

PART II

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

33rd Annual Meeting, September 19-23, 2011

Halifax, Canada

1. Opening by the Chair, Deirdre Warner-Kramer (USA)

The first session of STACFAD was opened by the Chair, Deirdre Warner-Kramer (USA) on 19 September 2011. The Chair welcomed delegates and members of the NAFO Secretariat to the meeting.

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

2. Appointment of Rapporteur

Stan Goodick (NAFO Secretariat) was appointed Rapporteur.

3. Adoption of Agenda

The provisional agenda was adopted (Annex 2).

4. Auditors' Report for 2010

The auditing firm of Deloitte and Touche LLP, Chartered Accountants performed the audit of the financial statements of the Organization for the fiscal year ended December 31, 2010. The financial statements were circulated to the Heads of Delegation of the General Council and to STACFAD delegates in advance of the Annual Meeting. The financial statements included the auditors' report, the statements of financial position, operations, accumulated surplus, cash flows and the notes to the financial statements.

The Senior Finance and Staff Administrator for NAFO presented the Auditors' Report and Financial Statements of the Northwest Atlantic Fisheries Organization for the year ended December 31, 2010. Changes to auditing standards during the past year no longer permit Auditors to sign and date the Auditors' Report until after the body responsible for approving the statements has reviewed and approved the statements. The NAFO financial statements as at December 31, 2010 will be shown as draft statements until they are reviewed by STACFAD and approved by the Organization at the Annual Meeting. It was noted that the total expenditures incurred for the fiscal period ending 2010 amounted to \$1,821,977, which was \$39,977 over the approved budget of \$1,782,000. It was also noted that there were no outstanding contributions from Contracting Parties on December 31, 2010.

The balance in the accumulated surplus account at year end amounted to \$520,017. At the 2010 Annual Meeting, General Council approved maintaining the level in the accumulated surplus account for 2011 at \$285,000 of which \$200,000 would be sufficient to finance operations during the first three months of 2011, and of which \$85,000 would be available for use in emergency situations. The remaining \$235,017 (\$520,017 - \$285,000) would be used to reduce annual contributions for 2011.

The Auditors' Report noted that the Organization: (1) has not recorded the pension plan assets, liabilities and unfunded deficit, (2) has a policy not to capitalize its capital assets, and (3) has not recorded a liability for separation entitlements, as approved at the annual meeting in September 2007. This liability for separation entitlement would be fully funded by the end of 2011. 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.

STACFAD recommends that the 2010 Auditors' Report be adopted.

The Organization's Financial Regulation, Rule 7.1, states that the length of time a firm carrying out the NAFO audit shall serve is limited to a maximum of three years. The audit of the 2010 financial records was the third year for Deloitte and Touche LLP, Chartered Accountants to serve as auditors of the Organization.

The Secretariat received proposals from Grant Thornton, KPMG and WBLI to carry out the audit of NAFO's records for the 2011, 2012 and 2013 fiscal periods. A summary of the proposals received, along with the proposal letters, were distributed to the Committee. After reviewing the proposals, **STACFAD recommends that WBLI Chartered Accountants be appointed to audit NAFO's records for the 2011, 2012 and 2013 fiscal periods.**

5. Administrative and Activity Report by Secretariat

Under this item, the Executive Secretary highlighted NAFO administrative matters and activities for the period September 2010 to August 2011 (GC Doc. 11/1-Revised).

6. Financial Statements for 2011

The NAFO Senior Finance and Staff Administrator presented the Financial Statements for the fiscal year ending 31 December 2011.

Budgetary Expenses

The approved operating budget for 2011 was set at \$1,886,000. It was noted in the financial statements that expenditures for the year are projected to be \$1,916,000, over the approved budget by \$30,000. Variances from the approved budget are as follows:

Salaries are projected to be \$12,000 over budget. This includes \$15,000 for staff bonuses to compensate staff for the extraordinary and exceptional work performed in providing support to the Performance Review Panel.

Medical and insurance plans are projected to be \$12,000 below the approved budget. This is attributed to a change in NAFO's Long Term Disability (LTD) insurance provider resulting in savings to LTD premiums.

Fishery Monitoring is anticipated to be \$5,000 over budget due to necessary programming changes to the VMS.

The Professional Services item includes expenses for audit, consulting, insurance, legal fees, professional development and training. The legal fees are associated with a claim made against the Organization regarding the wrongful dismissal suit. STACFAD was informed by the Secretariat on the state of play of the wrongful dismissal suit.

Recruitment and relocation expenses for the newly recruited Scientific Council Coordinator are projected to be \$6,000 under budget.

All remaining 2011 operating expenses are anticipated to be on or near budget for the year.

Assessed Contributions

The 2011 operating budget was set at \$1,886,000. The prior years' accumulated surplus balance had \$235,017 deemed to be in excess of the needs of the Organization which was allocated to the operating budget. As a result, annual contributions issued to Contracting Parties for the 2011 fiscal year were \$1,650,983.

