

REPORT ON VIRTUAL WORKING GROUP FOR SUSTAINABLE FINANCING (VWG-SF)

Pursuant to the decision adopted by the Commission in 2019, the VWG-SF has continued its virtual deliberations through e-meetings and internal correspondence during the intersessional period of 2020. 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 were involved in deliberations of the VWG-SF through electronic correspondence.

An e-meeting of the VWG-SF was held on 11 June 2020 with participation by 5 CPCs (Canada, European Union, Japan, Turkey and the USA) and the following issues were discussed:

- Review of potential solutions to achieve further progress in payment of arrears;
- Possible actions to improve the situation of the Meeting Participation Fund;
- Issues related to observer fees and contributions from cooperating non-Members;
- Other matters:
 - Potential ways to deal with the issue regarding the workload of the Secretariat;
 - Follow-up of the second performance review of ICCAT and consideration of necessary actions.

1. Issues related to payment of arrears

The Secretariat shared a draft proposal for the letter of the Commission Chair for the payment plan to be sent to a CPC where arrears of contributions equal or exceed the amount due from it to the regular ICCAT budget for the two preceding years. The meeting has noted that some members offered to provide inputs for the letter template prepared by the Secretariat. Following the meeting, the VWG-SF has continued to work through electronic correspondence and it has been agreed to use the letter format given in **Appendix 1**.

In this respect, the VWG-SF concluded that that the second reminder letters could be sent in line with the new format that would include a request for submission of a payback plan and to be signed by the President of ICCAT, in accordance with the decision taken by the Commission last year (i.e. “... *Expressing concern about the significant level of outstanding contributions, the Committee recommended sending special letters, to be signed by the President of ICCAT, requesting a payback plan to be submitted by the Contracting Parties that are in arrears for more than two years.*”).

2. Improving the situation of the special Meeting Participation Fund (MPF)

The Secretariat shared with the meeting the new criteria notified by one CPC to be taken into account in the Grant Agreement for the MPF. In order to have one reference for the use of the MPF, the Secretariat and some other members of the VWG-SF raised the necessity to circulate to the CPCs a draft amendment of the Rec.14-14 with the new requirements from the CPC for the Grant Agreement.

During discussions held on this topic, the CPC suggesting the criteria indicated that there could be some degree of flexibility offered in the “new requirements” envisaged. Notwithstanding, the same CPC has also expressed that it was definitely needed to see improvements of the criteria to achieve a desired optimization of the Fund. The members of the Working Group, however, recognized the absence in these discussions of representatives from the developing CPCs, the main beneficiaries of the MPF. It has been underscored that it would be required to receive reactions from the developing CPC members of the WG (who were not present at the meeting) in this process, as this could help advance more in the discussion as regards the MPF.

The VWG-SF has also reiterated the importance of the need to take action to optimize the use of the MPF in favour of a broader participation of representatives from developing States to avoid any future precarious situations that may restrict a wider participation by the developing States due to limited resources. With that approach, following the meeting, the VWG-SF has continued to work through internal correspondence and it has been agreed that the "Draft Recommendation by ICCAT Amending Recommendation 14-14 on the Establishment of a Meeting Participation Fund for Developing ICCAT Contracting Parties" (**Appendix 2**) and Draft Rules of Procedure for the Administration of the Special Meeting Participation Fund (**Appendix 3**) would be submitted to the Commission to be considered by correspondence.

3. Issues related to observer fees and contributions from Cooperating non-Members

As a follow-up of the discussions launched last year, the VWG-SF has continued to discuss the possibility, modality and potential implications of extending the observer fees to cover participants from the industry who are not part of the official delegation of a given CPC.

The main intention of this proposal has been to increase the budget revenues by requiring a participation fee from non-official participants from the industry, alongside with observers from NGOs and intergovernmental organizations who are principally not part of the official delegation of the CPCs.

Although there was no concrete outcomes obtained at this stage of the discussion, the idea of starting a drafting exercise on the relevant framework documents on observer fees, soon after the VWG-SF manages to reach a consensus on the concept, has come to the fore.

Regarding this issue, the following opinions were suggested by the members of the WG:

- The industry and the NGOs can be seen equally, as they can be considered as not part of the "official delegation".
- It is difficult to consider who should be an official delegate and suggested that maybe a new category could be defined.
- One CPC noted that they were not in favour of having the 'observers' from the industry or other sectors in the delegations paying, as they are already doing this through their contribution to the budget.
- As another issue that came up in the Commission meeting held last year, the VWG-SF has discussed the proposal to amend "Criteria for attaining the status of Cooperating Non-Contracting Party, Entity or Fishing Entity in ICCAT (Rec. 03-20)."

The proposed change requires a certain payment also from cooperating non-Members of the Commission (that is equal to 50% of the total contribution considered if it was a full member). Following initial discussions, it was decided to continue working on a consolidated proposal. It has also been noted that the obligation of payment of contributions by cooperating members could become an obstacle that would not encourage some countries to join ICCAT.

Consequently, the VWG-SF has decided to continue intersessional discussions on these matters since further work would be required to agree on a mechanisms which could be acceptable to the Commission.

4. Other matters

With respect to the matters on the meeting agenda related to the operational effectiveness of the Secretariat and follow-up of the recommendations from the second Performance Review of ICCAT; No specific proposals had been put forward since there was insufficient time to discuss these matters in depth. Discussion may take place during the next meeting if required.

5. **Conclusions**

Pursuant to the mechanism stipulated in Doc.No.GEN_002A/2020, as agreed by the Commission to make decisions peculiar to the year 2020; Report on virtual Working Group for Sustainable Financing (VWG-SF) [STF-205] contains the following recommendations that require to be discussed via correspondence during the 22nd Special Meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT):

- Draft Recommendation by ICCAT Amending Recommendation 14-14 on the Establishment of a Meeting Participation Fund for Developing ICCAT Contracting Parties (**Appendix 2**).
- Draft Rules of Procedure for the Administration of the Special Meeting Participation Fund (**Appendix 3**).