

**REPORT ON THE DISCUSSIONS OF THE VIRTUAL WORKING GROUP ON
SUSTAINABLE FINANCING (VWG-SF)**

(prepared by the STACFAD Chair)

The Virtual Working Group on Sustainable Financial Position for ICCAT (VWG-SF), pursuant to decision adopted by STACFAD at the 21st Special Meeting of the Commission in 2018, has set out its virtual deliberations through internal correspondence as from May 2019.

In response to ICCAT Circular #1921/19, the Secretariat has established a virtual network to facilitate exchange of views, online dialogue and working procedures on 24 May 2019. Subsequently, experts from eight CPCs (Algeria, Canada, European Union, Ghana, Japan, Turkey, Uruguay and the USA), as well as the Chair of STACFAD, the Executive Secretary and Secretariat staff have been involved in deliberations of the VWG-SF through electronic correspondence.

In its first round of correspondence, the VWG-SF has sought to address, as a matter of priority, the following issues with a view to proposing alternative solutions to STACFAD on dealing with some of the outstanding financial issues:

- Situation of CPC's arrears: Defining a potential recovery strategy;
- Improving the situation of the Meeting Participation Fund (MPF) by the following:
 - Improving the optimization of the use of this Fund
 - Potential solutions to increase the financial resources for MPF in regular budget
- Setting a new level for observer fees in a way to cope with the budgetary burden of annual Commission meetings
- Matters relating to the operational effectiveness of the Secretariat, i.e.;
 - Workload assessment of the Secretariat through an external HR consultancy
 - Prospects for future financing of IOMS within the Commission's regular budget
 - Financial implications of proposed management and conservation measures
- Follow-up of recommendations from the second Performance Review of ICCAT

This report merely intends to provide information on progress status of discussions as of the date of 15 November 2019. A compendium of comments and suggestions made by the members of the VWG-SF against each topic given above have been presented in the following sections.

Situation of CPC's Arrears: Defining a Potential Recovery Strategy

From among several suggestions communicated by the members of the VWG-SF on this particular topic, the following ones have stood out despite the fact that no substantial discussions could be made and no conclusion was reached as a result of the internal correspondence:

- The CPCs having arrears of regular contributions in more than two years shall submit the Commission a recovery or payback plan with a specific timeline to pay their arrears over several years.
- Under the above-mentioned document, a CPC should apply only one pay plan as to its arrears pertinent to a specified period (e.g., from 2015 to 2017) with reasonable number of payback years (i.e., up to X years) and shall make a commitment to continue with its regular payments of the normal dues for current year (e.g. 202X).

- For those CPCs failing to implement the aforementioned payback plan, Article X(8) of the Convention shall be applied, based on a decision taken by the Commission.

Furthermore, given the adverse impact of late contribution payments on the Commission, it is recommended to proceed with further assessments to be able to identify alternative compensation measures that may include reasonable interest payments, etc.

Situation of the Special Meeting Participation Fund (MPF)

From among several suggestions communicated by the members of the VWG-SF on this particular topic, the following ones have stood out despite the fact that no substantial discussions could be made and no conclusion was reached as a result of the internal correspondence:

- A new line will be added to Eligibility Criteria of the Rules of Procedure for the Administration of the Special Meeting Participation Fund, as follows;
 - A CPC assigning more than [four] official delegates to a Commission or a non-Commission meeting through utilization of their own means or financial sources other than the Fund shall not be eligible to benefit from the "Special Meeting Participation Fund" for that meeting with a view to receiving a funding support for travel costs of its formal delegates.
- A new line will be added to the *Rules of Procedure for the Administration of the Special Meeting Participation Fund*, as follows;
 - Applicants must make definite their flight itinerary no less than [30] days prior to commencement of the meeting.
 - Only the most cost-effective fare of the economy class shall be covered by the Fund.

Furthermore, given the adverse impact of precarious situation of the Fund in terms of limited sources hampering a broader utilization by developing States, it is recommended to proceed with further projections and assessments to be able to establish a specific mechanism to replenish the Fund through guaranteed budgetary contributions.

