 2007.** STACFAD also advised the Executive Secretary to prioritize and align resources when authorizing expenses.

STACFAD expressed its deep concern about this ongoing situation and felt that additional instruments were needed to help the Organization to manage this type of situation. In this regard, STACFAD asked the Secretariat to develop proposals for the next Annual Meeting concerning possible additional instruments. These include the establishment of a contingency reserve fund, charging interest on outstanding contributions, the authorization to borrow funds from private institutions, and the possibility of private sponsorship.

## 7. Reform of NAFO

### a) Amendment of Financial Regulations

The following questions have been referred to STACFAD by the W.G. on Reform:

- Is it feasible to incorporate the list of species for the contribution formula into the financial regulations?

The Committee was not able to come to a consensus on this question. While such a provision was unproblematic to most participants, some were concerned that a simple majority would suffice to alter this important financial instrument. It was discussed whether a qualified majority, be it two third or three quarters, would address this concern. Russia, however, expressed the view that the species list should be maintained in the Convention to allow for greater stability and predictability.

- Is it feasible to include a stipulation that financial auditors should be changed at regular intervals in the financial regulations?

STACFAD participants agreed in principle that a provision in the Financial Regulation to change auditors at regular intervals is feasible. The Committee felt, however, that it was not necessary to stipulate a fixed term. In this regard the Committee proposed adding a new Rule 7.10 to the Financial Regulations as follows: "The Auditors shall be changed at regular intervals".

## b) Headquarters Agreement

STACFAD had already addressed the lack of a formal Headquarters Agreement in previous years without resolution. This year, the Secretariat submitted STACFAD Working Paper 06/02 with additional information. STACFAD stated that a Headquarters Agreement appears to be the desirable form of arrangement with the host country. However, the item was not discussed in depth, as the Reform Working Group had already agreed on a provision for a Headquarters Agreement in an amended NAFO Convention.

## 8. Staff Rules

The Committee discussed the possibility of amending some provisions of the NAFO Staff Rules as follows:

- a) Consideration of Staff Rule 3.1 – Ceiling on renewal of contract of the Executive Secretary. The item had been deferred to Heads of Delegations who decided to maintain the current provision.
- b) New Rule 9.6(e) for a proposed repatriation grant. STACFAD was unable to reach a consensus on a repatriation grant as proposed in STACFAD WP 06/3. Some Delegates expressed concern that the lack of a repatriation grant is not in conformity with the practice in many other international organizations. Delegates agreed to defer this item to the next Annual Meeting.
- c) Separation Indemnity (Staff Rule 9.5). **STACFAD recommended amending Rule 9.5(a) of the Staff Rules to read: “In the event of separation from service with the Secretariat, members of the Secretariat shall be compensated an indemnity equivalent to the rate of two (2) weeks current salary for every year of service, free of all deductions except statutory deductions, limited to a maximum of 40 weeks;”** STACFAD could not come to a consensus on the issue of eliminating Staff Rule 9.5 (b) and (c) and deferred the item to the next Annual Meeting.
- d) Compensation for the term appointment of a Deputy Executive Secretary (when applicable). **STACFAD recommended that a new rule be included in the NAFO Staff Rules as follows: “The Executive Secretary may appoint a Coordinator to be the Deputy Executive Secretary for the term of one or two years (renewable). This appointment will be compensated with 10% of the Coordinator’s annual salary.”** However, the implementation of this rule should be deferred until the financial crisis has been overcome.
- e) Installation allowance. **STACFAD recommended that Staff Rule 8.6 (e) be amended as follows: “An installation allowance of up to two months net salary plus up to two months salary advance to be repaid within one year without interest in the case of internationally relocating members of the Secretariat”**

## 9. Classification and Salaries

The Executive Secretary introduced STACFAD W.P. 06/7 proposing to reclassify the Personal Assistant to the Executive Secretary to the level of Senior Personal Assistant to the Executive Secretary. **STACFAD recommended the reclassification of this position to take effect on 1 January 2007.**

The performance of the Executive Secretary was deferred to Heads of Delegations who decided on the level of at-risk pay to be awarded to the Executive Secretary for 2006. Heads of Delegation also decided to renew the contract with the Executive Secretary without an at-risk salary component. That means the performance evaluation of the Executive Secretary and the drafting of criteria for this purpose will not be necessary in the future.

