

IOTC MID-TERM FINANCIAL REPORT FOR THE YEAR 2022

PREPARED BY: SECRETARIAT

PURPOSE

1. The IOTC Financial Regulations (2019) call for a mid-term review of IOTC finances to be prepared by the Secretariat and considered by SCAF and the Commission.

STATUS OF CONTRIBUTIONS TO THE AUTONOMOUS BUDGET IN 2022

As of 30 April 2022, around 66% of the 2022 budget has been received from Members

2. The total of contributions requested from Contracting Parties for the 2022 budget was (US)\$4,071,765.
3. As of 30 April 2022, a total of \$2,682,508 has been received. Note however, this amount of contributions also includes some outstanding contributions due from years prior to 2022.
4. Details on the status of contributions are available in Appendix 1.

EXPENDITURES FOR THE FIRST 4 MONTHS OF 2022

As of 30 April 2022, around 42% of the 2022 budget has been spent.

5. The total budget for 2022 is \$4,071,765 and as of 30 April the Commission has spent (actuals) \$1,719,444 (42% - see Table 1).
6. The staff-related budgets (totaling \$2,598,537) are on course to be fully spent although there could be differences at year-end due to USD-SCR exchange rate fluctuations for local salaries and unforeseen post adjustment changes.
7. Operations-related budgets are also on course with a total of \$727,765 spent out of a budget of \$1,293,200 (56%). However, some lines such as travel are expected to be underspent due to the impact of the pandemic. Note that the operations expenditure figures in the table include “hard commitments” made to contractual agreements such as purchase orders and contracts.

TRANSFER OF APPROPRIATIONS BETWEEN BUDGET SUB ITEMS

In accordance with the Final Regulations (2019), the Executive Secretary may authorize the transfer of up to [15] percent of appropriations between sub-items as specified in Article III.5 of this Regulation upon approval from the Chairperson of the Commission until a mid-term review.

8. Due to the pandemic and lack of offers to host IOTC meetings, S26 and its associated meetings and TCAC10 are being held in Seychelles at the Commission’s expense. Because of this, the 2022 meetings budget (\$146,094) has already been fully spent.
9. The Secretariat proposes to hold all working party meetings in 2022 by videoconference; however, if the Commission requests TCAC11 and SC25 to be held in hybrid format, then an estimated \$100,000 extra may be required in the Meetings budget line. Should the Meetings budget line require additional funds in 2022, it is proposed that these funds will be first taken from savings in other budget lines, then, only if required, from the Working Capital Fund.

MEETING PARTICIPATION FUND

10. As of 30 April 2022, a total of \$112,867 has been spent under the Meeting Participation Fund. Note, the 2022 MPF budget (of \$25,000) was a top-up budget, as there were considerable savings in the MPF in 2021 due to the cessation of travel because of the pandemic.
11. In accordance with Rule XVI (5) of the IOTC Rules of Procedure, the MPF “will be allocated in such a way that no more than 25% of the expenditures of the Fund in one year is used to fund attendance to non-scientific meetings.” Given that in-person/hybrid meetings are currently only planned for only one scientific meeting in 2022, it is proposed that this rule be waived for 2022, allowing maximum participation from the MPF to the other hybrid meetings.

OTHER FINANCIAL ELEMENTS

IOTC is managing a range of extra-budgetary funds in 2022

12. The Secretariat will conclude (i.e no funds being received in 2022) a multi-year project funded by the European Union (DG Maritime Affairs and Fisheries). This project supported technical assistance to developing countries to improve implementation of at sea observer scheme, data collection and the work of the both the Scientific Committee and Compliance Committee.
13. Later in 2022, the Secretariat is expected to receive extra-budgetary funds of around \$800,000 from the European Union (DG Maritime Affairs and Fisheries) for a multi-year project to support a range of scientific and compliance related activities that have been prioritized by the Commission through its technical bodies.
14. The Regional Observer Programme (ROP) has received a total of \$590,040 so far in 2022 from the fleets participating in the programme. Surplus funds are also available from 2021 to keep the ROP functioning at the current level of deployments.

SUGGESTED ACTION BY THE STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

That the SCAF:

- a) **NOTE** the mid-term financial report for the year 2022.
- b) **NOTE** that an estimated \$100,000 extra may be required in the 2022 Meetings budget line if the Commission requests TCAC11 and SC25 to be held in hybrid format; and **RECOMMEND** that, should the Meetings budget line need additional funds in 2022, these funds will be first taken from savings in other budget lines, then, only if required, from the Working Capital Fund.
- c) **RECOMMEND** a WAIVER of Rule XVI (5) of the IOTC Rules of Procedure in 2022 to allow maximum participation in the Meeting Participation Fund.

