

## FINANCE AND ADMINISTRATION

3.1 The Commission received the report of SCAF (Annex 4) outlining the results of its discussions, and noted the recommendations for decision by the Commission.

### Examination of Audited Financial Statements for 2002

3.2 Noting that a review audit had been carried out on the 2002 Financial Statements and that an unqualified report had been provided by the auditor, the Commission accepted the audited Financial Statements for 2002.

### Audit Requirements for the 2003 Financial Statements

3.3 As a review audit only had been performed on the 2002 Financial Statements, and in view of the change to accrual accounting and the revised budget format, the Commission decided that a full audit was required for the 2003 Financial Statements.

### Secretariat Strategic Plan

3.4 In noting the development by the Secretariat of a performance assessment scheme, a standard staff contract and a confidentiality policy, the Commission endorsed SCAF's advice on the suitability of this work. It recognised that these were fundamental to the implementation of the Secretariat Strategic Plan and that their incorporation into a staff management framework has facilitated the review of General Staff salaries, which had been anticipated at last year's meeting (CCAMLR-XXI, paragraph 3.16). The Commission endorsed the outcomes of the review and accepted the results of the revised salaries into the 2004 budget.

3.5 The Commission noted with appreciation the positive and effective activities of the Secretariat during the intersessional period and during the meeting in providing invaluable support for the Commission's work. It recalled that activities of the Secretariat are under general guidelines determined by the Commission.

### Secretariat Services

3.6 The Commission recalled its concerns, expressed at last year's meeting, on the lack of time available to consider papers before they were due to be discussed. This was a result of the timing of submissions. To ensure all papers can be given adequate consideration at future meetings, the Commission adopted the rules for the submission of meeting documents as presented in CCAMLR-XXII/5 Rev. 1, but agreed to confine their application at present to the Commission only.

3.7 Members' annual reports of their activities in the Convention Area are published in the public area of the CCAMLR website. With a view to enhancing the value of such reports, the

Commission asked the Secretariat to prepare a document with options for improvement, including suggestions from Members. The purpose of such a document would be to allow this subject to be further considered at the next meeting.

3.8 The Commission endorsed the concerns of SCAF on the financial problems encountered by developing States invited to the Commission meetings. These problems create difficulties in such States responding positively to the Commission's invitations to attend its meetings. The Commission confirmed that possible access to special-purpose trust funds in the UN system should be considered to assist such States. Norway drew attention to a particular assistance fund associated with the UN Fish Stocks Agreement which is anticipated to be established in the near future. The Commission agreed that this subject should be further considered by SCAF at next year's meeting.

3.9 The UK drew the attention of the Commission to the value of inviting non-Contracting Parties to participate in its meetings. This provision, addressed under Rule 30(c) of the Rules of Procedure, had engendered considerable cooperation between CCAMLR and such States, particularly in the implementation of the CDS.

3.10 The UK proposed that the report of the Executive Secretary to ATCM-XXVII should draw specific attention to the benefits that have accrued to CCAMLR through the involvement of non-Contracting Parties in its work. Such a reference might assist the Treaty Parties to consider whether the procedures of CCAMLR in this regard might also be appropriate for the ATCM.

3.11 The Commission requested the Secretariat to develop a web-based education package in all languages of the Commission, as proposed in CCAMLR-XXII/11. It also requested the Executive Secretary to pursue opportunities for sponsorship of a printed version with a view to the outcomes being considered by the Commission at its next meeting.

3.12 The Commission requested the Secretariat to establish procedures to enable passwords for the secure Commission pages of the CCAMLR website to be issued directly to authorised Member State officials, including meeting heads of delegation as well as the official Commission contact. The Commission confirmed that the responsibility for the dissemination of passwords should rest with Members and not the Secretariat.

## International Recruitment

3.13 At its 2002 meeting the Commission requested the Secretariat to prepare draft procedures for the international recruitment of Professional Staff so as to ensure the best possible and widest selection of relevant staff from among all Members of the Commission (CCAMLR-XXI, paragraph 3.18). The Commission adopted the procedures presented in CCAMLR-XXII/44.

