



**COMMISSION SIXTEENTH REGULAR SESSION**  
Port Moresby, Papua New Guinea  
4 – 11 December 2019

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**SUMMARY REPORT AND RECOMMENDATIONS OF THE THIRTEENTH SESSION OF  
THE FINANCE AND ADMINISTRATION COMMITTEE (FAC13)**

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**WCPFC16-2019-FAC13-11 DRAFT  
11 December 2019**

**INTRODUCTION**

1. The Finance and Administration Committee (FAC13) was convened by Co-Chair Ms. Camille Movick-Inatio (FSM) on Wednesday 4<sup>th</sup> December 2019. Subsequent sessions of FAC were held on 7<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> December 2019. Representatives of Australia, Canada, China, Cook Islands, European Union, France, French Polynesia, Federated States of Micronesia, Fiji, Indonesia, Japan, Kiribati, Republic of Korea, Republic of the Marshall Islands, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, Tokelau, United States of America, Vanuatu, ANCORS, FAO, FFA, PEW, PIFS, PNA, The Ocean Foundation, SPC and WWF were in attendance. Meeting support was provided by the Secretariat. A participants list is attached as Annex 4. The Committee agreed by consensus to present to the Commission the decisions and recommendations set out below.

**AGENDA ITEM 1. OPENING OF MEETING**

2. Niue delegate led the opening prayer, seeking guidance and blessing for FAC deliberations.
3. Ms. Camille Movick-Inatio (FSM) was Co-Chair for the 13<sup>th</sup> Session of the Finance and Administration Committee (FAC). The Co-Chair thanked PNG and Secretariat for the arrangements, noting the last minute changes that were undertaken with the change in venue.
4. Executive Director (ED) Feleti Teo thanked PNG for their hospitality in hosting this meeting. ED Teo also shared that the two (2) previous elected Co-Chairs for FAC were not able to attend due to changes in their assignments and informed the Secretariat that they were no longer available to serve as co-Chairs for this meeting. He also emphasized that the FAC needs nomination for the second Co-Chair, which would be raised and discussed in the HOD meeting to be held later in the afternoon. FAC will continue to meet during the margins of the Commission meeting as there would be some substantive issues that the Commission would need to decide on, which would have some budgetary implications.
5. Japan thanked PNG for hosting this meeting and expressed their intention to nominate a Co-Chair.

## **1.1 Adoption of agenda**

6. The FAC Co-Chair went through the agenda items set out in WCPFC16-2019-FAC13-01 which was adopted without revision. The Co-Chair also noted that Agenda 5 (Work Programme and Budget for 2020 and Indicative Work Programme and Budget for 2021 and 2022) **would** need to be finalized at the end of the meeting as there are substantive issues that needs Commission decision.

## **1.2 Meeting arrangements**

7. ED Feleti Teo detailed the FAC meeting arrangements and logistics.

### **AGENDA ITEM 2. AUDIT**

#### **2.1 Auditor Report for 2018 and General Account Financial Statements for 2018**

8. The Finance and Administration Manager (FAM) Aaron Nighswander summarized the information in WCPFC16-2019-FAC13-04 noting the 2018 audit was completed and circulated to CCMs in 2<sup>nd</sup> August 2019. The auditor found that all financial statements were fair and that there were no instances of non-compliance with the Commission's Financial Regulation 12.4 (c) regarding income, expenditure, investment and asset management nor with Financial Regulation 12.4 (d) pertaining to financial procedures, accounting, internal controls and administration. There was a deficit of income over expenditure related primarily to delayed contributions.

9. USA sought clarification regarding the deficit of around USD181,226 as noted in WCPFC16-2019-FAC13-04 paragraph 8. FAM responded that this is related to some delayed contributions, but with surplus from prior years' contributions of USD634,769 that were paid by some Members in 2018, there was no financial deficit on the overall budget.

10. **FAC13 recommended that the Commission accept the audited financial statements for 2018 as set out in paper WCPFC16-2019-FAC13-04.**

### **AGENDA ITEM 3. STATUS OF THE COMMISSION'S FUNDS**

#### **3.1 Report on General Account Fund for 2019 – Contributions and Other Incomes**

11. The FAM introduced paper WCPFC16-2019-FAC13-05 Rev1. The assessed contributions for 2019 was \$7,536,710, and the outstanding 2019 unpaid contributions stand at \$1,563,439 as of 1 November 2019.

12. There were unpaid contributions from members in which the Secretariat has already get in touch with these concerned CCMs.

