

FINANCIAL REPORT
Prepared by the IOTC Secretariat

Status of contributions to the autonomous budget in 2009

1. Table 1 below gives the status of contributions as of February 15th 2010 in USD, as reported to the IOTC Secretariat by FAO Administration and Finance. Note that the budget of IOTC is entirely autonomous, and paid for by its Members, as no financial contributions are made from the FAO Regular Programme.
2. The cumulative total of outstanding contribution payments has decreased from 950,496 USD at the end of 2009 to 821,945 USD to date, with several Parties still having some outstanding payments. For accounting purposes, minor outstanding payments are included, although it is clear that these are the result of bank charges when funds are transferred or differences in exchange rate between currencies.
3. The delay in the submission of the contributions is not entirely unexpected, as 'Call for Fund' letters were sent by FAO by mid-May 2009, through the usual diplomatic channels, and some administrations have not yet completed the processing of the invoices. As of the reporting date, five Members, Eritrea, Iran, Guinea, Sudan and Vanuatu, have contributions that are in arrears by two years or more.

<i>Table 1. Status of the contributions to the autonomous budget of the IOTC in US dollars.</i>				
Member Governments	Outstanding 31/12/2008	Contribution Due for 2009	Received up to 15/02/2010	Outstanding 15/02/2010
AUSTRALIA	0	103,786	103,786	0
BELIZE	-31,912	34,677	1,406	1,359
CHINA	0	65,883	65,883	0
COMOROS	44	16,981	17,165	-140
ERITREA	73,859	6,376		80,235
EUROPEAN UNION	0	471,043	471,043	0
FRANCE	87,878	98,610	186,463	25
GUINEA	27,678	14,488		42,166
INDIA	77,494	44,552	69,364	52,682
INDONESIA	0	86,235	86,235	0
IRAN, Islamic Republic of	249,760	84,960		334,720
JAPAN	0	161,444	157,110	4,334
KENYA	2,093	14,774	7,908	8,958
KOREA, Republic of	122,389	105,502	199,867	28,024
MADAGASCAR	1,955	17,337	19,227	65
MALAYSIA	0	39,523	39,523	0
MAURITIUS	0	34,945	34,945	0
OMAN	39,194	44,248		83,442
PAKISTAN	20	20,273		20,293
PHILIPPINES	95,706	35,412	161,118	-30,000
SEYCHELLES	54,339	58,830	109,788	3,381
SIERRA LEONE	0	9431		9,431
SRI LANKA	0	67,137	67,137	0
SUDAN	76,645	6,376		83,021
TANZANIA	0	15,357	15,357	0
THAILAND	0	44,124	44,124	0
UNITED KINGDOM	0	87,085	87,045	40
VANUATU	73,354	26,554		99,908
Total	950,496	1,815,943	1,944,494	821,945

Table 2. Comparison between actual and budgeted expenditures in 2009 (in US\$).

Administrative Expenditures	Budget	Actual	Variance	Percent variance
Professional Salaries	768,687	573,137	-195,550	-25%
General Service Salaries	61,019	27,234	-33,785	-55%
Overtime & additional clerical support	2,100	2,718	618	29%
Cost variance adjustments		351	351	
Sub total Salaries	831,806	603,440	-228,366	-27%
Employer contributions to Pension Fund and Health Insurance	187,496	196,789	9,293	5%
Employer contribution to FAO Entitlement Fund	150,171	164,613	14,442	10%
Total Administrative Expenditures	1,169,473	964,842	-204,631	-17%
Operating Expenditures				
Consultants	75,000	99,134	24,134	32%
Duty travel	134,500	165,873	31,373	23%
Meetings	50,000	56,501	6,501	13%
Interpretation	98,000	90,942	-7,058	-7%
Translation	54,000	75,714	21,714	40%
Equipment	40,000	21,839	-18,161	-45%
Operating Costs	65,000	40,723	-24,277	-37%
Printing	7,500	11,227	3,727	50%
Contingencies/Miscellaneous	52,400	24,529	-27,871	-53%
Total Operating Expenditures	576,400	586,482	10,082	2%
SUB-TOTAL	1,745,873	1,551,324	-194,549	-11%
Additional Contributions Seychelles	8,500	10,984	2,484	29%
TOTAL	1,737,373	1,540,340	-197,033	-11%
FAO Servicing Costs	78,564	69,315	-9,249	-12%
GRAND TOTAL	1,815,937	1,609,655	-187,784	-10%

