

FINANCE AND ADMINISTRATION

3.1 The Chairman of the Standing Committee on Administration and Finance (SCAF), Mr G. de Villiers (South Africa), presented the report of the Committee (Annex 4) and outlined the results of discussions.

Administration

3.2 The Commission approved the establishment and funding of a full-time Receptionist position for the Secretariat, as recommended by SCAF (Annex 4, paragraph 4). The Chairman of SCAF advised the meeting that the full effects of this funding are not reflected in the proposed budget, as the Secretariat salaries have subsequently been subjected to cuts of A\$6 000 and a further 1.5% was agreed across all budget items.

3.3 The Chairman of the Commission agreed with the recommendation of SCAF that the Commission should meet for a full two weeks in 1996. He drew attention to the fact that the continuation of the 1995 SCAF meeting into the second week had disrupted the Commission's plenary meeting. The Commission endorsed the recommendation of SCAF.

3.4 While acknowledging the advice from SCAF that the design of a CCAMLR flag should not be formally adopted until the Fifteenth Meeting of CCAMLR, the Chairman of the Commission reminded Members that there were certain formalities and procedures which needed to be carried out after the flag is agreed upon by the Commission before it can be fully recognised under international law.

Examination of Audited Financial Statements for 1994

3.5 The Commission accepted the audited Financial Statements for 1994.

Audit of 1995 Financial Statements

3.6 As recommended by SCAF, the Commission decided that only a review audit should be performed on the 1995 Financial Statements, and that in the future a full audit would be required at least every three years. In accordance with this decision, a full audit would be required to be performed on the 1996 Financial Statements.

Review of Budget for 1995

3.7 The Commission endorsed the recommendation of SCAF that monies received in relation to Ukraine's membership be placed into a special fund, the use of which will be determined by the Commission (Annex 4, paragraph 10).

3.8 The Commission also agreed that the amount of contributions to be received from Ukraine in respect of 1994 and 1995 should be reduced by A\$14 162, this amount to be credited against Ukraine's contribution for 1996. As a result of this, the amount of contributions to be included in the special fund will be A\$97 089.

3.9 The Commission adopted the revised budget for 1995 as presented in the SCAF report. This budget includes a transfer of A\$3 500 to the Scientific Committee budget (Annex 4, paragraph 11).

Budget for 1996

3.10 The Commission endorsed the recommendation of SCAF in respect of the publications distribution policy (Annex 4, paragraphs 13 and 14). The present policy will continue, in a modified form, for a further year, with the policy being reconsidered at the next meeting.

3.11 The Commission adopted the revised text of Staff Regulation 8.1 as presented in Annex 4, paragraph 16.

3.12 While confirming that the use of the Commission's funds for the provision of a generic placard on marine debris for use on tourist vessels entering the Convention Area is inappropriate, the Commission agreed that the use of such placards would be desirable. The Executive Secretary was directed to write to the International Association of Antarctic Tour Operators (IAATO) expressing the Commission's recommendations on this matter (Annex 4, paragraph 17).

3.13 The Executive Secretary confirmed that funds will be made available out of the Secretariat Costs travel budget to ensure that the reduction in the Scientific Committee budget does not prevent both the Data Manager and the Science Officer attending WG-EMM in 1996.

3.14 The Delegate of the USA drew attention to the recommendation of SCAF that the budgeted expenditure should include an overall reduction, after all other revisions by SCAF, of 1.5%. SCAF made this recommendation on the understanding that it would not necessarily be

possible to apply this reduction in full to all individual budget components. The Chairman confirmed that he was empowered by Financial Regulation 4.4 to authorise the Executive Secretary to make transfers of up to 10% of appropriations between items which should provide the flexibility in distributing this reduction between budget items.

3.15 The Chairman of the Scientific Committee drew the attention of the Commission to the fact that the amount included in the Commission's budget for allocation to the Scientific Committee budget was 10% less than the amount presented by the Scientific Committee for approval.

3.16 While agreeing with the overall size of the budget of the Commission for 1996, the Delegation of Russia drew the Commission's attention to the unwarranted reduction of the Scientific Committee's budget and expressed its regret in this regard. Moreover, documents important for CCAMLR's activities, such as *Scientific Abstracts*, the *Scientific Observers Manual*, etc. would not be published in 1996. This would reduce the level of awareness of CCAMLR's activities in international and national fisheries and scientific organisations. In addition, it believed that the financing of activities in the area of Data Management had been increased without sufficient justification.

3.17 The observer from ASOC expressed disappointment that the Committee had been unable to approve expenditure in 1996 on the completion of a brochure relating to incidental mortality of birds in longline fisheries and on the production of a brochure on the subject of CCAMLR's approach to management. ASOC stated that these were practical measures for improving and promoting conservation, and the IMALF brochure in particular is urgently needed.

