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

Third session
Manila, Philippines
18 – 22 November 2002

WCPFC/PrepCon/19
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**WORKING GROUP I: ORGANIZATIONAL STRUCTURE, BUDGET AND FINANCIAL
CONTRIBUTIONS**

Summary report by the Chair of the Working Group to the third session of the
Preparatory Conference

1. During the third session of the Preparatory Conference, WG.I held two meetings. In accordance with the indicative programme of work adopted by WG.I at the second session (WCPFC/PrepCon/14), WG.I considered the following issues:
 - (a) the costs of a Commission secretariat to deliver core functions and science;
 - (b) the costs associated with the various options for providing additional Commission services;
 - (c) possible mechanisms for funding the participation of developing states consistent with article 30, paragraph 3, of the Convention;
 - (d) the application of cost recovery principles for the provision of specified Commission services.

2. The issues were considered on the basis of two working papers prepared by the Secretariat (WCPFC/PrepCon/WP.7 and WCPFC/PrepCon/WP.8), which provided WG.I with:
 - (a) Information on the various options available for the remuneration of the staff of the Commission secretariat;
 - (b) The costs associated with a core secretariat structure, on the basis of that proposed in working paper WCPFC/PrepCon/WP.3, together with a science secretariat on the basis of the discussions in WG.II;
 - (c) Estimates of the costs associated with the provision of such additional Commission services as may be required in the medium term, including a comparison between the costs of utilizing existing regional programmes or systems and the 'in-house' provision of these services by the Commission;
 - (d) Estimates of the potential size and scope of the special fund established pursuant to article 30, paragraph 3, of the Convention;
 - (e) Information on the application of cost recovery principles to various Commission services.

Secretariat structure

3. WG.I considered that, in general, the Secretariat structure outlined in WCPFC/PrepCon/WP.7 (Annex I and II) reflected the basic principles that had been agreed at earlier sessions in terms of size, efficiency and cost-effectiveness. Some participants indicated that it was premature to discuss the budget as a whole. It was noted that, under the structure proposed in the working paper, the Senior Scientist would perform the functions of a deputy to the Executive Director. It was suggested, however, that consideration be given to a separate position of Deputy Executive Director. While it was suggested that the grading of the Executive Director at the United Nations D-1 level, or its regional equivalent, was appropriate, it was noted that it would be necessary to carry out a much more detailed job-sizing exercise in relation to all the other professional posts. In particular, it was suggested that the grading of the Finance and Administration Manager was too low, taking into account the likely budget of the organization. In relation to all staff positions, WG.I emphasized the importance of selection on merit, with due regard to equitable geographic representation. A suggestion was also made that at the initial stage the staff could be downsized, taking into account similar organizations in other regions, doing the similar job under a smaller budget.

4. While some members of WG.I expressed a preference for the application of regional pay scales to staff of the Commission Secretariat, others noted that they were not members of regional organizations and that an international system of remuneration, such as the UN Common System, might be considered. It was noted that experience had shown that regional pay scales were internationally competitive.

5. WG.I noted that it would be necessary to use consultants to perform certain tasks for the Secretariat, particularly in the formative years. However, it was emphasized that consultants should be employed for specific tasks according to specific needs.

Modalities for funding the participation of developing States

6. WG.I noted that the issue of a fund to facilitate the participation of developing States Parties, particularly small island developing States, and where appropriate, territories and possessions, as provided for in article 30, paragraph 3, of the Convention, was critical to many participants in the Preparatory Conference. With respect to the proposal contained in WCPFC/PrepCon/WP.7 for a special fund of US\$ 60,000, there was a suggestion that this amount was too low and that a figure of US\$ 250,000 would be a more accurate estimate of the costs associated with participation in up to four weeks of meetings per year, including meetings of the Commission and its subsidiary bodies. It was also suggested that the fund should be used for training and staff development in order to ensure effective participation. The need to develop guidelines and criteria for eligibility for assistance from the fund, as required by the Convention, was noted.