Setting a New Level for Observer Fees

From among several suggestions communicated by the members of the VWG-SF on this particular discussion topic, the following ones have stood out despite the fact that no substantial discussions could be made, thus no agreed conclusion was reached yet, as a result of the internal correspondence:

- The new observer fee will be set as 300 Euros / person for 2020 and 600 Euros / person for 2021, including any delegate that is not staff of the CPC fisheries management authority, neither staff of the national scientific advisory body.
- "Guidelines for Observer Status" will be updated to bring a clarification to "identification of members of delegations who should not be subject to participation fees", as follows;
 - Except for the Official Delegates of the CPCs, Observers and Fishing Operators will be required to pay a fee for their participation at the meetings of the Commission, which will contribute to the additional expenses generated by their participation, as determined annually by the Executive Secretary.

Furthermore, given the adverse impact of precarious financial situation of ICCAT, it may be considered to make an arrangement in a way that all Cooperating non-Members should make an annual contribution that is 50% of the amount that would be payable if they were full members (i.e. a procedure similar to identified in para. 64 of WCPFC7 Summary Report).

To this end, projected annual contributions of non-Members' to be calculated by the Secretariat will be reviewed at the next session of STACFAD in 2020 with a view to incorporating a new rule to ICCAT's Financial Regulations.

Workload Assessment of the Secretariat through a Human Resources Consultancy

The VWG-SF has been asked to present an opinion whether or not the Secretariat should resume its exercise undertaken 2018 for an external consultancy in 2020 that will be mandated to make a thorough assessment of the current workload of the Secretariat and advise on the required improvements about workload distribution and HR issues. No decision could be taken at this stage as a result of the internal correspondence, leading to a need for further considerations and deliberations on the matter by the VWG-SF.

Prospects for Future Financing and Enhancement of the IOMS

The VWG-SF has acknowledged that the new reporting system would help to reduce unnecessary reporting burden leading to a progress in data submission, data quality and data completeness.

On the other hand, the VWG-SF has also been asked to present an opinion on prospects for future financing of IOMS and to present an opinion whether or not IOMS could be enhanced in a way to produce an automated analysis on the financial impacts of new reporting obligations. No agreement was reached as a result of the internal correspondence; thus it requires further consideration and deliberations.

Financial and Workload implications of the Proposed Management Measures

The VWG-SF has been asked to present an opinion on the following approach to assess financial and workload implications of the proposed conservation and management measures. No conclusion could be reached as a result of the internal correspondence and therefore it requires further consideration and deliberations.

Proposed Approach:

In 2019 for trial purposes and effective from 2020, the following template will be used as a cover note to accompany the proposed draft recommendations on conservation and management measures. The cover note will be completed and provided by the proponent(s) of the recommendation and the Secretariat will be able to attach any comments and contributions as deemed necessary to this note.

As to the following template developed, the Secretariat suggested that it might need to be granted a possibility to carefully review these proposals to see all their implications before getting back to the Commission on a consistent analysis.

Cover Note Template

Title of the Draft Recommendation:

Paragraph(s) of New Reporting Obligation(s):

Brief Description of New Reporting Obligation(s):

Describe if any Overlapping Obligations in Other Recommendation(s):

Description of Expected Service(s) from the Secretariat:

Estimated Total Costs to the Secretariat (including Staff Time required):

Final Assessments on Potential Implications of the Proposed New Measure(s):

1. Are the necessary financial resources available for a full implementation of the proposed measure?
 Yes No Unknown

In the case of "no" or "unknown" please specify the proposed solution below:

Comments by the Secretariat:

2. Does the staff have the necessary available time for a full implementation of the proposed measure?
 Yes No Unknown

In the case of "no" or "unknown" please specify the proposed solution below:

Comments by the Secretariat:

3. Are any external sources of expertise or advice required to respond successfully to the requirements of the measure (i.e., for assisting CPCs, reviewing the quality of the statistics available, collection, processing, and reporting of data, as well as implementation of monitoring systems)?
 Yes No Unknown

If "No" or "Unknown" please specify the proposed solution below:

If "Yes", please reflect on the required additional work in call for tenders and any possible cost implications, below:

Comments by the Secretariat:

4. Specify the proposed timeframe for implementation below (also indicate whether a different specific timeframe is proposed for Developing States CPCs)

5. Specify the overall assessment (on how the measure will improve reporting efficiency, avoid redundancy and reduce unnecessary burden to CPCs, etc.) below:

Final Comments by the Secretariat:

Situation and proposed level of the Working Capital Fund (WCF)

The VWG-SF has been asked to present an opinion on the following proposal as part of a recommendation from the performance review of ICCAT:

- The level of Working Capital Fund shall be maintained at a level of at least [30] % of the approved annual budget until the Commission determines a more appropriate level based on prevailing circumstances.

