
FINANCIAL STATEMENT AND PROGRESS: FINANCIAL YEAR 2017

PREPARED BY: IOTC SECRETARIAT: 18 APRIL 2017

PURPOSE

1. To inform the Standing Committee on Administration and Finance (SCAF) of progress for the first quarter of the financial year 2017 (1 January - 31 March) and the status of contributions received.

STATUS OF CONTRIBUTIONS TO THE AUTONOMOUS BUDGET IN 2017

2. [Table 1](#) indicates the status of contributions as of 31 March 2017 in United States Dollars (US\$), as reported to the IOTC Secretariat by the FAO Department of Administration and Finance.
3. A total of US\$ 2,187,592 has been received in the first quarter of 2017 and the total of outstanding contribution payments for 2017 is US\$ 1,579,936 as of March 31st 2017.
4. The total for contributions in arrears for all years as of 31 March 2017 is US\$ 3,898,834.

EXPENDITURES FOR THE YEAR 2017

5. [Table 2](#) shows the budgeted expenditures for 2017 and the actual expenditures for the first quarter.

Table 1. Status of Member contributions to the IOTC autonomous budget (in US\$)

	1	2	3	4
Member	Outstanding contribution 1 January 2017 (all years prior to 2017)	Contribution due for 2017	Received contributions in 2017 as of 31 March	Total contributions in arrears 31 March 2017
AUSTRALIA	0	170,124	170,124	0
BELIZE	47,092	0	0	47,092
CHINA	0	103,696	0	103,696
COMOROS	20,884	30,752	0	51,636
ERITREA	224,277	12,687	0	236,964
EUROPEAN UNION	0	704,964	704,964	0
FRANCE	442	211,905	0	212,347
GUINEA	143,308	12,558	0	155,866
INDIA	0	162,665	0	162,665
INDONESIA	0	285,502	285,502	0
IRAN	969,145	191,419	0	1,160,564
JAPAN	0	203,285	0	203,285
KENYA	53,372	60,133	0	113,505
KOREA, Rep. of	0	194,161	194,161	0
MADAGASCAR	63,772	32,764	56,675	39,861
MALAYSIA	0	74,844	0	74,844
MALDIVES	0	128,388	0	128,388
MAURITIUS	0	61,764	61,764	0
MOZAMBIQUE	30,291	29,747	0	60,038
OMAN	0	174,995	174,995	0
PAKISTAN	53,277	94,356	0	147,633
PHILIPPINES	0	60,666	60,666	0
SEYCHELLES	0	195,579	195,579	0
SIERRA LEONE	38,391	0	0	38,391
SOMALIA	12,681	12,558	12,681	12,558
SOUTH AFRICA	0	60,063	0	60,063
SRI LANKA	0	120,482	0	120,482
SUDAN	324,697	44,644	0	369,341
TANZANIA	0	31,973	31,973	0
THAILAND	0	67,938	67,938	0
UNITED KINGDOM	0	140,826	140,826	0
VANUATU	55,995	0	29,744	26,251
YEMEN	281,275	92,090	0	373,365
Total	2,318,899	3,767,528	2,187,592	3,898,834

Table 2. Budgeted Expenditures in 2017 and Actual Expenditures 1st Quarter (in US\$).

Budget Item Description		Budget 2017	Actual Expenditures as of 31 March 2017	Percent Utilized as of 31 March 2017
1	Administrative Expenditures			
1.1	Professional Salaries	1,210,262	183,824	15%
1.2	General Service Salaries	73,468	16,430	22%
	Sub-total Salaries	1,283,730	200,254	16%
1.3	Employer contributions to Pension Fund and Health Insurance	311,578	59,852	19%
1.4	Employer contribution to FAO Entitlement Fund	535,118	125,424	23%
1.5	ICRU	0	7,475	
1.7	Total Administrative Expenditures	2,130,426	393,005	18%
2	Operating Expenditures			
2.1	Support to Capacity Building	125,000	27,086	22%
2.2	Co-funding Science/Data Grants	130,033	4,781	4%
2.3	Co-funding Compliance Grants	63,974	6,570	10%
2.4	Consultants	174,900	1,739	1%
2.5	Duty travel	134,105	33,866	25%
2.6	Meetings	107,000	18,375	17%
2.7	Interpretation	140,000	10,918	8%
2.8	Translation	111,000	16,753	15%
2.9	Equipment	30,459	155	1%
2.10	Operating Costs	73,027	10,761	15%
2.11	Printing	0	0	0%
2.12	Contingencies/Miscellaneous	69,672	0	0%
	Total Operating Expenditures	1,159,170	131,004	11%
	SUB-TOTAL	3,289,596	524,009	16%
3	Additional Contributions Seychelles	-20,100	0	0%
4	FAO Servicing Costs	148,032	21,475	15%
5	Deficit Contingency	150,000	0	0%
6	Meeting Participation Fund	200,000	0	0%
	GRAND TOTAL	3,767,528	545,484	14%