13. Fiji thanked PNG for hosting this meeting and also providing the Commissions' audited report. With regards to their outstanding contribution, Fiji explained that in 2016, there are some changes in their budget regulations which affect their payments. They seek Commission's understanding on this matter, but they are already working of this for them to meet their payment obligations.

14. Kiribati thanked PNG for hosting this meeting and seeking clarification on the \$35 outstanding which could be due to fund transfer fee or exchange rate difference. The FAM responded that Kiribati can make payment and this will be reflected by the Secretariat in this table.

15. Palau noted its outstanding contribution of around \$6,522.

16. PNG welcomed participants to Port Moresby. In relation to PNG's contribution, they assured the Committee that they will resolve this before the end of the year.

17. FSM thanked the PNG government for hosting this meeting and also the Secretariat. For their 2019 outstanding contribution, FSM updated the Committee that this was already submitted/paid.

18. **The FAC noted the report in WCPFC16-2019-FAC13-05 Rev 1.**

### **3.2 Report on the Status of Other Funds for 2019**

19. The FAM discussed paper WCPFC16-2019-FAC13-06 Rev1 noting the balances in the i) the Special Requirements Fund (SRF); ii) the Japan Trust Fund; iii) the Chinese Taipei Trust Fund; iv) the CNM Contributions Fund; v) the FAO's Area's Beyond National Jurisdiction Project Fund; vi) the Voluntary Contributions Fund; vii) the West Pacific East Asia Project Fund; and viii) the Working Capital Fund.

20. The FAM highlighted an error in paragraph 8 of WCPFC16-2019-FAC13-06 Rev1 on USD50,286,000 for Solomon Islands: Longline MCS Capacity Building-Vessel Monitoring and Observer Training on Port Sampling. The corrected figure should be on USD50,286.

21. The FAC co-chair thanked Australia, Canada, Korea, USA on their contribution to the SRF, noting the importance of the SRF in building SIDS capacity to meet its obligations to this Commission.

22. EU thanked PNG for organizing and the Secretariat for preparing papers for this meeting. EU seek clarification on the SRF and Working Capital Funds. FAM responded the Special Requirements Fund comes from the CNM/Observer contributions and Working Capital funds as noted in last years' agreement. While the source of the Working Capital funds are GAF balances from previous year and funds that are made available to the Commission that are not attributed to a for specific activity/project, example would be the contribution from New Caledonia.

23. Vanuatu thanked to FAC to have access to Chinese Taipei Trust Fund (CTTF) which funded their activity to develop of Protocols and Standard Operating Procedures for Longline Fishery Inspection and Monitoring and was very useful to them.

24. RMI made a statement on behalf of FFA, thanking those CCMs that contribute to the SRF especially Australia, Canada, Korea and USA, noting the importance of SRF to SIDS participation to meeting and also financing capacity building activities. RMI also emphasized that activities funded under the SRF are aligned with the Strategic Investment Plan (SIPs). FFA is seeking that SRF should automatically cover to support chairs, co-chairs or vice-chairs of the Commission and subsidiary bodies who are coming from SIDS.

25. Tonga express gratitude and appreciation to PNG government for hosting this meeting. Tonga thanked Japan Trust Fund (JTF) for funding Port sampling, Observer Program, MCS training and capacity building program for Tonga's Fisheries Legal Section.

26. Australia congratulate the Co-Chair for her new position, the Secretariat and PNG for the meeting arrangements. Australia further noted that the paper only shows income and expenditure. Australia is interested to know on what activities were funded by the CNM contributions. FAM responded that there were three (3) activities funded i) USD 101,000 offset for SIDS from the core budget, ii) USD 60,000 to support the SRF and iii) USD 50,000 to offset annual contributions to the GAF.

27. The co-chair seeking comments from ED on how SIDS can automatically have access to the SRF and to move away with the need to submit proposal using a required template.

28. The ED offered clarification noting that currently, the SRF is limited to fund one (1) delegate with a total of two (2) delegates per delegation, noting that the other delegate is funded in the Commission's core

budget. For SIDS, can access SRF, if they submit a proposal and a report after the activity has been done to include how these funds has help or assist them. These are part of the SRF rules and procedures.

29. RMI further reiterate that the Commission Vice-Chair, TCC, SC chairs who are coming from SIDS to be funded to attend the Commission meeting under the SRF, noting the increasing work that needs to be done.

30. Samoa thanked PNG for hosting this meeting and also would like to relate on the FFA proposal, noting that FFA is not asking for extra funding but rather to use of SRF funding Commission Vice-Chair, TCC and SC chairs to Commission meetings.

31. Kiribati also would like to extend the proposal to fund additional participation of SIDS to these meetings, noting their small administration and to be exempted to these requirements.