Balance Sheet

The Organization's cash position at December 31, 2011 is estimated to be \$455,180, which is sufficient to finance appropriations in early 2012 pending the receipt of annual payments by Contracting Parties in the spring of 2012. Three Contracting Parties have outstanding contributions for 2011 totalling \$92,407; Cuba - \$41,793, Russian Federation - \$48,308 and USA - \$2,306. Cuba, Russian Federation and USA have communicated that payment would be forthcoming.

7. Review of Accumulated Surplus and Contingency Funds

According to the financial regulations of the Organization, STACFAD and General Council shall review the amount available in the accumulated surplus account during each annual meeting. The accumulated surplus account shall be set at a level sufficient to temporarily finance operations during the first three months of the year, plus an amount up to a maximum of 10% of the annual budget for the current financial year to be used for unforeseen and extraordinary expenses to the good conduct of the business of the Organization.

The Secretariat noted the accumulated surplus account at December 31, 2011 is estimated to be \$465,000.

STACFAD recommends that the amount maintained in the accumulated surplus account be set at \$285,000 of which \$200,000 would be sufficient to finance operations during the first three months of 2012, and of which \$85,000 would be a contingency fund available for use in emergency situations.

8. Personnel Matters

The Executive Secretary presented to the Committee an update on human resources and personnel matters at the NAFO Secretariat. It was noted that the current structure of 10 full time staff members adopted in 2004 has been working very efficiently to meet the needs of the Organization. The structure requires the specialization of staff members in their specific field of work as well as sharing of general tasks among all staff. However, one area of work which has expanded beyond what is originally included in the HR Structure is the need for performing data management and analysis, i.e. catch and effort data analysis and presentation services (footprint map, etc.). The responsibility for these tasks, and also the developing and designing NAFO databases, are not properly allocated in the current job descriptions. The Secretariat noted the need to update the current HR Structure for data management and analysis and the realignment of job descriptions. It was noted by the Committee that it may be premature to make considerable changes to the HR Structure at this time as there may be a comprehensive review of the Secretariat performed in the near future as recommended in the Performance Review Panel Report.

The Committee was in agreement for the Secretariat to proceed with the following:

1. All NAFO Secretariat Job Descriptions will be realigned to ensure tasks listed in the job descriptions match the work currently being performed by staff members;
2. Database responsibilities will be removed from the Information Officer's job description;
3. A "Data Management Department"(IT Manager, Information Officer, FC Coordinator, SC Coordinator) be established in addition to the Fisheries Management, Science Support/Publications, Information Dissemination and Finance and Administration teams.

The Executive Secretary asked STACFAD to consider the creation of a Data Manager position, CS Computer Systems Group Payroll Category, to be implemented in 2013. The Committee requested the Secretariat to draft a proposal for a new Data Manager Job Description for presentation at the 2012 annual meeting.

The Executive Secretary also informed the Committee that two staff members are eligible for promotion. The Committee was in agreement with the proposed promotions.

9. Internship Program

The NAFO Secretariat receives numerous inquiries from students looking for work placement to perform research as a mandatory element of their studies. Over the years, the Secretariat has hosted a number of student interns from Contracting Parties and has supported the interns with a nominal compensation to assist with their living expenses while in Halifax. In addition to their research assignment, these interns are also able to perform valuable tasks for the Secretariat. The Secretariat therefore suggested that a NAFO Internship Program be formalized.

The NAFO Internship Program would allow students, post graduates and early career individuals from NAFO member countries to gain experience in the operations of an intergovernmental fisheries management organization by working in the NAFO Secretariat. The NAFO Secretariat would supervise up to one intern at any one time for a period of up to six months. NAFO would benefit from the intern program directly through the performance of an additional individual in the Secretariat and indirectly, over a period of years, by strengthening the capacity of member states to coordinate their involvement in NAFO programs.

The associated cost to the NAFO budget was estimated to be at the level of CDN \$21,000 per year.

Travel/medical insurance costs would not be the responsibility of NAFO and successful interns would be responsible to secure their own travel/medical insurance expenses.

The Secretariat will report to STACFAD each year on the interns selected. The interns will be expected to submit a report on their internship. STACFAD will provide general oversight of this program and periodically recommend adjustments as necessary.

It was noted by the Secretariat that the Performance Review Panel expressed the need to strengthen and enhance cooperation with developing States. The Secretariat proposed that NAFO consider expanding the Internship Program to accept applicants from developing States in fields of fishery science and fish management. In this regard, the Secretariat will develop guidelines, including financial considerations, geographical considerations, etc. for presentation to the Committee at the 2012 annual meeting.

STACFAD recommends that the NAFO Internship Program be established as outlined in Annex 3 effective January 2012, with corresponding funds to be included in the 2012 budget and following years.

10. Rules of Procedure

The Secretariat presented STACFAD Working Paper 11/4 (Annex 4) seeking clarification on the term “non-restricted” sessions used in Rule 3 of the Rules of Procedures for Observers and to identify which meetings observers have access to.