Table 1. Comparison between budgeted expenditures and actual expenditures as of 30 April 2022 (in US\$).

	TOTAL BUDGET 2022	EXPENDITURES		
		AS OF 30 April 2022	BALANCE	% SPENT
PRO STAFF				
BASE SALARY (& post adj)	1,351,055	474,355	876,700	35%
PENSION & HEALTH	368,598	124,195	244,403	34%
FAO ENTITLEMENTS & RENTAL	657,593	181,970	475,623	28%
ICRU	68,940	11,303	57,637	16%
GS STAFF				
BASE SALARY	59,037	27,483	31,553	47%
PENSION & HEALTH	43,246	14,999	28,246	35%
FAO ENTITLEMENTS	45,775	14,656	31,119	32%
ICRU	4,294	832	3,462	19%
TOTAL STAFF	2,598,537	849,793	1,748,744	33%
OPERATIONS				
CAPACITY BUILDING	40,000	-	40,000	0%
CO-FUNDING SCIENCE/DATA GRANTS	-	-	-	-
CO-FUNDING COMPLIANCE GRANTS	-	-	-	-
MISCELLANEOUS CONTINGENCIES	-	-	-	-
CONSULTANTS/SERVICE PROVIDERS	588,200	446,425	141,775	76%
TRAVEL (STAFF)	165,000	6,176	158,824	4%
MEETINGS	145,000	146,094	(1,094)	101%
INTERPRETATION	135,000	-	135,000	0%
TRANSLATION	110,000	105,503	4,497	96%
EQUIPMENT	25,000	3,574	21,426	14%
GOE	75,000	19,994	55,006	27%
PRINTING	-	-	-	-
CONTINGENCIES	10,000	-	10,000	0%
TOTAL OPERATIONS	1,293,200	727,765	565,435	56%
SEY add. Contribution	(20,100)	-	(20,100)	0%
PSC	175,128	29,019	146,109	17%
Deficit Contingency	-	-	-	0%
MPF	25,000	112,867	(87,867)	451%
GRAND TOTAL	4,071,765	1,719,444	2,352,321	42%

APPENDIX I: Status of Member Contributions as of 30 April 2022

	1	2	3	4
Member	Outstanding Contribution 1 January 2022 (all years prior to 2022)	Contribution due for 2022	Received Contributions in 2022	Total Outstanding Contributions
AUSTRALIA	0	172,167	172,167	0
BANGLADESH	0	45,648	0	45,648
CHINA	0	100,640	0	100,640
COMOROS	98,171	68,475	0	166,646
ERITREA	292,917	13,689	0	306,605
EUROPEAN UNION	0	858,406	858,406	1
FRANCE	0	141,314	141,314	0
INDIA	0	154,305	154,305	0
INDONESIA	0	265,746	0	265,746
IRAN	1,913,714	202,744	0	2,116,458
JAPAN	0	194,148	194,148	0
KENYA	0	64,304	64,304	0
KOREA, Rep. of	0	217,024	0	217,024
MADAGASCAR	36,818	35,060	41,293	30,585
MALAYSIA	0	75,062	75,062	0
MALDIVES	0	137,385	137,385	0
MAURITIUS	0	170,685	0	170,685
MOZAMBIQUE	135,202	34,253	0	169,454
OMAN	0	190,162	190,162	0
PAKISTAN	13,298	99,309	0	112,606
PHILIPPINES	0	45,551	0	45,551
SEYCHELLES	0	229,284	229,284	0
SOMALIA	67,966	13,573	52,718	28,821
SOUTH AFRICA	0	62,896	0	62,896
SRI LANKA	0	122,439	0	122,439
SUDAN	360,528	13,590	0	374,118
TANZANIA	74,202	67,949	142,151	0
THAILAND	0	70,423	70,423	0
UNITED KINGDOM	0	159,386	159,386	0
YEMEN	696,713	46,150	0	742,863
Total	3,689,529	4,071,765	2,682,508	5,078,786

Member	Total Outstanding Contributions
BELIZE	47,092
GUINEA	155,866
SIERRA LEONE	66,097
VANUATU	26,251
Total	295,306

Members	5,078,786
Ex-Members	295,306
Total	5,374,093