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

Fourth session
Nadi, Fiji Islands
5 – 9 May 2003

WCPFC/PrepCon/WP.11/Rev.1
28 April 2003

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

Report of the Secretariat

1. In its decision of 28 April 2001 relating to arrangements for future sessions of the Preparatory Conference and for a Preparatory Conference Secretariat (WCPFC/PrepCon/8), the Preparatory Conference agreed, *inter alia*, to establish a Preparatory Conference Organizational Fund (PCOF), to be financed through voluntary contributions or funding in kind, and to establish a Preparatory Conference Secretariat, consisting of a head and such advisers as the Chairman considers necessary, to service future meetings of the Preparatory Conference.
2. At the third session of the Conference, in November 2003, participants were provided with a report on the status of the PCOF and the practical arrangements that had been made to administer the fund as well as on the arrangements that had been made with respect to the Preparatory Conference Secretariat (WCPFC/PrepCon/WP.11). The present report updates the information contained in the previous report.

I. PREPARATORY CONFERENCE ORGANIZATIONAL FUND

3. The PCOF was established in July 2001. In accordance with paragraph 2 of document WCPFC/PrepCon/8, the PCOF is administered by the Director of the South Pacific Forum Fisheries Agency and may be used to offset the following costs:
 - (a) In-country conference costs (where sessions hosted by a developing country);
 - (b) Chairman's travel and associated costs;
 - (c) Preparatory Conference Secretariat travel and associated costs;
 - (d) appropriate retainer fees, consultancy fees and miscellaneous administrative expenses.
4. In accordance with paragraph 2 of document WCPFC/PrepCon/8, the Chairman of the Preparatory Conference and the Director of the South Pacific Forum Fisheries Agency were requested to develop guidelines for the administration of the PCOF, to be applied on a provisional basis pending approval of the Conference. The draft guidelines were adopted, with minor amendments, at the second session of the Preparatory Conference and are contained in document WCPFC/PrepCon/16, Annex II.
5. As at 31 December 2002, donations to the PCOF had been made by the Governments of Australia, China, New Caledonia, New Zealand, Papua New Guinea, Republic of Korea, Chinese

Taipei and the United States. In respect of the second session, an additional contribution direct to the Government of Papua New Guinea had also been made by the Government of the Republic of Korea. It is understood that a commitment has been made by Chinese Taipei to make a further contribution to the Fund in 2003.

6. In addition to its donation to the PCOF, the Government of the United States made a further special contribution of US\$ 40,000 towards the cost of convening the first meeting of the Scientific Coordinating Group (SCG) in July 2002. Since this contribution was not to be limited to the purposes specified in WCPFC/PrepCon/8, but was to be used to offset the costs of participation in the SCG by developing States and territories, the money was treated as an *ad hoc* special purpose contribution and disbursed accordingly.

7. The status of the PCOF as at 31 December 2002 is summarized in the annex to the present document. For 2003 to date, an additional amount of approximately \$20,000 has been expended, primarily in discharge of expenses pending from PrepCon III.

8. Based on experience to date, it is estimated that the full cost of each session of the Preparatory Conference (including intersessional work (Secretariat time, consultancies etc.) and full costing of in-country conference costs) is in the region of US\$ 100,000. Bearing in mind the likely need for further detailed technical reports and studies as a result of ongoing deliberations within the working groups, it is unlikely that this estimate will decrease in future. This indicates that additional contributions would be required if the Conference is to continue its work beyond a fifth session and that an ongoing commitment to fund the work of the Preparatory Conference is called for.

II. AUDIT

9. In accordance with the guidelines for the administration of the PCOF, the Fund was audited in March 2003 by the auditors for the Forum Fisheries Agency. The audit report and financial statement for the period ended 31 December 2002 will be made available to all delegations at PrepCon IV.

III. FUNDING OF PARTICIPATION IN THE SCIENTIFIC COORDINATING GROUP

10. As noted in paragraph 6 (above), a special contribution of US\$ 40,000 was made by the United States towards the cost of convening the first meeting of the SCG in July 2002. The existence of the SCG was not foreseen in the resolution establishing the PCOF, and accordingly, that resolution does not allow the use of the PCOF to support developing country participation in the SCG. For that reason, and as a matter of practical necessity, the contribution by the United States was treated as an *ad hoc* special purpose contribution and disbursed accordingly.