All members of the Committee agreed on the principle of openness and transparency, however, consensus could not be reached on the meetings which accredited observers shall be permitted to attend. It was agreed that this issue will be revisited at next year’s annual meeting. The Secretariat was requested to provide additional information on observer rules and practices of other RFMOs and based on this information, as well as consultation with the other NAFO subsidiary bodies, STACFAD will consider any necessary changes to the Rules of Procedure for Observers.

The Committee also noted that Rule 6 of the Rules of Procedure for Observers may also require additional clarity on the issues of confidentiality and media communication during meetings. In the interim, in the event of requests by observers to attend a session other than a plenary session of the NAFO constituent bodies, the Chair of that body, through consultation with all Contracting Parties on a consensus basis, shall determine if that particular session could be deemed “non-restricted” according to Rule 3 of the Rules of Procedure for Observers.

11. Budget Estimate for 2012

The Secretariat presented the 2012 budget estimate (GC Working Paper 11/1-Revised) to the Committee highlighting the following items:

<i>Approved Budget 2011</i>	<i>Preliminary Budget Forecast 2012</i>	<i>Budget Estimate 2012</i>
\$1,886,000	\$1,824,000	\$1,875,000

The 2012 budget estimate of \$1,875,000 represents an increase of \$51,000 (2.8%) from the 2012 preliminary budget forecast and a decrease of \$11,000 (0.6%) from the 2011 approved budget.

Variances between the 2011 and 2012 budgets are as follows:

<i>Personal Services:</i>	Budget 2011	\$1,280,000	Budget 2012	\$1,380,000
	Increase	\$100,000	7.8%	

The salaries and remuneration for the members of the Secretariat follow the salary levels and categories of the public sector of the host country (Canada).

Superannuation and Annuities include annual supplementary payment of \$193,200 (\$100,800 + \$92,400) towards the pension fund deficit. The Committee reviewed the latest actuarial valuation of the NAFO Pension plan, which showed that the plan is in a deficit or unfunded position of \$1.8 million vs the unfunded position from three years ago of \$975,000. The increase in the unfunded liability requires additional annual payments of \$92,400 for the next 15 years.

A change in insurance providers has resulted in a \$12,000 (50%) decrease in LTD insurance premiums.

<i>Additional Help:</i>	Budget 2011	\$20,000	Budget 2012	\$20,000
	Increase	\$0	0%	

The additional help budget is for the digitization of ICNAF historical documents and other assistance as required.

<i>Computer Services:</i>	Budget 2011	\$28,000	Budget 2012	\$42,000
	Increase	\$14,000	50%	

Increase due to proposal from STACTIC to implement a secure website area.

<i>Fishery Monitoring:</i>	Budget 2011	\$48,000	Budget 2012	\$35,000
	Decrease	\$13,000	27%	

Decrease due to final year of the VMS annual license fee payments ending December 31, 2011.

<i>NAFO Meetings:</i>	Budget 2011	\$167,000	Budget 2012	\$153,000
	Decrease	\$14,000	8.4%	

The NAFO meetings budget includes travel expenses by the Secretariat to attend meetings, logistical expenses to host a meeting in the headquarters area, invited expert travel costs, etc.

Decrease to sessional meetings budget reflects that the 2012 Annual Meeting will be held in St. Petersburg, Russia and certain costs will be borne by the host country, rather than the Secretariat.

The inter-sessional scientific meetings budget decreased by \$10,000 as there are no workshops or symposium scheduled for 2012. The ad hoc fund, a general provision for unforeseen expenses necessarily incurred by SC for the provision of answering requests for advice from FC, has been returned to its \$20,000

balance. The other budgeted \$10,000 is Secretariat support to Scientific Council inter-sessional meetings and working groups.

<i>Performance Review:</i>	Budget 2011 Decrease	\$75,000 \$0	Budget 2012 100%	\$0
<i>Recruitment and Relocation:</i>	Budget 2011 Decrease	\$52,000 \$0	Budget 2012 100%	\$0

The 2011 performance review and recruitment and relocation budgets were one time only expenses in 2011.

STACFAD recommends that the budget for 2012 of \$1,875,000 (Annex 5) be adopted.

A preliminary calculation of billing for the 2012 financial year is provided in Annex 6. The preliminary calculation of billing is based on the budget estimate of \$1,875,000 and shall be reduced by any amount determined by the General Council to be in excess of the needs of the accumulated surplus account.

The accumulated surplus account at December 31, 2011 is estimated to be \$465,000 and the recommended minimum balance in the accumulated surplus account for operations and emergency use for the 2012 fiscal year is \$285,000. This allows for \$180,000 (\$465,000-\$285,000) to be applied towards the 2012 billing.

Funds required to meet the 2012 administrative budget and appropriated from Contracting Parties are estimated to be \$1,695,000 (\$1,875,000 - \$180,000).

12. Budget Forecast for 2013 and 2014

STACFAD reviewed the preliminary budget forecast for 2013 (\$1,984,000) and 2014 (\$2,069,000) (Annex 7) and approved the forecast in principle. It was noted that the budget for 2013 will be reviewed in detail at the next Annual Meeting.

13. Adoption of 2012 Staff Committee Appointees

The Secretariat nominated the following people to serve as members of the Staff Committee for September 2011-September 2012: Bill Brodie, Estelle Couture and Deirdre Warner-Kramer.