Explanatory notes on expenditures for 2017***Salaries – Professional grade staff (1.1) and Employer contributions (1.3 & 1.4)***

6. Expenditures are lower than budgeted due to vacant posts. Vacant posts include the Executive Secretary and Deputy Executive Secretary. The P1 Fishery Officer (Data) is also expected to be filled in the second half of 2017. A secondment payment will also be made to cover the expenses of the Executive Secretary ad-interim.

Salaries – General Service grade staff (1.2) and Employer contributions (1.3 & 1.4)

7. Expenditure level is slightly below budget due to vacant G4 Office Assistant post, currently under recruitment.

ICRU (1.5)

8. Although there is no budget provision for ICRU in 2017, the expenditures continue to be applied. An amount of US\$54,550 is expected in 2017 at full capacity.

Support to Capacity Building (2.1)

9. Expenditures for 2017 are at the expected level.

Co-Funding Science and Data grants (2.2)

10. Expenditures are low for the 1st Quarter at only 4% of the budget but expected to rise sharply with a EU funded Project Revision and payments of the LoA with CSIRO later in 2017.

Co-Funding Compliance grants (2.3)

11. The IOTC Secretariat has secured a compliance grant for 2016 totalling €150,000 (approximately US\$169,868) which requires co-funding of 20% from the IOTC. However, there was no allocation from the IOTC Regular Budget for this purpose. Thus, a nominal amount of US\$63,974 has been proposed to the revised 2016 budget for this, and any other grants requiring co-contribution in 2016.

Consultants (2.4)

12. Expenditures represent only 1% of the budget in the 1st Quarter but hiring of various consultants is underway to undertake work on capacity building, science, data and compliance.

Duty travel (2.5)

13. Duty travel expenditures are already at the expected level and travel expenditures are expected to rise sharply in April/May after the payment of travel to the meetings in Indonesia.

Meetings (2.6)

14. Meeting expenditures are currently at 17% of the budget and will be concentrated at the end of 2017 with WPTT, WPM, WPDCS and SC all due to take place in Seychelles.

Interpretation (2.7)

15. Interpretation expenditures are currently at 8% of the budget and will rise sharply in May and December due to the Commission and Science Committee.

Translation (2.8)

16. Translation expenditures will be concentrated in May and December.

Equipment (2.9)

17. Equipment expenditures are currently only at 1% but will rise later in the year upon payment for some IT equipment and furniture.

General operating costs (2.10)

18. Currently at 15% of the budget and expected to be on track with budgeted expenditures.

Printing (2.11)

19. No budget is foreseen for printing in 2017.

Contingencies (2.12)

20. No expenditures recorded in 1st Quarter.

Additional Contributions Seychelles (3)

21. No contributions were received in the 1st Quarter of 2017 from Seychelles.

FAO Servicing Costs (4)

22. FAO servicing costs are proportionate to the expenditures.

Deficit Contingency (5)

23. No expenditures recorded.

Meeting Participation Fund (MPF) (6)

24. No expenditures were recorded for the 1st Quarter but a sharp rise is expected in April/May and again in November/December for IOTC principal meetings.

SUMMARY

25. Expenditures will continue to be carefully scrutinised, due to the lag in contributions against the approved budget and a contribution-based expenditure approach will be pursued.

RECOMMENDATION/S

26. That the SCAF NOTE paper IOTC-2017-SCAF14-09 which details the progress made so far in the first quarter of 2017 to facilitate a better annual budget decision making process.