Although 30% of the budget has been suggested based on the updated WCF level in 2018, it was recognized that more evaluations by the Secretariat are required regarding the funds necessary to be able to make the Secretariat work at least a couple of months (i.e. 3, 4 or more months). Thus, no decision could be taken at this stage as a result of the internal correspondence, leading to a need for further considerations and deliberations on the matter by the VWG-SF.

Follow-up of the recommendations from the Second Performance Review of ICCAT

The VWG-SF has been asked to present an opinion on the following proposed amendments to some of the current procedural documents in line with a number of recommendations from the ICCAT performance review panel. Although some suggestions received from the members of VWG-SF incorporated, no final decision could be taken at this stage as a result of the internal correspondence, leading to a need for further deliberations on the matter by the VWG-SF.

- In order to address the performance review recommendation 92 (i.e.; Reviews its Rules of Procedure, among other things to integrate its *2011 Deadlines and Guidelines for the Submission of Draft Proposals*, Rec. 03-20 and Res. 94-06), the following additions will be made to Rule 8 of ICCAT's Rule of Procedure:

Rule 8 – Agenda

1. A provisional agenda for each regular meeting shall be drawn up by the Executive Secretary in consultation with the Chairman and be attached to the notice dispatched by the Executive Secretary in accordance with Rule 2, paragraph 2.
2. Any proposal concerning:
 - a) amendments to the Rules of Procedure;
 - b) amendments to the Financial Regulations;
 - c) decisions to set up and modify (except membership) panels under Article VI of the Convention;
 - d) amendments to the Convention under Article XIII, paragraph 1, of the Convention;must, in order to form the subject of a decision by the Commission, have been placed on the provisional agenda. In the case of regular meetings, any proposal of this nature must, furthermore, have been discussed in an explanatory memorandum addressed to member countries at least 60 days before the date fixed for the opening of the meeting.
3. The provisional agenda for a special meeting shall be drawn up by the Executive Secretary in consultation with the Chairman on the basis of the items relating to the purpose for which the meeting is to be called. The Executive Secretary shall circulate such agenda together with the notice dispatched by him in accordance with Rule 3, paragraph 2.
4. Any proposal, except for one prescribed in paragraph 2 of this Rule, for which the SCRS advice is not required or for which SCRS advice was given in previous years should be submitted to the Secretariat one month before the opening of the meeting, together with a brief explanation if required. Such proposals will be translated by the Secretariat and circulated two weeks before the meeting. In the event that the Party(ies) making the proposal receive comments from other Contracting Parties and wish to amend their proposal before discussion at the meeting, the revised version should be submitted to the Secretariat as soon as possible, and not later than the first day of the meeting. The proposals can be revised as often as necessary following first discussion.

5. Any proposal which requires the most recent available scientific advice should be sent to the Secretariat, if possible, at least one week in advance of the meeting, and otherwise no later than five days before the end of the Meeting. These will be translated by the Secretariat and distributed by the first day of the annual meeting, or as soon as possible thereafter. The proposals can be revised as often as necessary following first discussion.
6. Cooperating Parties may attend the meetings of ICCAT as observers. Any non-Contracting Party, Entity, or Fishing Entity that seeks to be accorded the status of a Cooperating non-Contracting Party, Entity or Fishing Entity shall apply to the Executive Secretary. Requests must be received by the Executive Secretary no later than ninety (90) days in advance of an ICCAT annual meeting, to be considered at that meeting.