STACFAD recommends that General Council appoint the three nominees.

14. Time and Place of 2012 – 2014 Annual Meetings

As previously agreed, the 2012 Annual Meeting will be held 17-21 September. An invitation to host the 2012 Annual Meeting in St. Petersburg, Russia was presented by the Russian Delegation to the General Council.

STACFAD recommends that the dates of the 2013 and 2014 Annual Meetings (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:

2013	-	23 – 27 September
2014	-	22 – 26 September

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

15. Other Matters

As instructed by the General Council, the Committee reviewed recommendations of the Performance Review Panel contained in GC Working Paper 11/9 relevant to STACFAD and provided its initial response as shown in Annex 8.

In response to a number of the Performance Review Panels recommendations, STACFAD recommends that the Secretariat, in consultation with the Chairs of the NAFO bodies, Contracting Parties and outside experts as appropriate, conduct an overall analysis of the Secretariat's structure and needs to ensure that it can continue to meet its growing workload into the future. The analysis should review the staff structure, position descriptions, performance management systems, training and skills development programs, office space needs, and any other relevant issues. The results of this analysis and any resulting proposals should be reported annually by the Secretariat to STACFAD for its consideration. STACFAD further recommends that this work be considered by any body established by General Council to devise action plans and timetables for implementation of the other recommendations of the Performance Review Panel.

16. Adjournment

The final session of the STACFAD meeting adjourned on 22 September 2011.

Annex 1. List of Participants

Name	Contracting Party
Robert Day Doug Twining	Canada
Rasmus Fugholt	Denmark (in respect of Faroe Islands and Greenland)
Fred Kingston	European Union
Akiko Onodera	Japan
Hyun Jin Park	Republic of Korea
Odd Gunnar Skagestad	Norway
Olga Sedykh	Russian Federation
Deirdre Warner-Kramer Pat Moran	United States of America
Vladimir Shibanov Stan Goodick Bev McLoon	NAFO Secretariat

Annex 2. Agenda

1. Opening by the Chair, Deirdre Warner-Kramer (USA)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Auditors' Report for 2010
5. Administrative and Activity Report by Secretariat
6. Financial Statements for 2011
7. Review of Accumulated Surplus and Contingency Funds
8. Personnel Matters
9. Internship Program
10. Rules of Procedure
11. Budget Estimate for 2012
12. Budget Forecast for 2013 and 2014
13. Adoption of 2012 Staff Committee Appointees
14. Time and Place of 2012 - 2014 Annual Meetings
15. Other Matters
16. Adjournment

Annex 3. Proposal for a NAFO Internship Program

NAFO Internship Program

A NAFO Internship Program would allow students, post graduates or early career individuals from NAFO member countries to work in the NAFO Secretariat as an intern for periods of up to six (6) months.

Objectives

The individual will gain experience and knowledge in operations of the Organization and other intergovernmental organizations while the NAFO Secretariat will benefit through the presence of an additional professional and his/her capacity and knowledge.

Nature of the Internship

Under the supervision of the Executive Secretary, interns will work on projects at the Secretariat relevant to their professional interests and development needs. Interns may be given a wide variety of tasks related to various aspects of:

- fisheries management and fisheries databases
- science
- administrative
- meeting coordination
- publications; and
- other NAFO activities delegated by the Executive Secretary.

Period of internship: For a period up to a maximum of 6 (six) months.

Qualifications of candidates

Applicants must be a citizen of a NAFO member country and of the academic or government sector, have a minimum of a university degree, very good spoken and written command of the English language, strong computer knowledge, and demonstrated personal initiative.

Guidelines for application and selection procedure

- The NAFO Internship Program will be advertised on the NAFO website. NAFO member countries are encouraged to take additional measures to advertise the NAFO Internship Program within their countries.
- Applicants will apply to the NAFO Secretariat following the procedure described on the NAFO website. Applicants must describe their interests and qualifications; provide a resume delineating their academic and work experience and three professional references.
- The NAFO Executive Secretary will review the applicants and select the successful intern(s). To ensure a balanced distribution of internships among member countries, priority will be given to applicants of Member States which have not been represented in the more recent years.

Financial Support

NAFO will provide a stipend of CDN \$1,750 per month. NAFO will not be responsible for the coverage of travel costs to and from the place of residence and the location of the Secretariat or for the cost of medical insurance.

Annex 4. Non-restricted Sessions: Rule 3 of Rules of Procedure for Observers
(STACFAD WP 11/4 - Prepared by NAFO Secretariat)

At the 2009 Annual Meeting of NAFO, the Rules of Procedure for Observers at NAFO Meetings were revised to apply one common set of rules for the admission and accreditation of observers to General Council, Fisheries Commission and Scientific Council Meetings (Annex 1).

During the past year, the Secretariat received a request from an accredited NGO observer to attend the Fisheries Commission Working Group of Fishery Managers and Scientists on Vulnerable Marine Ecosystems (FC WGFMS-VME). Rule 3 of the Rules of Procedures for Observers states “Observer status shall apply to all non-restricted sessions, whether at the Annual Meeting or at intersessional meetings.”