## 10. Results of the Call for Tender for VMS Service Provider

In September 2005, the General Council, upon the endorsement of STACFAD, requested the Secretariat to consider a re-tendering process for the VMS service provider. In June 2006, the VMS re-tendering process was discussed at the STACTIC meeting and it was decided that STACTIC would review the proposals from interested VMS providers. The Call for Tender (closing 31<sup>st</sup> August 2006) was circulated to the Contracting Parties and was posted at the NAFO website after the STACTIC June 2006 meeting.

The Secretariat received tenders from nine (9) different companies, which were forwarded to STACTIC for evaluation and decision.

**STACFAD recommended that General Council commits to funding fully any necessary expenses related to a possible change of the VMS service provider pending a STACTIC evaluation of tenders. STACFAD also recommended that General Council urge Fisheries Commission to base its decision on the new VMS provider not only on technical specifications but also on ensuring that financial considerations are taken into account.**

#### **11. Renewal of Lease for NAFO Headquarters**

The lease for NAFO Headquarters comes up for renewal in 2007. The Secretariat is satisfied with the present accommodations and has conveyed this to the Public Works and Government Services Canada (PWGSC). STACFAD expressed appreciation to Canada for the good accommodations. Canada confirmed at the meeting that the lease will be renewed for an additional 5-year term. It was requested that NAFO be informed officially of the terms of renewal.

#### **12. Budget Estimate for 2007**

STACFAD reviewed the budget estimate presented by the Secretariat (GC WP 06/1). **STACFAD recommended that that costs associated with delegation rooms during NAFO Meetings should be the responsibility of the individual Contracting Party, not the Organization.**

Points of note are the following:

- the addition of a possible term appointment of a Deputy Executive Secretary – see the recommendation under agenda item 8(d)
- provision for an installation allowance – see the recommendation under agenda item 8(e)
- the provision for the Annual Meeting reception may not have to be used as the next Annual Meeting will be hosted by Portugal.
- the details concerning the provisions for public relations are contained in STACFAD WP 06/8.

After deliberations on the various budget items, the budget proposal was accepted in full. **STACFAD recommended that the budget for 2007 of \$1,459,000 (Annex 4) be adopted.**

**A preliminary calculation of billings for the 2007 financial year is provided in Annex 5.**

#### **13. Budget Forecast for 2008 and 2009**

STACFAD reviewed the preliminary budget forecast for 2008 (\$1,476,000) and 2009 (\$1,513,000) (Annex 6) and approved the forecast in principle. It was noted that the budget for 2008 will be reviewed in detail at the next Annual Meeting. Russia expressed its expectation that the work of an IT Manager should have the effect of further reducing expenses related to his duties and reducing proposed future budgets.

#### **14. Adoption of 2007 Staff Committee Appointees**

The Secretariat nominated three individuals to become members of the Staff Committee for the next year. They are: Jim Baird, Bill Brodie, and Fred Kingston. The Secretariat expressed their gratitude to outgoing members. **STACFAD recommended that General Council appoint the three nominees.**

#### **15. Time and Place of 2007 - 2009 Annual Meetings**

The dates of the 2007 Annual Meeting in Lisbon (Portugal) are as follows:

Scientific Council	-	24 September- 3 October
General Council	-	24 – 28 September
Fisheries Commission	-	24 – 28 September

**STACFAD recommended that**

**The dates of the 2008 Annual Meeting (to be held in Halifax, N.S., Canada, unless an invitation to host is extended by a Contracting Party and accepted by the Organization) are as follows:**

<b>Scientific Council</b>	-	<b>22 September - 1 October</b>
<b>General Council</b>	-	<b>22 - 26 September</b>
<b>Fisheries Commission</b>	-	<b>22 - 26 September</b>

**The dates of the 2009 Annual Meeting (to be held in Halifax, N.S., Canada, unless an invitation to host is extended by a Contracting Party and accepted by the Organization) are as follows:**

<b>Scientific Council</b>	-	<b>21 - 25 September</b>
<b>General Council</b>	-	<b>21 - 25 September</b>
<b>Fisheries Commission</b>	-	<b>21 - 25 September</b>

For budgetary planning purposes, STACFAD urged that any invitations by a Contracting Party to host an Annual Meeting be issued as early as possible.

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

Upon request of the General Council, STACFAD reviewed the new draft contract for the Executive Secretary and provided the General Council with its comments in this regard.

The Secretariat is requested to provide information for the next Annual Meeting on the practice in other international organizations concerning termination of duties of Members of the Secretariat.