Expenditures for the year 2009

4. A comparison between the budgeted and actual expenditures is given in Table 2. Table 3 provides a summary for salary-related costs. At the level of the overall budget, there were savings of 10% relative to the projected expenditures for 2009, due mainly to delays in recruitment of two professional posts, lower than expected costs for General Service posts and savings in various operating expenditures. The following are explanatory notes to assist in the interpretation of the values reported.

Explanatory notes on expenditures for 2009

5. **Professional Salaries** are below the budgeted figure as a consequence of the departure of the Deputy Secretary and delays in recruitment of the Stock Assessment Expert who arrived into Seychelles in December 2009. Also, the contract for the Data Analyst/ Programmer was not renewed at the end of the contract of the incumbent, so the post is still vacant. By contrast, actual salary costs for the other professional posts were slightly above the budgeted values.

Table 3. Detail of Staff-related costs during 2009 in USD.

	General Service Staff	Professional Staff
Base Salary At Actual	27,233	394,917
Basic Medical Insurance Plan	38,647	26,172
Benefits At Standard	15,242	149,370
Pension Plan	5,247	126,381
Post Adjustment		178,220
General Staff cost variance	351	
Overtime & additional clerical support	2,718	

6. **General Service** salaries are well below the budgeted figure in 2009. At the time of the preparation of the budget for 2009, a salary survey was expected to result in a large increase in local salaries to compensate for the increase in cost-of-living brought about by a large devaluation at the end of 2008. However, following the salary survey conducted by UN officials, the resulting final revision of the GS salary scales was more conservative than expected. **Overtime** applies to GS staff only and compensates for the after-hours work during meeting periods and preparation of reports.
7. The **cost variance** line reflects adjustments relative to the contributions of the project to the FAO entitlements fund for the previous year.
8. Employer **contributions to the Pension Fund and health insurance** costs were above budgeted figures, primarily due to higher health insurance costs. Similarly, **contributions to the funding for staff entitlements** were above the budgeted figure by a small percentage. These contributions are assessed by FAO to every project (including IOTC) by prorating entitlements costs across FAO. In assessing the importance of the expenditures related to these components in 2009, it is important to note that they come from a reduced staff, due to the vacancies during most of the year. If the Secretariat had been operating with a full staff throughout the year, the expenditures would have been proportionally larger, and the budget would have been exceeded.
9. The total expenditure for **consultants** is made up of a range of expenditures relating to the support provided by external experts, including regular consultancies (25,238 USD), travel expenditures for consultants (22,000 USD) and travel of experts invited to participate in scientific meetings (51,896 USD). The regular consultancies included: a) A consultancy by a legal expert to attend the meeting and assist in the work of the Performance Review Panel; b) a legal expert to assist in the incorporation of IOTC provisions in the national legislation in the region; and c) two consultancies by a Stock Assessment Expert to conduct special analyses as requested by the working parties.
10. **Duty travel** includes travel of the staff, mostly to participate in meetings of the Commission or of other organizations. Details of the travel undertaken in 2009 under the support of the Commission is presented in Table 4. Additional travel of the staff was covered by the IOTC-OFCF project, the RTTP or meeting organizers.

Table 4. Detail of the travel –related expenditures during 2009.

