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**PREPARATORY CONFERENCE FOR THE  
COMMISSION FOR THE CONSERVATION AND  
MANAGEMENT OF HIGHLY MIGRATORY  
FISH STOCKS IN THE WESTERN AND  
CENTRAL PACIFIC**

Seventh session  
Pohnpei, Federated States of Micronesia  
6 – 7 December 2004

WCPFC/PrepCon/WP.11/Rev.1/Add.3  
28 November 2004

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**PREPARATORY CONFERENCE ORGANIZATIONAL FUND AND PREPARATORY  
CONFERENCE SECRETARIAT**

Report of the Secretariat

1. The purpose of the present document is to further update the information contained in document WCPFC/PrepCon/WP.11/Rev.1, which contained a full report on the status of the Preparatory Conference Organizational Fund and the practical arrangements that have been made to administer the fund as well as on the arrangements with respect to the Preparatory Conference Secretariat.

**I. PREPARATORY CONFERENCE ORGANIZATIONAL FUND**

2. As at November 2004, contributions to the PCOF had been made by the Governments of Australia, China, France, New Caledonia, New Zealand, Papua New Guinea, Republic of Korea, Chinese Taipei and the United States, and by the European Community. Since PrepCon VI, in April 2004, additional contributions were made as follows:

<i>Contributor</i>	<i>USD</i>
France	30,000
China	29,975
New Caledonia	20,044
New Zealand	65,595
Papua New Guinea	20,000
United States	48,000

Additional contributions have also been committed by the European Community (€ 20,000) and Canada (CDN \$50,000) but have not yet been received pending the completion of appropriate administrative process. Bank interest of \$564.53 has also been credited to the Fund. The delegation of Japan has indicated that, although it is not in a position to make a contribution to the Fund, it will be able to reimburse the travel costs associated with PrepCon VII for two members of the Interim Secretariat.

3. The status of the PCOF as at 28 November 2004 is summarized in the annex to the present document, showing cumulative income and expenditure since the inception of the Fund. The Fund shows a balance of approximately \$174,000, although it must be emphasized that this does not take into account a number of major liabilities including the in-country costs associated with PrepCon VII and the inaugural session, the costs associated with interview of candidates for the position of Executive Director (including consultancy fees to the recruitment consultant,

airfares and per diems) and travel costs for the Chairman and Interim Secretariat associated with PrepCon VII. The total costs of these items are estimated at between \$70,000 - \$90,000.<sup>1</sup>

## II. AUDIT

4. In accordance with the guidelines for the administration of the PCOF, the Fund is scheduled to be audited in March 2005 by the auditors for the Forum Fisheries Agency. An earlier audit date may be arranged subject to the decisions taken by the Conference and the Commission with regard to the progressive transfer of responsibilities from the Interim Secretariat to the Commission Secretariat (see Part V below). The audit report and financial statement for the period ended 31 December 2004 will be made available to all PrepCon delegations as soon as possible thereafter.

## III. SPECIAL PURPOSES FUNDS

5. It will be recalled that additional amounts have been contributed to the PCOF for specific purposes not envisaged in the decision establishing the Fund. These include monies contributed to support the proposed Indonesia and Philippines Data Collection Project (IPDCP) and special contributions to support participation in the Scientific Coordinating Group.

### A. Scientific Coordinating Group

6. A special contribution of \$40,000 was made by the United States towards the cost of convening the first meeting of the SCG in July 2002. For the second meeting of the SCG, in July 2003, funding for the participation of developing States and territories was provided in part by the Government of Japan and in part by a special contribution made to OFP-SPC by the Government of Papua New Guinea. A special contribution of \$20,000 was made by Chinese Taipei to support the participation of developing States and territories in the fourth meeting of the SCG, held in August 2004.

### B. IPDCP

7. Following the discussions in Working Group II on the need to obtain improved catch data from Indonesia and Philippines,<sup>2</sup> the delegation of Chinese Taipei made an initial contribution of \$20,000 towards financing this initiative. Thereafter a further contribution of \$60,000 was made by the United States. At PrepCon VI, a revised project proposal, prepared by OFP-SPC, was considered further by WG.II. Under that proposal, the total funding required for two years of port sampling in each of Indonesia and the Philippines, and associated activities, is \$292,000.<sup>3</sup> WG.II formed a Steering Group that included representatives from Indonesia, the Philippines, the two current donors (Chinese Taipei, United States of America), the OFP-SPC, and the Chairman of WG.II. This group was tasked with implementing the project to the extent possible with available funds.