(As regards para 5 above, the time limit specified (i.e. one week, no later than five days) does not allow time a) for translation; b) for cost analysis and c) most importantly, small delegations to fully consider the impact of the measures on their fisheries and hence to be in a position to make an informed decision especially in the case of large volume proposals that often have extensive modifications.*

- In order to address the performance review recommendations 94, 95 and 96 (i.e.; Considers codifying its practices on participation by NGOs - which are consistent with international minimum standards and comparable to those of other tuna RFMOs - by amending the ICCAT Observer Guidelines and Criteria or the ICCAT Rules of Procedure), the following additions will be made to Rule 5 of ICCAT's Rule of Procedure:

Rule 5 – Observers

The Commission may invite international organizations and any Government which is a Member of the United Nations or of any Specialized Agency of the United Nations and which is not a member of the Commission, to send observers to its meetings. Observers may, with the authorization of the Chairman, address the meeting to which they are invited and otherwise participate in its work, but without the right to vote.

The Commission may also invite, upon request, non-governmental organizations having special competence in the field of activity of the Commission to attend such of its meetings as the Commission may specify in accordance with the procedures defined in the Guidelines and Criteria for Granting Observer Status of the Commission. The list of the NGOs wishing to be invited will be submitted beforehand by the Executive Secretary to the members of the Commission, no later than 45 days before the meeting. If one of the members of the Commission objects giving in writing its reasons within 30 days, the matter will then be subject to decision of the Commission out of meeting by written procedure. Once an NGO has had its application for Observer status approved, such observer status shall remain in effect for future sessions unless the Commission decides otherwise.

Meetings of the Commission shall be open to participation by observers unless the Commission otherwise decides based on an explicit and reasoned decision supported by a simple majority of Contracting Parties.

- In order to address the performance review recommendations 108, 109 and 120 (i.e.; Considers pursuing capacity building initiatives to strengthen participation in ICCAT meetings in a broader sense & Develops an overarching strategy for capacity building and assistance programs, which integrates the various existing capacity building initiatives); the following addition will be made to “Terms of Reference of the Standing Working Group to Enhance Dialogue between Fisheries Scientists and Managers (SWGSM)” to incorporate focused actions to develop an overarching capacity building and assistance strategy for ICCAT:

Amendment to Paragraph 2 of Rec. 14-13

2. The objective of the SWGSM is to enhance communication and foster mutual understanding between fisheries managers and scientists, by establishing a forum to exchange views and to support the development and effective implementation of management and capacity building strategies, in particular through, inter alia:
- a) The development of a general framework to guide establishment, review and update of management objectives and strategies, which
 - i. is consistent with the Convention objectives, the ecosystem-based and precautionary approaches;
 - ii. defines the role and the responsibilities of both fisheries managers and scientists (SCRS) and possible interactions and feedbacks; and
 - iii. allows for reflecting both conservation and socio-economic considerations.
 - b) Ways to improve managers and scientists' mutual understanding of concepts related to management strategies, including:
 - i. the adoption of Limit and Target Reference Points (LRPs and TRPs);
 - ii. the development of Harvest Control Rules (HCRs);
 - iii. the application of Management Strategies Evaluation (MSE).
 - c) The analysis of case studies, exchanges and feedbacks on ongoing experiences.
 - d) The identification of opportunities / approaches that would enhance the available data.
 - e) The identification of research needs and priorities, in the light of discussions on SCRS annual work programmes and on the Strategic Plan on Science and including possible social and economic research topics.
 - f) The promotion of an efficient use of scientific resources and information.
 - g) The identification of the specific mechanisms to ensure that more scientists with knowledge of the fisheries and MSE process participate in stock assessment meetings and are directly involved in assessment teams.

Conclusion

It is primarily up to the STACFAD to evaluate the utility of the VWG-SF and decide on its destiny whether to continue its activities in line with the terms of reference adopted in 2018.

Notwithstanding, the Commission has devoted a number of priority goals for STACFAD in the context of ICCAT performance review and given that STACFAD has usually no opportunity to meet frequently during the interim periods, it is recommendable that the Virtual Working Group on Sustainable Finance may continue its work and deliberations until a significant progress is achieved on each of the above-mentioned topics in line with the overall objective of creating a sustainable financial position for ICCAT.

Furthermore, it is also advisable to ensure a broader participation by more CPCs in the 2020 deliberations of the VWG-SF, which shall always be open to new attendance. In particular, involvement of capacity building and assistance experts from CPCs who may contribute to the works of VWG-SF intended for developing an overarching strategy for capacity building in ICCAT, is considered important.