Dates	Travelers	Country		Purposes
10-18 Jan	Gerald Scott	Seychelles	Non Staff	Attend IOTC Performance Review 12-16 Jan09
18-23 Jan	Gerard Domingue	Mozambique	Staff	Attend the Second Southern and Eastern African forum to counter IUU fishing
02-05 Feb	Alejandro Anganuzzi	Mauritius	Staff	Steering Committee meeting of RTTP
31 Jan -05 Feb	Julien Million	Mauritius	Staff	Steering Committee meeting of RTTP
08 - 22 Feb	Julien Million	Maldives	Staff	Participate in the Tuna Tagging Project
08 - 22 Feb	Jean-Pierre Hallier	Maldives	Staff	Participate in the Tuna Tagging Project
08- 12 Feb	Christopher O'Brien	Indonesia	Staff	Preparation for the 13th Session of IOTC,
01-12 Mar	Alejandro Anganuzzi	Italy	Staff	Attend COFI 2-6 Mar and RFB meeting
25-04 Apr	Christopher O'Brien	Indonesia	Staff	Attend IOTC S13 30 Mar-03 April
28-04 Apr	Gerard Domingue	Indonesia	Staff	Attend IOTC S13 30 Mar-03 April
24-04 Apr	Alejandro Anganuzzi	Indonesia	Staff	Attend IOTC S13 30 Mar-03 April
25-06 Apr	Claudia Marie	Indonesia	Staff	Attend IOTC S13 30 Mar-03 April
26-07Apr	Olivier Roux	Indonesia		Attend IOTC S13 30 Mar-03 April
12-16 Apr	Gerard Domingue	Tanzania	Staff	To provide technical support on IUU issues
02-08 May	Alejandro Anganuzzi	Maldives	Staff	Final workshop on small-scale tagging projects
01- 07May	Julien Million	Maldives	Staff	Final workshop on small-scale tagging projects
02-08 May	John Filmalter	Maldives	Non Staff	Final workshop on small-scale tagging projects
16-24 May	Miguel Herrera	Indonesia	Staff	Workshop on the Implementation of a Logbook Programme for Indonesian Fisheries
31 May-06 Jun	Alejandro Anganuzzi	Belgium	Staff	Attend the First Meeting of ACP Ministers of Fisheries
26 June -06 July	Alejandro Anganuzzi	San Sebastian, Spain	Staff	Attend the 02nd Joint Meeting of Tuna RFMO's
27June - 5 jul	Rondolph Payet	San Sebastian, Spain		Attend the 02nd Joint Meeting of Tuna RFMO's
25 Jul - 01 aug	Gerard Domingue	Indonesia	Staff	Working Visit to Ministry of Marine Affairs and Fisheries + Association of Tuna Longliners
19 Aug- 27Aug	Gerard Domingue	India/Mauritius (Combo)	Staff	Meeting on Monitoring and Review of Implementation of IOTC resolutions and MSC workshop in Mauritius
13-18 Sep	Alejandro Anganuzzi	Spain	Staff	Attend Worldwide Tuna Meeting
20-27 Sep	Alejandro Anganuzzi	Kenya	Staff	Attend SWIOFC and SWIOFP meetings
08-18 Oct	Claudia Marie	Kenya	Staff	Support to IOTC Working parties in Mombasa WPEB, WPTT, WPFC
11-25 Oct	Alejandro Anganuzzi	Kenya	Staff	Attend IOTC Working parties in Mombasa WPEB, WPTT, WPFC
09- 25 Oct	Miguel Herrera	Maldives/Kenya	Staff	Attend IOTC Working parties in Mombasa WPEB, WPTT, WPFC
08- 25 Oct	Julien Million	Kenya	Staff	Attend IOTC Working parties in Mombasa WPEB, WPTT, WPFC
29 Nov - 03 Dec	Gerard Domingue	Uganda	Staff	Workshop of the ACP Fish II programme
08-12 Dec	Gerard Domingue	Italy	Staff	FAO Informal Workshop on the Use of Forensic Technologies in Fisheries MCS (invited)
16-19 Nov	Alejandro Anganuzzi	Mauritius	Staff	Attend the 04th and Last Session of the Steering Committee for RTTP
09-15 Dec	Miguel Herrera	Comoros	Staff	Fact-finding mission on data situation

Table 5. Balance of funds as of December 31st 2009 (in USD).