STACFAD requested that the Executive Secretary present on an annual basis a report on the state of the Organization.

Upon request of the Chair of the Scientific Council to have a formal Scientific Council representative in STACFAD, the Committee suggested that the Scientific Council provide a formal request.

#### **17. Adjournment**

The final session of the STACFAD meeting adjourned on 21 September 2006.

**Annex 1. List of Participants**

<b>Name</b>	<b>Contracting Party</b>
Bob Steinbock	Canada
Fred Kingston Manfred Stein	European Union
Patrick Brenner	France (in respect of St. Pierre et Miquelon)
Turid B. Rodrigues Eusébio	Norway
Leonid Kokovkin	Russian Federation
Deirdre Warner-Kramer Pat Moran	United States of America United States of America
Johanne Fischer Stan Goodick Bev McLoon	NAFO Secretariat NAFO Secretariat NAFO Secretariat

**Annex 2. Agenda**

1. Opening by the Chairman, G.F. Kingston (EU)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Auditor's Report for 2005
5. Administrative and Financial Statements for 2006
6. Review of Accumulated Surplus Account
7. Reform of NAFO
  - Amendment of Financial Regulations:
    - i. review of list of species for the contribution formula
    - ii. regular change of financial auditors
  - Headquarters Agreement
8. Staff Rules
  - Consideration of Staff Rule 4.1 – Ceiling on renewal of Contract of the Executive Secretary
  - Repatriation grant
  - Compensation for the term appointment of the Deputy Executive Secretary (when applicable)
  - Separation Indemnity
  - Installation Allowance
9. Classification and Salaries
10. Results of the Call for Tender for VMS Service Provider
11. Renewal of Lease for NAFO Headquarters
12. Budget Estimate for 2007 (including items discussed under separate agenda items in previous years, such as Pension, Public Relations, Translation, Digitization)
13. Budget Forecast for 2008 and 2009
14. Adoption of 2007 Staff Committee Appointees
15. Time and Place of 2007-2009 Annual Meetings
16. Other issues including any questions referred from the General Council during the current Annual Meeting
17. Adjournment

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

The following is a summary of outstanding contributions from Bulgaria:

1 January – 31 December 1993	18,109.12
1 January – 31 December 1994	14,893.10
1 January – 31 December 1995	16,614.28
1 January – 31 December 1996	15,944.93
1 January – 31 December 1997	15,002.75
1 January – 31 December 1998	16,121.90
1 January – 31 December 1999	16,267.88
1 January – 31 December 2000	16,842.79
1 January – 31 December 2003	21,479.52
1 January – 31 December 2004	24,266.74
1 January – 31 December 2005	31,175.41
1 January – 31 December 2006	30,418.75
	\$237,137.17

**Annex 4. Budget Estimate for 2007  
(Canadian Dollars)**

	Approved Budget 2006	Projected Expenditures 2006	Preliminary Budget Forecast 2007	Budget Estimate 2007
1. Personal Services				
a) Salaries	\$792,000	\$738,000	\$762,000	\$781,000
b) Superannuation and Annuities	86,000	72,000	82,000	82,000
c) Group Medical and Insurance Plans	93,300	78,300	87,000	73,000
d) Termination Benefits	32,000	24,000	28,000	33,000
e) Accrued Vacation Pay	1,000	1,000	3,000	1,000
f) Clerical (CR) Retroactive Salary Liability	27,700	27,700	-	-
g) Overtime Pay	12,000	6,000	12,000	12,000
2. Additional Help	15,000	-	15,000	30,000
3. Communications	30,000	24,000	30,000	25,000
4. Computer and Web Services				
Computer and Web Services	21,000	16,000	21,000	30,000
Vessel Monitoring System	76,000	65,000	67,000	81,000
5. Contractual Services	43,000	52,000	41,000	43,000
6. Equipment	10,000	5,000	10,000	10,000
7. Materials and Supplies	31,000	16,000	31,000	35,000
8. Meetings				
Annual General Meeting and Scientific Council Meetings	81,500	71,500	75,000	71,000
Inter-sessional Meetings	30,000	13,000	30,000	30,000
Scientific Council Special Session	7,500	2,500	7,500	5,000
Annual Meeting Reception	20,000	-	20,000	20,000
Hospitality Allowance	5,000	1,000	5,000	5,000
9. Professional Development	20,000	-	10,000	25,000
10. Publications	20,000	15,000	20,000	20,000
11. Public Relations	7,000	-	10,000	10,000
12. Recruitment and Relocation	28,000	27,000	-	-
13. Travel	30,000	10,000	35,000	37,000
	\$1,519,000	\$1,265,000	\$1,401,500	\$1,459,000