## Review of Budget for 2003

3.14 The Commission endorsed the change in the Secretariat functional structure instituted in 2003 and agreed that the budget format should be revised to reflect this change.

3.15 The Commission noted the unanticipated increase in the 2003 budget due to the increased sizes of meeting reports and agreed that the budget for 2003 should be revised as presented in Annex 4, Appendix II, including an increase in expenditure of A\$8 010, which matches the unbudgeted surplus for 2002.

### Cost Recovery

3.16 Following discussion at the Commission's last meeting, SCAF had advised on the adoption of a scheme for recovery of costs associated with new and exploratory fisheries. The Commission adopted the following scheme, incorporating the characteristics as outlined in Annex 4, paragraph 15, with a fee of A\$3 000 and a further sum of A\$5 000:

1. A notification for each new and exploratory fishery under Conservation Measures 21-01 and 21-02 shall be accompanied by a payment of A\$8 000, consisting of:
  - (i) a fee of A\$3 000, representing the recovery of administrative costs;
  - (ii) a sum of A\$5 000, to be refunded when the Member has commenced fishing in that fishery for the season in accordance with conservation measures determined by the Commission<sup>1</sup>.
2. Where a notification is not accompanied by the payment in paragraph 1, the notification shall proceed no further and as a consequence, notice of receipt by the Secretariat will not be circulated, nor will it be forwarded to the Scientific Committee or its working groups for consideration.

3.17 In developing the implementation of the cost recovery scheme, the Commission recognised the potential difficulties faced by several Members in:

- (i) ensuring timely submission of payments;
- (ii) avoiding incurring additional financial charges arising from the submission (and where appropriate reimbursement) of such payments;
- (iii) ensuring that it was clearly stated and understood that the cost recovery payments would be due from the fishing companies intending to participate in each fishery and that these companies could be identified in the notification.

3.18 Some Members also noted that:

- (i) the levels of payments should be carefully considered in relation to developing countries;

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<sup>1</sup> In the event of the Commission deciding that a notified fishery should not proceed in a particular year, this sum shall be refunded.

- (ii) an additional period of one month after the date of notification should be allowed for the submission of the payment, but recognising that in such circumstances the Secretariat should take no action in respect of the notification until payment is received.

3.19 The Commission confirmed that responsibility for making these notifications resided with Members. It recognised that the payments themselves should be met by the fishing company or companies intending to participate in each fishery and that these companies could be identified in the notification or in any further correspondence between the notifying Member and the Secretariat, while the payments would be made by whatever procedures and means are most timely and cost-effective for the Member in question.

3.20 With reference to paragraph 3.19 above, Ukraine confirmed its understanding that the procedure proposed would allow payments by means of submission of its notification to the Secretariat with names and addresses of fishing companies who would be invoiced directly by the Secretariat.

3.21 Chile stated that any communication between a fishing company and the CCAMLR Secretariat concerning payments accompanying notifications for new and exploratory fisheries should be made only with the permission of the Member which made the notification.

3.22 The Commission agreed that fees collected should be accounted for in the General Fund and that any income from forfeited guarantees should be paid into the Contingency Fund.

3.23 Brazil entirely supported the creation and implementation of a procedure to recover costs related to the submission of notifications for new and exploratory fisheries. However, Brazil reserves its position in relation to the fulfilment of the requirements of paragraph 3.16 until approved by the appropriate national authorities.

#### Contingency Fund

3.24 The Commission approved the expenditure in 2003 of A\$4 500 from the Contingency Fund for the Administration/Finance Officer's participation in discussions on the establishment of the Antarctic Treaty Secretariat and accepted the advice of SCAF that an appropriate target for the balance of the Contingency Fund would be A\$110 000.

3.25 To minimise uncertainties in respect of expenditure on ad hoc meetings, the Commission agreed that the terms of reference for all such intersessional meetings should be clearly documented in advance. Details should include meeting document management, travel and accommodation needs, hire costs (meeting rooms and facilities), secretarial and Secretariat support, participation, report management and report translation needs.