11. It will be recalled that PrepCon III decided to convene a second meeting of the SCG in July 2003, which will be held, once again, back to back with the annual meeting of the Standing Committee on Tuna and Billfish. Unless a further special contribution is made, or the Conference decides to amend the resolution establishing the PCOF, it should be noted that there is at present no independent source of funding for the participation of developing States and territories in SCG2. Further, although it had been envisaged that savings may be made by holding SCG meetings in conjunction with meetings of the Standing Committee, it is understood that no source of funding exists for the participation of developing States and territories in Standing Committee.

12. The Conference may wish to provide direction on this issue. It should be noted that, should the Conference decide to amend the resolution establishing the PCOF to enable the Secretariat to directly support the participation of developing States and territories in SCG, there would still be a need for additional contributions. It may also be noted that this option would also create an additional, and significant, administrative burden on the Secretariat.

IV. PREPARATORY CONFERENCE SECRETARIAT

13. The Preparatory Conference also decided to establish a Preparatory Conference Secretariat to service future meetings of the Preparatory Conference. (WCPFC/PrepCon/8, para. 5). It was agreed that the Secretariat would consist of a Head and such technical advisers as the Chairman considers necessary, having due regard to the need for economy and efficiency. In accordance with paragraph 6 of WCPFC/PrepCon/8 the Chairman was requested to identify and enlist the services of appropriate individuals with the necessary expertise, integrity and impartiality to form the Preparatory Conference Secretariat. The functions of the Preparatory Conference Secretariat would be as follows:

- (a) Preparation of background papers, documents and reports as required;
- (b) Maintaining the official records of the Preparatory Conference;
- (c) Assisting the Chairman and other officers in all tasks to facilitate Preparatory Conference outcomes;
- (d) Transmission of the official communications of the Preparatory Conference;
- (e) Organizational work and liaison with host governments for future sessions of the Preparatory Conference.

In carrying out its functions, the Preparatory Conference Secretariat would consult, as necessary, with other experts and regional and international organizations.

14. In accordance with the above decision of the Conference, in July 2001, the Chairman appointed Michael W. Lodge as Head of the Preparatory Conference Secretariat for a period commencing one month after the conclusion of the first session of the Preparatory Conference and concluding one month after the second session of the Preparatory Conference. The terms of this appointment were set out in a letter of appointment drawn up by the Chairman after consultation with the governments which contributed initially to the PCOF. The arrangements for the appointment of the Chairman were set out in a note dated 30 November 2001 also drawn up after consultation with the governments which contributed initially to the PCOF for the purpose of recording certain understandings regarding the appointment.

15. At the second session, after taking note of the existing arrangements, participants noted the need to further progress the work of the Preparatory Conference, in particular through the employment of consultants, and noted that additional resources might be allocated from the fund for this purpose. With respect to the level of compensation to be provided to the Chairman and Head of the Secretariat for their services, the Conference agreed to request a small group, comprising the representatives of Australia, Canada, China, Cook Islands and Papua New Guinea to develop intersessionally appropriate guidelines and scales. As a result of those discussions,

revised arrangements, set out in a letter from the Head of the Australian delegation, were concluded with the Chairman and with Mr Lodge in July 2002.

16. 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. From time to time, additional assistance has been provided by individuals participating in the Preparatory Conference and by delegations. This has been most welcome.

17. In March 2003, the Government of New Zealand agreed to make available the services of a science coordinator to provide the Secretariat with additional expertise and to assist in servicing the meetings of WG.II and the SCG. This valuable contribution is much appreciated and may be considered a significant contribution-in-kind to the work of the Preparatory Conference.

18. The main tasks carried out by the Secretariat since July 2001 include:

- (a) Establishment of the website for the Preparatory Conference, www.ocean-affairs.com;
- (b) Establishment and maintenance of an electronic mailing list;
- (c) Provision of information to participants through the website and electronic mailing list;
- (d) Liaison with host governments in preparation for sessions of the Conference;
- (e) Negotiation of administrative guidelines with the Director of the Forum Fisheries Agency;
- (f) Circulation of requests for contributions to the Preparatory Conference Organizational Fund and necessary follow-up;
- (g) Management of PCOF, budget planning, implementation and performance monitoring;
- (h) Follow-up on work requested by the working groups of the Conference, including providing technical reports and studies, liaison with the chairs of working groups and preparation of necessary papers;
- (i) Preparation of terms of reference for studies requested by the working groups, identification of consultants and negotiation of consultancy contracts;
- (j) Ongoing supervision of consultants and Secretariat members;
- (k) Drafting of working papers, reports and documents for sessions of the Conference;
- (l) *Ad hoc* consultations with delegations.