Notes on Budget Estimate 2007  
(Canadian Dollars)

Notes on Budget Estimate 2007  
(Canadian Dollars)

Re Item 1(a)	<b>Salaries</b> Salaries budget estimate for 2007. Through retirement and the reorganization of duties, staffing levels will be reduced by one full time employee for 2007.	\$781,000
Re Item 1(b)	<b>Superannuation and Annuities</b> Employer's portion (includes employer normal cost, past service liability and early retirement provisions) and administration costs.	\$82,000
Re Item 1(c)	<b>Group Medical and Insurance Plans</b> Employer's portion of Canada Pension Plan, Employment Insurance, Group Life Insurance, Long Term Disability Insurance and Medical Insurance.	\$73,000
Re Item 1(d)	<b>Termination Benefits</b> This figure is for 2007 credits and conforms to NAFO Staff Rule 9.5.	\$33,000
Re Item 2	<b>Additional Help</b> Digitization and translation of NAFO Observer Program data for Scientific Council	\$30,000
Re Item 3	<b>Communications</b> Telephone and fax Postage Courier/Mail service	\$25,000 \$11,000 10,000 4,000
Re Item 4	<b>Computer and Web Services</b> Computer and Web Services: <ul style="list-style-type: none"> <li>• Computer supplies and equipment</li> <li>• Software updates</li> <li>• Consulting and maintenance</li> <li>• Web hosting</li> </ul> Vessel Monitoring System (VMS) <ul style="list-style-type: none"> <li>• Replacement of VMS Server to include the purchase of new hardware, configuration, installation, transferring existing data and testing.</li> <li>• Annual Operating Expenses</li> </ul>	\$30,000 \$16,000 10,000 3,000 1,000 \$81,000 \$46,000 35,000
Re Item 5	<b>Contractual Services</b> Leases: <ul style="list-style-type: none"> <li>• Print department printer</li> <li>• Photocopier</li> <li>• Postage meter</li> </ul> Maintenance Agreements: <ul style="list-style-type: none"> <li>• Photocopier and printers</li> </ul> Other Contracts: <ul style="list-style-type: none"> <li>• Audit</li> <li>• Consulting and legal fees</li> </ul>	\$43,000 \$10,500 6,300 5,200 5,000 8,000 5,000

	<ul style="list-style-type: none"> <li>• Fidelity bond and fire insurance</li> <li>• P.O. box rental</li> </ul>	2,700 300
Re Item 8	<p><b>Meetings</b></p> <p>i) Annual General Meeting and Scientific Council Meetings: This figure includes the cost for the 29<sup>th</sup> Annual Meeting, September 2007 and the Scientific Council Meeting, June 2007, both to be held in Halifax/Dartmouth, Nova Scotia, Canada, and the Scientific Council Shrimp Assessment Meeting, November 2007, venue to be determined.</p> <p>ii) Inter-sessional Meetings (General provision)</p> <p>iii) Annual Meeting Reception</p> <p>iv) Scientific Council Special Session</p> <p>v) Hospitality Allowance</p>	\$71,000  30,000 20,000 5,000 5,000
Re Item 9	<p><b>Professional Development</b></p> <p>Training and internships</p>	\$25,000
Re Item 10	<p><b>Publications</b></p> <p>Conservation and Enforcement Measures, Convention, Inspection Forms, Journal of Northwest Atlantic Fishery Science, Meeting Proceedings, Rules of Procedure, Scientific Council Reports, Scientific Council Studies, etc.</p>	\$20,000
Re Item 13	<p><b>Travel</b></p> <p>Travel costs associated with the following:</p> <p>i) the Co-ordinating Working Party on Fish Statistics (CWP) 22<sup>nd</sup> Session, and the Fisheries Resources Monitoring Systems (FIRMS) Steering Committee 4<sup>th</sup> Session, of the Food and Agriculture Organization (FAO) of the United Nations (UN), February 2007, at FAO Headquarters, Rome, Italy; and,</p> <p>ii) Miscellaneous and unforeseen travel; and,</p> <p>iii) the Scientific Council Coordinator's home leave to Sweden; and,</p> <p>iv) the UN Consultative Process on the Oceans and Law of the Sea at UN Headquarters, June 2007, New York, USA; and,</p> <p>v) the Annual Meeting of the International Fisheries Commissions Pension Society, April 2007, Ottawa, Ontario, Canada.</p>	\$37,000  \$13,000  10,000 7,000 5,000 2,000