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<sup>1</sup> By far the main item being the in-country costs associated with the hosting of PrepCon VII and the inaugural session.

<sup>2</sup> See WCPFC/PrepCon/28

<sup>3</sup> The first meeting of the Steering Group was held after the WG.II meeting. See WCPFC/PrepCon/38, Annex IV, Report of the First Meeting of the Indonesia and Philippines Data Collection Steering Group.

8. The draft final report of WG.II contains information on the extent of project activities to date and also highlights the need for appropriate administrative decisions to be taken by the Commission to ensure proper management of the project. It is recommended that funds already contributed to the project be transferred in due course to the Special Requirements Fund of the Commission and administered in accordance with the Commission's financial regulations. The Commission will be invited to take a decision regarding the establishment and accountability of the Special Requirements Fund in due course. It should be noted that New Zealand has indicated that it will be able to make a contribution of \$60,000 towards this project.

9. In November 2004, on the advice of the Chairman of the Steering Committee and with the explicit authorization of the donor concerned, the Interim Secretariat disbursed \$36,325.64 from available funds to support project activities in the Philippines.

#### IV. PREPARATORY CONFERENCE SECRETARIAT

10. As noted in previous reports, since July 2001, the work of the Preparatory Conference Secretariat has been carried out by the Head of the Secretariat, in consultation with the Chairman and through the use of consultants for specific technical tasks. Since March 2003, the Secretariat has been greatly assisted by the services of a science coordinator, made available for the purpose by the Government of New Zealand. The Government of New Zealand has indicated that it is willing to continue to provide such support until July 2005 or until such time as a senior scientist is appointed to the staff of the Commission secretariat (if earlier). The goal is to provide interim scientific support to the incoming Executive Director and Chairman of the Scientific Committee.

11. The Legal Office of FAO has also provided an officer, Mr. Blaise Kuemlangan, to give technical assistance to the Interim Secretariat, primarily in the area of monitoring, control and surveillance. In accordance with FAO policy, these services have been provided on a cost-reimbursable basis. From time to time, additional assistance has been provided by individuals participating in the Preparatory Conference and by delegations. This has been most welcome. The main tasks carried out by the Secretariat are summarized in paragraph 18 of WCPFC/PrepCon/WP.11/Rev.1.

12. The PrepCon remains in existence "until the end of the first session of the Commission, at which time its property and records shall be transferred to the Commission." Immediately after PrepCon VII, the remaining duties of the Interim Secretariat will be to:

- (a) Finalize, print and circulate the final report of the Preparatory Conference;
- (b) Discharge all outstanding commitments due from the PCOF;
- (c) Make arrangements for audit of the PCOF; and
- (d) Transfer the property and records of the PrepCon to the Commission.

Clearly, the present schedule of meetings does not allow the Interim Secretariat to complete the above tasks prior to the first session of the Commission. When the Interim Secretariat was established, it had not been foreseen that the inaugural session of the Commission would be held back to back with the final session of the PrepCon. The question of transitional arrangements to enable these matters to be dealt with will be taken up by the Chairman with participating delegations with a view to making an appropriate proposal.

## V. WINDING-UP OF THE FUND

13. In accordance with the decision of the Preparatory Conference establishing the Preparatory Conference Organizational Fund (PCOF),<sup>4</sup> the PCOF shall continue to operate until determined by the Preparatory Conference or by the Commission.

14. In the budget paper prepared for consideration by the Commission,<sup>5</sup> it is recommended that, with respect to the PCOF, the Commission take a decision that:

(a) the balance remaining in the PCOF following the discharge of outstanding liabilities be transferred to the working capital fund of the Commission;<sup>6</sup> and

(b) the funds contributed for supporting the IPDCP be transferred to the Special Requirements Fund established under Financial Regulation 7.