Although the meaning of “non-restricted” session is not clearly defined, it has traditionally meant that in GC and FC observers would have access to plenary sessions only. NGOs have not been permitted to attend GC and FC Working Group meetings (including FC WGFMS-VME). For SC, observers have had access to plenary, committee and working group meetings.

The Secretariat therefore feels there is a need to amend the current Rule 3 to clarify the term “non-restricted” sessions and identify which meetings observers have access to.

- General Council
 - General Council Plenary
 - Standing Committee – STACFAD
 - GC Working Groups
- Fisheries Commission
 - Fisheries Commission Plenary
 - Standing Committee – STACTIC
 - FC Working Groups
 - FC/SC Working Groups (Fisheries Managers and Scientists)
- Scientific Council
 - Scientific Council Plenary
 - Standing Committees – STACFEN, STACFIS, STACPUB, STACREC
 - SC Working Groups

Also, is there a need to distinguish between the meetings an IGO (e.g. FAO, NEAFC, etc.) can attend vs. meetings an NGO can attend? In the past, for example, on a few occasions a NEAFC Observer has attended STACTIC meetings.

**Application for Observer Status to NAFO Meetings
(General Council, Fisheries Commission and Scientific Council)**

Rule 1

The Executive Secretary shall invite, as observers:

- a) intergovernmental organizations that have regular contacts with NAFO as regards fisheries matters or whose work is of interest to NAFO or vice-versa; and
- b) non-Contracting Parties identified as harvesting fishery resources in the Regulatory Area.

Rule 2

Any NGO that supports the general objectives of NAFO and with a demonstrated interest in the species under the purview of NAFO, and desires accreditation as observers to NAFO meetings, shall notify the Secretariat at least 100 days in advance of the first meeting it wishes to attend. This application must include:

- a) name, address, telephone, fax number of the organization;
- b) address of all its national/regional offices;
- c) aims and purposes of the organization and a statement that the NGO fully supports the objectives of NAFO, i.e., optimum utilization, rational management and conservation of the fishery resources of the NAFO Convention Area;
- d) information on the organization's total number of members, its decision-making process and its funding;
- e) a brief history of the organization and a description of its activities;
- f) representative papers or other similar resources produced by or for the organization on the conservation, management, or science of fishery resources to which the Convention applies; and
- g) a history of NAFO observer status granted/revoked;

Rule 3

Observer status shall apply to all non-restricted sessions, whether at the Annual Meeting or at intersessional meetings.

Rule 4

NGO applications shall be reviewed by the Executive Secretary who shall notify the Contracting Parties of the names and qualifications of NGOs having fulfilled the requirements stipulated in Rule 2. If one or more of the Contracting Parties object giving in writing its reasons within 30 days, the matter will be put to a vote by written procedure. Applications will then be considered as accepted in accordance with the procedures laid down in Article V para 2 of the Convention. The Executive Secretary shall also circulate any reasons given in a preliminary objection as well as any comments that Contracting Parties may include with their vote on this matter.

Rule 5

Any NGO with observer accreditation:

- a) is required to register its representatives at the NAFO Secretariat at least fourteen days in advance of the meeting;
- b) may be required to limit the number of their observers at any meeting due to conference room capacity. The Executive Secretary will transmit any such determination in the conditions of participation;
- c) may be required to pay a fee, which will cover the additional expenses generated by their participation, as determined annually by the Executive Secretary;
- d) that has not communicated with the Secretariat or attended at least one meeting in the previous three years shall cease to be an accredited NGO but may reapply in writing to the Executive Secretary; and
- e) will have their accreditation reviewed by the Executive Secretary every five years taking into account any new information or development regarding the NGO since the last accreditation and circulate a summary of the review to Contracting Parties. If one or more of the Contracting Parties object to a renewal of the accreditation of the NGO with NAFO giving in writing its reasons within 30 days, the matter will be put to a vote by written procedure. Renewal of the accreditation will then be considered as accepted in accordance with the procedures laid down in Article V para 2 of the Convention. The Executive Secretary shall also circulate any reasons given in a preliminary objection as well as any comments that Contracting Parties may include with their vote on this matter.

Rule 6

Observers admitted to a meeting:

- a) shall be sent or otherwise receive the same documentation generally available to Contracting Parties and their delegations, except those documents deemed confidential by a Contracting Party or the Executive Secretary.
- b) may attend meetings, as set forth above, but may not vote;
- c) may make oral statements during the meeting upon the invitation of the Chair;
- d) may only distribute documents at meetings via the general information table;
- e) may engage in other activities as appropriate and as approved by the Chair;
- f) may not use film, video, and audio recording devices, etc. to record meeting proceedings; and
- g) may not issue press releases or other information to the media on agenda items under discussion during NAFO meetings.

Rule 7

Observers admitted to a meeting shall comply with the above and all rules and procedures applicable to other participants in the meeting. Failure to conform to these rules or any other rules that NAFO may adopt for the conduct of observers may result in removal from the meeting by the presiding officer and revocation of their observer accreditation status.