32. The ED clarified that in the current regulations there is a need for SIDS to apply for the fund and a report to needs to be submitted after participating to the said meeting stating how this has helped your country.

33. Canada congratulate the chair for her new role and thanked PNG for hosting this meeting. For Canada, there were three (3) aspects on this proposal: i) funding chairs and co-chairs of the Commission and subsidiary bodies coming from SIDS; ii) funding additional participant from SIDS; and iii) amending the SRF rules and procedures, including the budgetary implications of these proposal.

34. The FAC Co-Chair suggested that FFA table a proposal for the consideration of FAC on this matter.

35. Japan promoted the availability of Japan Trust Fund (JTF). Japan is collecting new proposals for 2020 funding. The circular was distributed and the deadline is set on December 20, 2019.

36. Palau, thanked Japan for that announcement and clarified if there is a possibility to extend the deadline. Japan answered yes, and noted that the deadline extension will be in consultation with the Secretariat.

37. USA asked clarification on how the US contribution to NC was spent. FAM responded that NC was funded through the core budget and the assessed contributions for the NC and US contribution was not used.

38. RMI introduced the FFA proposal on the proposed amendments to the financial regulations as noted in the paper WCPFC16-2019-FAC13.

39. Korea queried why the amendment only apply to Chairs of SC, TCC, FAC Co- Chair and the WCPFC Vice Chair and not to all who are qualified to access the SRF.

40. EU wanted to know the financial impact of this new amendment to the SRF regulation.

41. The FAM responded that this amended would not have an impact to the budget since proposed amendment is only to the reporting requirements not the number of participants funded.

42. China raised the idea, what if the Commission chair attends other meetings in the future.

43. The ED responded that this is already within the yearly core-budget of the Commission.

44. The ED suggested that to avoid changes in the financial regulation, FAC can make an administrative decision to include in the core budget, participation of the Chairs of SC, TCC, FAC Co- Chair and the WCPFC Vice Chair, if they are coming from SIDS.

45. RMI asked clarification on the budget implications if these participations are included in the core budget and when remains to be funded using the SRF.

46. The FAM responded that the increased budget to fund these participations in the Commissions' core budget could result to increased contribution by CCMs. If it remains to be funded using the SRF, there will be other sources which could include voluntary contributions of other CCMs, working capital fund or the CNM contributions.

47. **After all views and comments have been considered, the FAC recommended to adopt the FFA proposed amendments to the financial regulations.**

### ***REGULATION 7 SPECIAL REQUIREMENTS FUND***

#### ***Proposed new 7.8:***

***For the purposes of supporting attendance by Chairs of SC, TCC, FAC Co- Chair and the WCPFC Vice Chair from Small Island Developing States to the Annual Session, Financial Regulation 7.5 and 7.7 on the application process and reporting requirements, respectively, shall be waived.***

48. **FAC12 noted the report in WCPFC16-2019-FAC13-06 Rev1.**

## **AGENDA ITEM 4. HEADQUARTERS ISSUES**

### **4.1 Headquarters Matters**

49. The FAM presented WCPFC16-2019-FAC13-07 highlighting the issues at headquarters arising in 2019. FAM highlighted updates on the following topics: electricity, security, travel, environmental responsibility, IT audit and Information Security Policy (ISP).

50. There were no further discussion on this paper.

51. **FAC13 noted the report in WCPFC16-2019-FAC13-07.**

### **4.2. Triennial Salary Market Data Review**

52. The ED discussed WCPFC16-2019-FAC13-08. Professional staff salary should be harmonized to CROPs agencies salary while EDs salary is set to UN D-1 scale. Commissions' rules requires a review of the professional staff salary every three (3) years. The paper also details the recommendations for FAC consideration.

53. EU seeks clarification regarding the salary of the ED in UN-D1 scale as compared to the base level. FAM responded that based on the UN-D1 level there have been an average of 1.7% annual salary increase based on UN rates.

54. Canada noted about the special drawing rights and the impact on professional staff salary which are said to be variable on the month to month basis, and if there is any consideration to address this concern. Canada draw attention on paragraph 10 of WCPFC16-2019-FAC13-08 and to take into account how to maintain the relativity of the ED salary and Professional staff salary. FAM responded that variability on SDR and exchange rate is calculated on bi-annual basis and on the staff regulation there is a stabilization mechanism.

55. Japan's preference is to follow the past experience of having a 2% increase.

56. Australia seeking further explanation on the salary band and the rationale of increasing the professional staff salary. The staff regulations requires that every 3-years there should be a review of the professional staff salary as against the CROP agencies salary.