19. Subject to the constraints that are necessarily imposed by the use of a part-time Secretariat operating on an interim basis, it is considered that the existing arrangements have proved sufficiently flexible to meet the needs of the Preparatory Conference to date.

V. ESTABLISHMENT OF A PERMANENT SECRETARIAT

20. The present arrangements may not be adequate to meet the demands of the process as the Preparatory Conference continues, particularly once it becomes necessary in due course to make practical arrangements for the establishment of the Commission and the entry into force of the Convention. In this regard, it will be recalled that, at PrepCon I, the Conference had decided to use its best efforts to complete its work within an overall time-frame of three years (i.e. by September 2003). Although it appears unlikely that the Convention will enter into force by that date, a number of delegations have indicated that they are well-advanced in the process of ratifying the Convention and it may be anticipated therefore that there is a reasonable likelihood that the Convention will enter into force in 2004.

21. In these circumstances, it will soon become necessary for the Conference to give consideration to the establishment of a Secretariat on a more permanent basis. While this may not necessarily require the immediate establishment of a fully-functional Commission Secretariat, consideration may be given to the appointment, if necessary on an interim basis, of the key officials required in order to oversee the transition from the present *ad hoc* arrangements to more permanent arrangements. In this regard, it may be noted that, as entry into force approaches, the demands on the Secretariat are likely to increase substantially. Among those demands will be the need to further refine the budget of the Commission, put in place the necessary administrative arrangements for the establishment of the Secretariat and the recruitment of staff and the need to work closely with the future host government on matters related to the establishment of the permanent headquarters of the Commission.

22. While no decisions on these matters are needed at PrepCon IV, it is suggested that this is a matter the Conference may wish to return to and consider in greater detail at PrepCon V.

Recommendations

23. 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) invite those participants that have not already done so, as well as to intergovernmental organizations and agencies, national institutions, non-governmental organizations and international financial institutions to make voluntary contributions to the Preparatory Conference Organizational Fund.

(c) note the status of the Fund as at 31 December 2002, as per the audit report (Annex);

(d) consider the issue of funding to support participation in the SCG by developing States and territories;

(e) note the existing arrangements with respect to the Preparatory Conference Secretariat;

(f) provide such further direction with respect to the practical arrangements for a future Commission Secretariat as may be necessary;

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Annex

Status of Preparatory Conference Organizational Fund as at 31 December 2002

GENERAL PURPOSE FUND		
	USD	USD
A. Contributions received (net) *		
Australia	51,440.00	
China	29,980.00	
New Zealand	89,880.00	
New Caledonia	8,994.00	
Papua New Guinea	26,154.34	
Chinese Taipei	20,000.00	
Republic of Korea	30,000.00	
United States of America	143,000.00	
B. Other income		
Interest	1,854.35	
Total receipts	401,304.79	401,304.79
C. Disbursements		
(a) <i>In-country conference costs</i>	54,486.06	
(b) <i>Chairman's travel and associated costs</i>	6,319.60	
(c) <i>Secretariat travel and associated costs</i>	25,107.45	
(d) <i>Retainers, consultancy fees and miscellaneous administrative expenses</i>		
(i) <i>retainers and honoraria</i>	46,162.40	
(ii) <i>consultancy fees, miscellaneous administrative expenses</i>	68,955.83	
(e) <i>FFA management charges</i>	13,901.88	
(f) <i>Other costs</i>	195.66	
Total disbursements	215,128.88	215,128.88
D. Fund balance		186,175.91
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SPECIAL PURPOSE FUND		
	USD	USD
A. Contributions received		
United States of America	40,000.00	
B. Other income		
Interest	Nil	
Total receipts	40,000.00	40,000.00
C. Disbursements		
<i>SCG, July 2002, costs (travel, per diems of participants and secretariat)</i>	40,756.11	
Total disbursements	40,756.11	40,756.11
D. Fund balance		(756.11)

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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