3.18 The Chairman of the Commission conveyed the regret of the Commission that savings in certain areas of the budget were necessary this year, but pointed out that, in respect of publications in particular, the omission of certain items from the 1996 budget did not mean that the Commission has decided never to produce the publications.

3.19 The Commission adopted the budget for 1996 as presented in the SCAF report.

3.20 The Commission noted the provision by the US of US\$23 000 to be placed in a special fund to support the potential development of a vessel monitoring system (VMS).

Forecast Budget for 1997

3.21 The Chairman of SCAF introduced the forecast budget for 1997 as presented in the SCAF report and noted that if all proposals to SCAF so far for expenditure in 1997 were included in the

budget, then this would result in an increase over the approved 1996 budget of A\$70 700 more than is accounted for by inflation. He further pointed out that the list of items proposed to the Commission for expenditure in 1997 may be incomplete at this stage.

3.22 The Commission endorsed the recommendation of SCAF that, in its presentation of the draft budget to the 1996 meeting of the Commission, the Secretariat provide more detail on the 1997 draft budget than it has in previous years. This would enable the Commission to be better prepared for its task of adopting a budget for 1997 which contains the Commission's aim of zero growth in expenditure.

3.23 The Executive Secretary was directed to solicit from Members suggestions as to how the presentation of the budget could be improved to assist its consideration by Members.

3.24 The Delegate of Germany suggested that an informal intersessional meeting might be convened for interested Members to discuss some possible method for easing the task of SCAF. The Chairman of the Commission will present a proposal with regard to such a meeting, which will be submitted by correspondence for the approval of Commission Members.

3.25 Brazil stated that it understood that the word 'better', used in paragraph 27 of SCAF's report (Annex 4) as guidance for consideration by the Commission, meant preferably avoiding downward fluctuations in the Scientific Committee part of future budgets, a part which already is less than 10% of the total budget of CCAMLR.

3.26 The Commission endorsed the view of SCAF that more flexibility needed to be introduced into the budget methods of the Commission. The Commission identified two improvements. First, the Scientific Committee and the Secretariat should make general estimates of their budgetary requirements for the years 1997 to 2001 and present them to the next meeting of SCAF. The estimates would assume zero real growth in the Commission's budget for each of the five years. Second, in agreeing its budget for 1997 (and for subsequent years), the Commission should approve expenditure by the Scientific Committee and the Secretariat on the basis of the priorities for each body as decided by the Commission, taking into account the consequences of each budgetary decision with regard to meeting the objectives of the Convention. For example, if an intersessional Working Group were to meet only every other year, the resulting savings might be used for other priority expenditure.

Formula for Calculating Members' Contributions

3.27 The Chairman of SCAF advised the Commission that SCAF had been unable to come to any decisions regarding a revised formula for calculating Members' contributions to the annual budget. It therefore recommended that the Commission continue to use the existing formula for a further year. The Commission endorsed this recommendation.

3.28 To assist future deliberation on this subject by the Commission, SCAF has solicited comments from Members on their attitudes towards the proposed revised formula as presented in CCAMLR-XIV/16. At the time of adoption of this report, 14 replies out of 22 had been received, only one of which found the revised formula totally unacceptable. The majority preferred some form of modification of the revised formula.

3.29 On behalf of the European Economic Community and its Member States, the Spanish Presidency made the following statement.

'With respect to paragraph 28 of the report of the Standing Committee on Administration and Finance, the Delegation of the European Economic Community and its Member States which are Members of the Commission (Belgium, France, Germany, Italy, Spain, Sweden, UK) wish to register their disappointment that the Commission was unable to reach a consensus on a new formula for calculating CCAMLR Members' contributions to achieve a better balance between the quantity of catches and the amounts equally contributed by all CCAMLR Members as initially intended.

The European Economic Community and its Member States consider that as the percentage of the contributions based on the first criterion has declined to two per cent, fundamental rather than marginal revisions to the formula are necessary.

While not opposed to a consensus retaining either the existing formula or the proposed new one for 1996, the European Economic Community and its Member States are of the view that major efforts must be made during the intersessional period to achieve a better balance.

Should the impasse persist, a fundamental re-assessment of the formula may be the only way to return to a more equitable situation.'

3.30 Japan, at the time of adoption of the report, reiterated its position that, although flaws in the present formula for calculating Members' contributions must be rectified, any new formula should not be such that it would have the effect of requiring excessive burdens in the contribution to be made by fishing nations and would thus frustrate rational utilisation of marine living resources.

Chair and Vice-Chair of SCAF

3.31 Japan was elected Chair of SCAF for the next two years. Chile was re-elected Vice-Chair for the same period.

3.32 The Commission expressed its appreciation to Mr de Villiers for the efficient way he has chaired SCAF for the last two years.