57. Cook Islands thanked PNG for hosting this meeting and prefer that this discussion should be forwarded to HOD meeting, in a view that this has happened previous years.
58. Co-chair suggested that this issue be discussed in the HOD or closed session.
59. USA needs clarification on the potential budgetary implications of these three (3) options as noted in WCPFC16-2019-FAC13-08.
60. Australia further noted two (2) issues i) salary increase for the next year (2020) and ii) structural format that needs to be considered regarding the salary in future years.
61. The ED responded that the study was done to compare salary of professional staff to CROP agencies as required by the staff regulations.
62. EU preference is to have this agenda discussed in the HOD noting that there will be a lot of SWG.
63. Japan's preference is to have a SWG on this matter and also supported Australia and Canada's suggestions.
64. Samoa preference is to discuss this in the FAC which reconvenes during the margins of the Commission meeting.
65. The Co-Chair recommended that FAC continue the discussion in a closed session of FAC with CCMs only and that all Secretariat staff and observers be excused from the room.
66. CCMs agreed to this approach and the closed session took place after all Agenda Item 5 was presented.

**AGENDA ITEM 5. WORK PROGRAMME AND BUDGET FOR 2020  
AND INDICATIVE WORK PROGRAMME AND BUDGET FOR  
2021 AND 2022**

67. The FAM presented paper WCPFC16-2019-FAC13-10, detailing the proposed 2020 budget based on recommendations from SC, TCC, Intercessional Working Groups and the WCPFC Secretariat. There are items that are not yet included in this budget pending Commission's decisions.
68. Australia noted that there are other things not included in the budget, if we can add a line item in the budget for the work of subsidiary bodies, taking into account the average budget for additional activities for the past 3- years. This would avoid delayed approval of the budget by the FAC. FAM suggested to have a fixed budget of around USD 200,000 in Part 1 of the budget. Australia further suggested to have USD 200,000-300,000 in the said line budget item.
69. Cook Islands thanked Australia for their proposal on the additional line budget item.
70. USA asked more explanation on Annex 2 on Donor Contributions. FAM responded that these are more on the specific activities and Secretariat will give more information on these contributions in the coming years.
71. EU seeks clarification on the budget expenditure for furniture and equipment including expenditure for SRF and also their contribution on FAD acoustics study of around USD 200,000 that does not appear in the paper and requested for revision to reflect this contribution. FAM responded that expenditure for furniture equipment budget line. The FAM responded that the SRF comes mainly from Working Capital fund and CNM contributions, voluntary contributions and not sourced from the GAF. The EU funding for FAD acoustic study has not been reflected since the document has not yet signed, so, it was not included in this paper. SPC further clarified that there was no overlap between the services they have provided to FFA and WCPFC. EU's view that the budget for SPC services is stable but needs review.

72. USA requested for clarification on the difference between targeted capacity building and regional capacity building. FAM responded that regional capacity building workshops would include the i) SPC tuna data workshops that is conducted annually to produce the annual catch estimates that feeds to countries annual report part 1 and ii) FFA proposal that has yet to be received by the Secretariat as to how this funding will be used. While the targeted capacity building is mainly used by WCPFC staff for travel to assist in capacity building workshops/meetings conducted in SIDS.

73. Japan seeks clarification on Annex 3 particularly on the Northern Committee (NC) expenditure of USD18,000. Japan viewed that this should be less than USD 18,000 noting the absence of some SIDS members, during the NC meeting this year. FAM responded that this does not take into account all the NC expenditure for 2019 which was actually around USD 21,000.

74. EU further seek clarification regarding the targeted capacity building and why is this different from SRF. FAM responded that targeted capacity building is used by WCPFC staff for travel to assist in capacity building workshops/meetings requested by SIDS. In 2019, these activities include travel of WCPFC staff to attend FFA workshops and MCS workshop requested by Kiribati.

75. Cook Islands reiterated that these capacity building workshops were useful such as the SPC tuna data workshops including those workshops where the new system used by the Secretariat was introduced to the MCS working group.

76. Kiribati also shared that their offshore workshops/summit was also very useful that helps flagged, port and coastal states meet their WCPFC obligations.

77. Australia briefly discussed on FFA priorities. Australia on behalf of FFA emphasized the sensible budget prioritization taking into account cost and time effectiveness. FFA priorities includes funding for chair/co-chairs/vice-chair of the Commission and its subsidiary bodies who comes from SIDS, high seas allocation/limits, conduct of ER-EM two (2) day workshop prior to TCC than having a stand-alone meeting and transshipment consultancy which FFA expects to be funded through voluntary contributions, and two (2) consultancies on CMS regarding audits points and risk assessment framework. While the work for transshipment and VMS can be better managed during the TCC.