15. In the light of these proposals, and subject to any other decision that may be taken regarding the transitional arrangements between the Interim Secretariat and the Commission, it is suggested that the Preparatory Conference may wish to **recommend** to the Commission that the Fund continues to operate until such time as outstanding financial commitments arising from PrepCon VII and the inaugural session have been dealt with and the PCOF has been audited by the FFA auditor.<sup>7</sup>

## VI. RECOMMENDATIONS

16. The Preparatory Conference is invited to:

(a) express its appreciation to those participating governments that have contributed to the PCOF or otherwise contributed financially and in-kind to the work of the Preparatory Conference;

(b) note the status of the Fund as at 28 November 2004;

(c) recommend to the Commission that the Fund continues to operate until such time as outstanding liabilities arising from PrepCon VII and the inaugural session have been met and the PCOF has been audited by the FFA auditor; and

(d) provide such further direction with respect to the transfer of responsibilities between the Interim Secretariat and the Commission Secretariat as may be necessary.

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<sup>4</sup> WCPFC/PrepCon/16, Annex II.

<sup>5</sup> WCPFC/Comm.1/4.

<sup>6</sup> This amount may then be used to support the activities of the Commission in 2005, or taken into account by the Executive Director in preparing the budget requirements for 2006.

<sup>7</sup> Which would be March 2005 at the latest, but could be arranged as soon as all liabilities have been discharged.

Annex

Status of Preparatory Conference Organizational Fund as at 28 November 2004

<b>PART I - GENERAL PURPOSE FUND</b>	USD	USD
<b>A. Contributions received (net) *</b>		
Australia	117,649.60	
China	89,930.00	
France	30,000.00	
New Zealand	155,475.00	
New Caledonia	29,038.25	
Papua New Guinea	46,156.34	
Chinese Taipei	40,000.00	
Republic of Korea	40,000.00	
United States of America	236,000.00	
<b>B. Other income</b>		
Interest	3,637.77	
<b>Total receipts</b>	<b>811,307.14</b>	<b>811,307.14</b>
<b>C. Disbursements</b>		
<i>(a) In-country conference costs</i>	226,135.62	
<i>(b) Chairman's travel and associated costs</i>	43,699.47	
<i>(c) Secretariat travel and associated costs</i>	70,759.59	
<i>(d) Retainers, consultancy fees and miscellaneous administrative expenses</i>		
<i>(i) retainers and honoraria</i>	121,201.75	
<i>(ii) consultancy fees, miscellaneous administrative expenses</i>	134,777.87	
<i>(e) FFA management charges</i>	40,721.08	
<i>(f) Other costs</i>	195.66	
<b>Total disbursements</b>	<b>637,491.04</b>	<b>637,491.04</b>
<b>D. Fund balance</b>		<b>173,816.10</b>

Notes:

- \* A contribution of USD 50,000 towards the costs of the second session of the Conference was made by the Republic of Korea direct to the Government of Papua New Guinea.

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**PART II - SPECIAL PURPOSES FUNDS**

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<b>(1) SCG</b>	USD	USD
<b>A. Contributions received</b>		
United States of America	40,000.00	
Chinese Taipei	20,000.00	
<b>B. Other income</b>		
Interest *		Nil
<b>Total receipts</b>	<b>60,000.00</b>	<b>60,000.00</b>
<b>C. Disbursements</b>		
<i>SCG, July 2002, costs (travel, per diems of participants and secretariat)</i>	40,756.11	
<i>SCG, August 2004, costs (travel, per diems of participants and secretariat)</i>	20,000.00	
<b>Total disbursements</b>	<b>60,756.11</b>	<b>60,756.11</b>
<b>D. Fund balance</b>		<b>(756.11)</b>

<b>(2) IPDCP</b>	USD	USD
<b>A. Contributions received</b>		
United States of America	60,000.00	
Chinese Taipei	40,000.00	
<b>B. Other income</b>		
Interest *		Nil
<b>Total receipts</b>	<b>60,000.00</b>	<b>60,000.00</b>
<b>C. Disbursements</b>		
<i>November 2004, Philippines</i>	36,325.64	
<b>Total disbursements</b>	<b>36,325.64</b>	<b>36,325.64</b>
<b>D. Fund balance</b>		<b>63,674.36</b>

Notes:

\* Interest credited to the General Fund.

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