Rule 8

These rules shall be subject to review and revision, as appropriate. If any Contracting Party so requests, the adequacy of these rules shall be reviewed and assessed and, if necessary, amendments shall be adopted by General Council in the light of the need of NAFO to function effectively when conducting its business.

Annex 5. Budget Estimate for 2012
(Canadian Dollars)

NORTHWEST ATLANTIC FISHERIES ORGANIZATION

Budget Estimate for 2012

(Canadian Dollars)

	Approved Budget 2011	Projected Expenditures 2011	Preliminary Budget Forecast 2012	Budget Estimate 2012
1. Personal Services				
a) Salaries	\$904,000	\$916,000	\$923,000	\$923,000
b) Superannuation and Annuities	196,000	196,000	245,000	288,000
c) Medical and Insurance Plans	91,000	79,000	102,000	83,000
d) Employee Benefits	89,000	91,000	81,000	86,000
Subtotal Personal Services	1,280,000	1,282,000	1,351,000	1,380,000
2. Additional Help	20,000	20,000	20,000	20,000
3. Communications	27,000	27,000	27,000	28,000
4. Computer Services	28,000	28,000	29,000	42,000
5. Equipment	36,000	35,000	36,000	36,000
6. Fishery Monitoring	48,000	53,000	33,000	35,000
7. Hospitality Allowance	3,000	3,000	3,000	3,000
8. Internship	0	0	0	21,000
9. Materials and Supplies	33,000	33,000	34,000	34,000
10. NAFO Meetings				
a) Sessional	102,000	97,000	103,000	93,000
b) Inter-sessional Scientific	40,000	35,000	40,000	30,000
c) Inter-sessional Other	25,000	25,000	30,000	30,000
Subtotal NAFO Meetings	167,000	157,000	173,000	153,000
11. Other Meetings and Travel	50,000	50,000	50,000	50,000
12. Performance Review	75,000	75,000	0	0
13. Professional Services	51,000	91,000	51,000	56,000
14. Publications	16,000	16,000	17,000	17,000
15. Recruitment and Relocation	52,000	46,000	0	0
	\$1,886,000	\$1,916,000	\$1,824,000	\$1,875,000

Notes on Budget Estimate 2012
(Canadian Dollars)

Item 1(a)	Salaries Salaries budget estimate for 2012	\$923,000
Item 1(b)	Superannuation and Annuities Employer's pension plan which includes employer's contributions, administration costs and actuarial fees. Also includes a payment towards the unfunded liability as the previous two actuarial valuations of the pension plan showed the plan to be in a deficit position.	\$288,000
Item 1(c)	Group Medical and Insurance Plans Employer's portion of Canada Pension Plan, Employment Insurance, Group Life Insurance, Long Term Disability Insurance and Medical Coverage.	\$83,000
Item 1(d)	Employee Benefits Employee benefits as per the NAFO Staff Rules including overtime, repatriation grant, termination benefits, vacation pay, and travel to home country for internationally recruited members of the Secretariat.	\$86,000
Item 2	Additional Support Digitization of historical documents, translation of NAFO Fisheries Information (e.g. Observer Reports) and other assistance as required.	\$20,000
Item 3	Communications Phone, fax and internet services Postage Courier/Mail service	\$28,000 \$15,000 10,000 3,000
Item 4	Computer Services Computer hardware, software, supplies and support. Inspectors Website (Possible proposal to come from STACTIC to implement a secure website area)	\$42,000 \$29,000 13,000
Item 5	Equipment Leases (print department printer, photocopier and postage meter) Purchases Maintenance	\$36,000 \$21,000 10,000 5,000
Item 6	Fishery Monitoring Vessel Monitoring System (VMS) annual maintenance fee Programming changes as required due to changes to CEM	\$35,000 \$30,000 5,000

Item 10(a)	NAFO Sessional Meetings Annual Meeting, September 2012, St. Petersburg, Russia SC Meeting, June 2012, Dartmouth, Canada SC Meeting, October 2012, Norway	\$93,000
Item 10(b)	NAFO Inter-sessional Scientific Meetings Provision for inter-sessional meetings and a general provision for unforeseen expenses necessarily incurred by SC required for the provision of answering requests for advice from FC.	\$30,000
Item 10(c)	NAFO Inter-sessional Other General provision for GC and FC inter-sessional meetings.	\$30,000
Item 11	Other Meetings and Travel International Meetings regularly attended by the NAFO Secretariat: <ol style="list-style-type: none"> 1. Aquatic Sciences and Fisheries Abstracts (ASFA) 2. Co-ordinating Working Party on Fishery Statistics (CWP), 3. Fisheries Resources Monitoring Systems (FIRMS) 4. International Fisheries Commissions Pension Society (IFCPS) 5. NEAFC Advisory Group for Data Communication (AGDC) 6. Regional Fishery Body Secretariats Network (RSN) 7. Secretariats of the North Atlantic Regional Fisheries Management Organizations (NARFMO) 8. Visma Sirius Annual vTrack User Group Meeting 9. United Nations Fish Stock Agreement (UNFSA) 	\$50,000
Item 13	Professional Services Professional Services (audit, consulting, legal fees, and insurance) Professional Development and Training Public Relations	\$56,000 \$40,000 11,000 5,000
Item 14	Publications Production costs of NAFO publications which may include the following: Conservation and Enforcement Measures, Convention, Inspection Forms, Journal of Northwest Atlantic Fishery Science, Meeting Proceedings, Rules of Procedure, Scientific Council Reports, etc.	\$17,000