7. WG.I was unable to reach agreement on the mechanisms for financing such a fund. Several delegations strongly emphasized the need to incorporate the fund as an element of the core budget of the Commission, financed out of assessed contributions. Others pointed to the fact that no other international fisheries organization had established such a practice and that any fund should be a voluntary fund.

Provision of external services

8. With respect to the indicative budget of US\$ 1,200,000 for the provision of external services relating to science, data management and the establishment of a vessel register, WG.I noted that it was still too early in the process to make assumptions as to the precise nature and extent of those services. Nevertheless, WG.I considered that, for the purposes of its work towards developing a provisional indicative budget and a scheme of contributions, the discussion in WCPFC/PrepCon/WP.7 was helpful and provided a useful basis for further consideration of the issue in subsequent meetings, depending upon the outcomes of discussions in WG.II and WG.III. It was noted that there would be a need at a later stage to incorporate the costs of a Commission observer programme and vessel monitoring system, but that it was not possible to consider those items at this stage of development of the Commission.

9. Subject to any decision regarding the fund for the effective participation of developing States, WG.I considered that the table of estimated budgetary requirements of the Commission contained in WCPFC/PrepCon/WP.7, annex IV, provided a sound basis for progressing the work of WG.I. While all components of the provisional indicative budget would be subject to further refinement and detailed discussion, WG.I considered that the budgetary estimates provided a useful indication for participants in the Preparatory Conference of the likely costs associated with the Commission.

Cost recovery

10. WG.I briefly considered document WCPFC/PrepCon/WP.8 on the application of cost recovery principles to the provision of Commission services. The working group considered that the paper was a useful introduction to the subject and that, in general, the conclusion in the paper that, in the long term, consideration could be given to funding certain Commission services through cost recovery mechanisms, were acceptable. It was noted that much further work would need to be done to develop cost recovery mechanisms and that this would be an important future task for the Commission. The general comment was made that services should not be viewed in isolation from the overall purposes and objectives of the Commission. Many of the services would be of benefit to all members of the Commission and there was a duty on all members to contribute to such services. It was also noted that some services at the national level were already funded through cost recovery.

Further work

11. Noting the indicative programme of work adopted at PrepCon 2, WG.I agreed that, at its next meeting, it would focus its considerations on:

- (a) the development of a funding formula for financing the Commission's budget;
- (b) the development of financial regulations for the Commission, including regulations to govern the administration of the special fund established under article 30, paragraph 3, of the Convention;
- (c) finalizing the provisional draft budget for the first year of operation of the Commission.

12. It was recalled that WG.I had also agreed at PrepCon 2 to task the Secretariat with preparing working papers to address:

(a) Options for the budget funding formula. This advice should include information on the formula adopted or under consideration by other regional organizations;

(b) Information relating to catch in the Convention Area by species, vessel flag and location;

(c) Information relating to methods for calculation of national wealth and recent data from measures and indices of national wealth;

(d) Draft guidelines for the administration of the fund under article 30, paragraph 3, and criteria for eligibility for assistance under the fund.

13. In connection with these tasks, and as a contribution to the development of ideas within WG.I, the delegation of Korea presented a paper on proposed financial regulations for the Commission including a scheme of contributions. WG.I expressed appreciation to Korea for its efforts and noted that, because of the complex nature of the subject-matter, the ideas contained in the paper would be discussed in more detail at the next session of the Preparatory Conference, when delegations had been able to study the paper in detail. The delegation of Niue, on behalf of the small island developing States members of the Forum Fisheries Agency, also presented a preliminary paper relating to recognition of the special requirements of developing States. It was also agreed to return to this issue for detailed discussion at the next session of the Preparatory Conference. It was noted that, during the intersessional period, any other delegation would have the opportunity to contribute proposals, suggestions and ideas for discussion at the next session.

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