**Annex 5. Preliminary Calculation of Billing for 2007**

Preliminary calculation of billing for Contracting Parties against the proposed estimate of \$1,459,000 for the 2007 financial year (based on 12 Contracting Parties to NAFO).  
(Canadian Dollars)

Budget Estimate	\$1,459,000.00
Deduct: Amount from Accumulated Surplus Account	<u>162,630.00</u>
Funds required to meet 2007 Administrative Budget	<u>\$1,296,370.00</u>

60% of funds required =	\$777,822.00
30% of funds required =	388,911.00
10% of funds required =	129,637.00

Contracting Parties	Nominal Catches for 2004	% of Total Catch in the Convention Area	% of Total			Amount Billed
			10%	30%	60%	
Canada (1)	565,991	52.63%	\$75,018.15	\$32,409.25	\$409,367.72	\$516,795.12
Cuba (1)	1,114	0.10%	-	32,409.25	777.82	33,187.07
Denmark (in respect of Faroe Islands and Greenland) (2)	180,771	16.81%	23,959.93	32,409.25	130,751.88	187,121.06
European Union (1)	56,019	5.22%	-	32,409.25	40,602.31	73,011.56
France (in respect of St. Pierre et Miquelon) (1)	5,534	0.51%	733.49	32,409.25	3,966.89	37,109.63
Iceland	7,588	0.71%	-	32,409.25	5,522.54	37,931.79
Japan	1,861	0.17%	-	32,409.25	1,322.30	33,731.55
Republic of Korea	-	-	-	32,409.25	-	32,409.25
Norway	12,430	1.16%	-	32,409.25	9,022.74	41,431.99
Russian Federation	17,684	1.64%	-	32,409.25	12,756.28	45,165.53
Ukraine	579	0.05%	-	32,409.25	388.91	32,798.16
United States of America (1)	225,779	21.00%	29,925.43	32,409.25	163,342.61	225,677.29
	1,075,350	100.00%	\$129,637.00	\$388,911.00	\$777,822.00	<u>\$1,296,370.00</u>
Funds required to meet 1 January - 31 December 2007 Administrative Budget						<u>\$1,296,370.00</u>

(1) Provisional Statistics used when calculating 2004 nominal catches which have not been reported from Contracting Parties.

(2) Faroe Islands = 6,944 metric tons  
Greenland = 173,827 metric tons

**Annex 6. Preliminary Budget Forecast for 2008 and 2009**  
(Canadian Dollars)

	Preliminary Budget Forecast for 2008	Preliminary Budget Forecast for 2009
1. Personal Services		
a) Salaries	\$ 822,000	\$ 855,000
b) Superannuation and Annuities	86,000	89,000
c) Group Medical and Insurance Plans	75,000	80,000
d) Termination Benefits	36,000	34,000
e) Accrued Vacation Pay	1,000	1,000
f) Overtime Pay	12,000	13,000
2. Additional Help	15,000 <sup>a</sup>	15,000 <sup>a</sup>
3. Communications	25,000	25,000
4. Computer and Web Services		
Computer and Web Services	25,000	25,000
Vessel Monitoring System	70,000 <sup>c</sup>	70,000 <sup>c</sup>
5. Contractual Services	43,000	45,000
6. Equipment	10,000	10,000
7. Materials and Supplies	33,000	33,000
8. Meetings		
Annual General Meeting and Scientific Council Meetings	78,000 <sup>b</sup>	72,000 <sup>b</sup>
Inter-sessional Meetings	30,000	30,000
Scientific Council Special Session	5,000	5,000
Annual Meeting Reception	20,000	21,000
Hospitality Allowance	5,000	5,000
9. Professional development	15,000	15,000
10. Publications	20,000	20,000
11. Public Relations	10,000	10,000
12. Travel	40,000	40,000
	\$1,476,000	\$1,513,000

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

<sup>b</sup> Forecasted costs associated with Annual Meetings, September 2008/2009 and Scientific Council Meetings June and November 2008/2009.

<sup>c</sup> Vessel Monitoring System forecasts for 2008/2009 include \$35,000 each year for programming changes, if required.