	Period 1996-2009	2009	Balance
Total Contributions received	13,066,564	1,944,494	15,011,058
Interest earned	236,860	3,743	240,603
Total income	13,303,424	1,948,237	15,251,661
Total expenditures	12,644,598	1,609,655	14,254,253
Balance	658,826	338,582	997,408

11. The cost for **meetings** was 13% above the budgeted figure as costs for the meetings held outside Seychelles (three Working Parties and the 13th Session of the Commission) were higher than expected. The expenditures include rental of premises, and sound and interpretation equipment, as well as incidentals such as catering for function and coffee breaks.
12. The cost for **interpretation** includes interpreter fees (62,162 USD) and travel (28,779 USD) for teams of six interpreters at the 13th Session of the Commission and the 12th Session of the Scientific Committee. Interpretation costs were 7% lower than budgeted.
13. The **equipment** line included a provision for purchasing a satellite antenna to improve internet services to the Secretariat, as the service that is available locally is insufficient for the needs of the Commission. A more cost-effective solution was found that improved upon the previous facilities. Therefore, the expenditures on equipment were much lower than expected
14. **Operating costs** include a series of expenditures related to the normal functioning of the Secretariat office, such as communication costs (telephone and fax: 7,210 USD; Internet access: 17,837 USD), postal services (1,768 USD); vehicles maintenance and operation (3,220 USD); software (4,673 USD); office supplies and maintenance costs (10,585 USD).
15. The **additional contribution of Seychelles** (10,984 USD as per the IOTC Headquarters Agreement) which is set in local currency and intended to defray some of the costs of operating the Secretariat in Seychelles, has increased in dollar terms due to the decline of the dollar value relative to the Seychelles rupee during 2009.

Balance of funds

16. A budget summary, including funds received, bank interest and expenditures is given in Table 5 according to the information supplied to the Secretariat from the FAO financial report. Funding in this Table refers to the regular budget of the Commission.
17. The Secretariat also received extra-budgetary funds to conduct special activities. The financial situation of these funds are summarised in Table 6. Support received recently includes funds from Australia to conduct a study to estimate fishing capacity (conducted in 2009), and a Workshop on Management Options. The activities related to tagging funded by Japan, to conduct tagging experiments in three countries are finalised.

Table 6. Balance of funds for activities supported by extra-budgetary funds

Extra budgetary funds:

Donor:	Japan
Objective:	Conduct tagging experiments in India, Indonesia and Maldives
Total Contributions received	747,000
Interest earned	52,887
Total income & committed	799,887
Total expenditures	684,588
Balance	115,299

Donor:	Australia
Objective:	Study on estimation of fishing capacity; Workshop on Management Options
Total Contributions received	92,502
Interest earned	9,500
Total income	102,002
Total expenditures	22,935
Balance	79,067

18. The current balance of funds indicates a healthy financial situation, as accumulated funds have reached 997,408 USD. As it was noted in earlier years, accumulated funds are required to support the activities of the Secretariat until the annual budget is approved by the Commission which, in past years, was six months into the year that the budget referred to. In the past year, the funds were also to cover some of the expenditures of the Regional Observer Programme to monitor transshipment at sea, until the contributions of the participating fleets are received. If the meetings of the Commission continue to be held earlier in the year, a lower reserve will be necessary, and a percentage for these funds could be utilized for other purposes, such as establishing a fund to support participation of scientists from developing states.

Suggested action by the Commission

19. The Commission is invited to note the information contained in this document.