**Annex 6. Preliminary calculation of Billing for Contracting Parties
against the proposed estimate of \$1,875,000 for the 2012
financial year (based on 12 Contracting Parties to NAFO)**
(Canadian Dollars)

Budget Estimate	\$1,875,000
Deduct: Amount from Accumulated Surplus	<u>180,000</u>
Funds required to meet 2012 Administrative Budget	<u>\$1,695,000</u>

60% of funds required =	\$1,017,000
30% of funds required =	\$508,500
10% of funds required =	\$169,500

Contracting Parties	Nominal Catches for 2009	% of Total Catch in the Convention Area			2012 Preliminary Billing
		10%	30%	60%	
Canada	471,942	53.44%	\$42,375.00	\$543,484.80	\$681,626.79
Cuba (1)	1,334	0.15%	-	1,525.50	43,900.50
Denmark (in respect of Faroe Islands and Greenland) (2)(3)	171,630	19.44%	34,827.35	197,704.80	274,907.15
European Union	37,954	4.30%	-	43,731.00	86,106.00
France (in respect of St. Pierre et Miquelon)	815	0.09%	165.38	915.30	43,455.68
Iceland	-	-	42,375.00	-	42,375.00
Japan	-	-	42,375.00	-	42,375.00
Republic of Korea	-	-	42,375.00	-	42,375.00
Norway	2,948	0.33%	-	3,356.10	45,731.10
Russian Federation	5,175	0.59%	-	6,000.30	48,375.30
Ukraine	334	0.04%	-	406.80	42,781.80
United States of America (3)	190,913	21.62%	38,740.28	219,875.40	300,990.68
	883,045	100.00%	\$169,500.00	\$508,500.00	\$1,017,000.00
Funds required to meet 1 January - 31 December 2012 Administrative Budget					<u>\$1,695,000.00</u>

2011 Billing for comparison purposes	
Approved Budget 2011	\$1,886,000
Deduct: Accumulated Surplus	<u>235,017</u>
Funds required 2011 Budget	<u>\$1,650,983</u>

Nominal Catches for 2008	% of Total Catch in the Convention Area		2011 Annual Assessment
	2008	2011	
478,377	52.93%	\$658,687.81	
500	0.06%	41,868.92	
196,480	21.74%	294,864.58	
43,745	4.85%	89,318.18	
3,639	0.40%	45,945.09	
-	-	41,274.58	
1,926	0.21%	43,354.81	
-	-	41,274.58	
2,483	0.27%	43,949.17	
6,461	0.71%	48,307.77	
276	0.03%	41,571.76	
169,885	18.80%	260,565.75	
903,772	100.00%	\$1,650,983.00	

- (1) Based on catch reports received from chartering arrangements.
(2) Faroe Islands = 4,815 metric tons
Greenland = 166,815 metric tons
(3) Based on 2009 provisional catch reports.

Annex 7. Preliminary Budget Forecast for 2013 and 2014

NORTHWEST ATLANTIC FISHERIES ORGANIZATION

Preliminary Budget Forecast for 2013 and 2014

(Canadian Dollars)

	Preliminary Budget Forecast 2013	Preliminary Budget Forecast 2014
1. Personal Services		
a) Salaries	\$1,010,000	\$1,048,000
b) Superannuation and Annuities	295,000	298,000
c) Medical and Insurance Plans	99,000	104,000
d) Employee Benefits	68,000	99,000
Subtotal Personal Services	1,472,000	1,549,000
2. Additional Help	20,000	20,000
3. Communications	28,000	28,000
4. Computer Services	42,000	43,000
5. Equipment	36,000	37,000
6. Fishery Monitoring	35,000	35,000
7. Hospitality Allowance	3,000	3,000
8. Internship	18,000	18,000
9. Materials and Supplies	34,000	35,000
10. NAFO Meetings		
a) Sessional	108,000	113,000
b) Inter-sessional Scientific	40,000	40,000
c) Inter-sessional Other	30,000	30,000
Subtotal NAFO Meetings	178,000	183,000
11. Other Meetings and Travel	50,000	50,000
12. Professional Services	51,000	51,000
13. Publications	17,000	17,000
	\$1,984,000	\$2,069,000