3.26 The Commission noted that the possible move to a new meeting venue in 2004 might require expenditure from the Contingency Fund (paragraph 17.8).

## Budget for 2004

3.27 While reconfirming the general principle of zero real growth, the Commission noted that the significant increase in the Scientific Committee's budget for 2004 was due to increasing workloads and acknowledged the importance of the Scientific Committee's work to the Commission's decision-making process. It accepted that the Scientific Committee's budget, as presented in its report, should be incorporated into the Commission's 2004 budget.

3.28 The Commission received the advice of SCAF that, subsequent to its request at the 2002 meeting, no Members had offered to provide experts to participate in a review of the structure of Professional Staff salaries. It accepted the recommendation of the Committee that the salary structure of the newly established Antarctic Treaty Secretariat should be taken as a reference point in the Commission's continued process of reviewing Professional Staff salaries.

3.29 In respect of SCAF's concerns on potential costs of involvement in a FIGIS-FIRMS partnership, the Commission noted its decision to only maintain a watching brief at this stage (paragraph 14.50). This would mean that there would be no budget implications for 2004.

3.30 The Commission adopted the budget for 2004 as presented in Annex 4, Appendix II. It noted that increases in activities of the Scientific Committee in 2004 could only be accommodated within the zero real growth limitation by the inclusion of savings generated through the implementation of a cost recovery policy. It agreed that opportunities for cost savings should continue to be investigated and, in particular, directed Members and the Secretariat to identify ways to shorten and reduce the number and size of reports and meeting documents.

3.31 Russia recalled its position, expressed to the Scientific Committee, that expenditure should be prioritised on matters where a clear consensus exists if there are not sufficient funds for all the expenditure proposed.

## Members' Contributions

3.32 In accordance with Financial Regulation 5.6, the Commission granted Argentina, Japan, Republic of Korea, Spain and Uruguay an extension to the deadline for the payment of 2004 contributions. It noted the advice of SCAF that Members concerned should make continued efforts to resolve their procedural difficulties in future years and that SCAF will continue to consider the possibility of interest charges or other means of encouraging earlier payment.

## Forecast Budget for 2005

3.33 In noting the forecast budget for 2005, the Commission reconfirmed its requirement for continued efforts not to exceed zero real growth.

## Special Funds

3.34 On the basis of advice from SCAF and the CDS Fund Review Panel, the Commission approved the expenditure on the electronic web-based CDS (E-CDS) of A\$73 400 from the CDS Fund in 2003.

3.35 The Commission approved the expenditure of A\$54 000 from the CDS Fund to cover the remaining establishment costs and maintenance costs of the E-CDS system in the Secretariat for the next three years. In approving this expenditure from the CDS Fund, the Commission noted that the use of monies from this fund was regulated under provisions agreed to by the Commission (CCAMLR-XX, paragraph 3.28). Accordingly, the Commission reiterated its view that the CDS Fund is to be used for specific projects only and that any subsequent expenditure on E-CDS should be expended from the General Fund.

3.36 The Commission agreed that if a decision is made to establish a centralised vessel monitoring system (C-VMS), then the establishment and operating costs for the first year (total estimated A\$182 500) should be funded by exhausting the US VMS Special Fund and the US Compliance Special Fund, with the balance of A\$39 900 coming from the CDS Fund. The Commission noted that the CDS Fund Review Panel would be required to comment if there was any substantial modification to the proposal, and it would also need to redetermine its assessment. In respect of ongoing annual costs of such a system, the contribution formula to be adopted by the Commission next year should take this into account when considering the relative part shares of fishing Members.

3.37 The Commission agreed to the request from the ATCM that the Secretariat should receive and have temporary custody of ATCM voluntary contributions. It noted that this would have no effect on the Commission's budget.

## Chair and Vice-Chair of SCAF

3.38 The Commission noted that Germany had been elected Chair of SCAF for the next two years and South Africa Vice-Chair.