78. The FAM highlighted the revisions in the budget table detailed in WCPFC16-2019-FAC13-10 Rev1 that includes the inclusion of a budget line of USD 220,000 for future work of the Commission as suggested by Australia, reduced budget for consultancy amounting to USD 10,000. FAM shared that USA indicate to support USD 75,000 in the science budget to support the SPA roadmap development that was not taken into consideration in the budget table.

79. EU noted the expenditure for the compliance officer. FAM suggested to keep the budget in case of turn-over and recruitment.

80. Japan raised concern in the table in paragraph 7, in particular the consultancy to review CMM 2009-06 on transshipment, amounting to USD 165,000. The said budget is too high noting that the working group has not finalized the TOR for this consultancy and USA provided an in-kind contribution of USD74,000 towards the completion of this task. FAM responded that this consultancy amount includes consultancy fee, housing, insurance and other expenses to bring a full-time consultant to Pohnpei. The Compliance Manager added that this amount could be reduced if instead of a full-time consultant, a secondment will be considered.

81. Tonga clarified if the small working group for high seas allocation is already considered in the budget. FAC co-chair responded its already considered in the budget line.

82. EU suggested that the high seas allocation workshop might last for more than 2-days in this case a contingency budget needs to be considered.

83. Australia noted that costing for additional work requested for SPC was not included in the budget table and how much will this cost.
84. SPC responded that an additional budget of around USD 75,000 - USD 110,000 for this extra work will be needed which will include SPC support to additional WCPFC workshops/meetings.
85. Kiribati prefers to have the high seas allocation workshop and South Pacific Albacore road map be held in conjunction with SC or TCC, noting the various upcoming meetings in 2020.
86. Canada acknowledges the challenge for more meetings in 2020 noting the cost implications and availability of people to travel and attend these meetings.
87. China supported the view of Canada and Kiribati on the number of meetings to be conducted in 2020. China expressed concern on the amount of budget for the transshipment consultancy that needs to be reviewed (USD 165,000 in addition to the USD 74,000 provided by US).
88. Australia suggested to use the working capital fund and CNM contribution to fund these additional activities and to offset increase in members contributions for 2020.
89. Vanuatu suggested to consider additional budget for participation of SIDS for the SP Albacore roadmap meeting, noting that different people will be attending these meetings.
90. USA offered voluntary contribution of USD 15,000 to offset the total cost of the SP Albacore roadmap meeting.
91. USA requested for a list SPC additional work that needs funding. SPC responded that extra work will include SPC support to additional WCPFC workshops/meetings (e.g. travel, resources to conduct analysis).
92. China supported Australia suggestion to use the working capital fund and CNM contribution for these additional work, and add USD 100,000 for SPC work.
93. Australia noted that the SC projects listed here were prioritized and classified as high priority projects by the SC.
94. EU supported Australia's views on the SC work plan but not the view to withdraw money from the Working Capital Fund.
95. Tuvalu, Korea and Tonga also supported Australia's views.
96. Kiribati reiterates its concern on increased budget that will result to increased contribution and also supported Australia's views.
97. New Zealand informed the Committee that it could probably support the transshipment consultancy.
98. EU prefers to have the high seas allocation workshop in conjunction with other WCPFC meetings to optimize cost and work needed. But noted that they are not fully in support of additional funding for participation of members.
99. China has difficulty of considering additional participant to meetings noting increased member contribution.
100. Japan suggested to explore the view of deleting some shark related Projects in the SC work plan to reduce the budget.

101. Canada and Australia noted that there is a need to consider the tri-annual budget review which also has some budgetary implications.

**102. FAC12 agreed to a 2020 budget of \$xxxxx (Annexes 1-3) pending any subsequent decision reached by WCPFC16 that will have an impact on the budget.**

**AGENDA ITEM 6. ELECTION OF CO-CHAIRS**

**103. Michael Brakke (USA) and Ms. Camille Movick-Inatio (FSM) were nominated as FAC Co-Chairs**

**AGENDA 7. OTHER MATTERS**

104. There were no additional matters discussed.

**AGENDA ITEM 8. ADOPTION OF REPORT**

105. FAC13 adopted this summary report which is tabled as WCPFC16-2019-FAC13-11.

**106. FAC13 invites WCPFC16 to consider this report and to endorse its recommendations.**

**AGENDA ITEM 9. CLOSE OF MEETING**

107. FAC co-chair, Ms. Camille Movick-Inatio, closed the final session of FAC13 at xxxxx on 11<sup>th</sup> December 2019.