Annex 8. STACFAD Preliminary Responses to PRP Recommendations

PA Report Chapter/Numbers	Recommendations	Preliminary Response: STACFAD...
Chapter 4, 4.4.3	<p>Recommends that the Secretariat develop documentation to outline its data consolidation processes and the steps it takes to check data, including the continuation of communication with data providers after data have been submitted/used, if necessary.</p> <p>The PRP would like to see a user-friendly NAFO data manual being produced and this could also set out a full meta-data record for all NAFO's data holdings and database.</p>	<p>recommends that the Secretariat undertake this work and report back to the Committee on its progress.</p> <p>notes that work on several elements of this recommendation is already underway and the proposed creation of a new Data Management team within the Secretariat will further support it. STACFAD recommends that the Secretariat determine how best to address the financial and human resources implications of this work.</p>
Chapter 4	<p>Concludes that the potential utility of information presented on the NAFO Website could be enhanced by improving the clarity, and user friendliness, of linkages. In this respect, some thought could be given to providing a clear 'information map' on the Website to direct those seeking specific types of information to their source(s) more efficiently.</p>	<p>endorses the Secretariat's ongoing work in this regard and encourages that the Secretariat seek additional feedback from the Contracting Parties as necessary.</p>
Chapter 4, 4.4	<p>Concludes that a clearly designated, and easily accessible, area of the NAFO website should set out a brief history of the PAF's development and a detailed explanation of its key contents and use, particularly in relation to recovery plans as well as new and exploratory fisheries.</p>	<p>notes that the Scientific Council Coordinator has already begun this work in cooperation with the Scientific Council and welcomes its conclusion.</p>
Chapter 7, 7.1	<p>Suggests that application of cost-recovery measures could be considered as a way of alleviating potential financial stress on NAFO Contracting Parties.</p>	<p>recommends that the Secretariat provide to STACFAD's next meeting suggestions for areas where cost recovery measures could be implemented.</p>
Chapter 7, 7.1	<p>Suggests that NAFO apply accrual accounting principles to manage its budget to be in conformity with the international norm as well as to provide a more accurate and contemporary picture of the Organization's financial standing.</p>	<p>requests that the Secretariat provide to STACFAD's next meeting guidance on the pros and cons of this approach.</p>
Chapter 7, 7.2	<p>Suggests developing a <i>NAFO Staff Contract</i> to provide a more formal standing to the various Staff position descriptions, working conditions and appraisal procedures outlined in <i>NAFO Secretariat Staff Structure</i> (Fischer & Goodick, 2009) document, the PRP. In particular, a <i>Contract</i> would provide an opportunity to formally outline procedures for dealing with Staff grievances and dismissal specifically.</p>	<p>*</p>
Chapter 7, 7.2	<p>Concludes that there is a need to amend certain NAFO Staff Rules (NAFO, 2010a) provisions pertaining to the rights and obligations of NAFO Secretariat Staff, particularly for</p>	<p>recognizes the ongoing work to keep the Staff Rules current and requests the</p>

PA Report Chapter/Numbers	Recommendations	Preliminary Response: STACFAD...
	dismissal or termination of appointment conditions. Such amendment should take into account relevant existing best practices. Given the Organization's intergovernmental nature, special attention should be given to relevant, and applicable, Canadian legislative provisions, as well as international law, in terms of Secretariat staff employment rights, obligations and conditions.	Secretariat to compile relevant best practices in this area and provide a report to its next meeting.
Chapter 7, 7.2	Concludes that failure to provide additional Secretariat staff capacity will compromise service delivery in the not-too-distant future and should be addressed as a matter of urgency. The Panel also urges that clear guidance should be given by the General Council to ensure that work priorities can be identified and that the need for any additional resources (human or fiscal) are adequately addressed sooner rather than later.	* Also highlights the recommendations to institute a formal internship program and to create a new Data Management team within the Secretariat. Also consideration could be given to part-time employees or service contracts.
Chapter 7, 7.2	Suggests that metrics be developed for various Secretariat duties/tasks to better determine the efficiency of Secretariat service delivery in particular. The metrics could be based on a schedule of tasks/activities to be undertaken, the completion of tasks against identified guidelines/deadlines, and the final service outputs delivered in terms of delivery efficiency/standards.	* While recognizing the potential benefits of this sort of performance management approach, STACFAD also cautions that any implementation should minimize both resource and bureaucratic burdens.
Chapter 7, 7.2	Concludes that there is a need to ensure that a 'critical mass' of essential Secretariat skills is sustained and that functional continuity should be maintained whenever senior staff leave. To this end, the professional development of Staff and the sharing of essential task skills must continue to be encouraged.	*
Chapter 7, 7.2	Further recommends that NAFO consider enhancing its Organizational communications strategy and media policy. In this context, it should also explicitly clarify the Executive Secretary's responsibilities, along with those of other office bearers, for the communication of such information.	will review and, as appropriate, recommend revisions to the NAFO media policy at its next meeting.
Chapter 7, 7.2	Recommends that the Secretariat be requested to scope and project its future accommodation needs.	*
Chapter 7, 7.4	Recommends timely, and adequate, planning to provide the Secretariat with appropriate human, financial and other resources for its future work.	will continue this process with the input and guidance of the Secretariat.

STACFAD recommends that consideration of the recommendations marked with * be addressed as part of an overall review of the Secretariat's staff structure and needs to ensure that it can continue to meet the growing workload into the future.

