

IOTC MID-TERM FINANCIAL REPORT FOR THE YEAR 2023

PREPARED BY: SECRETARIAT

ABOUT THIS REVISION

Information about expenditures and contributions received up to 30 April has been included (previously 31 March) and Table 1 and Appendix 1 have been updated accordingly.

PURPOSE

1. The IOTC Financial Regulations (2019) require 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 2023

As of 30 April 2023, around 70% of the 2023 budget has been received from Members

2. The total of contributions requested from Contracting Parties for the 2023 budget was (US)\$4,109,745.
3. As of 30 April 2023, a total of \$2,893,083 has been received. Note however, this amount of contributions may include some outstanding contributions due from years prior to 2023.
4. Details on the status of contributions are available in Appendix 1.

EXPENDITURES FOR THE FIRST 4 MONTHS OF 2023

As of 30 April 2023, around 35% of the 2023 budget has been spent.

5. The total budget for 2023 is \$4,109,745 and as of 30 April the Commission has spent \$1,449,508 (35% - see Table 1).
6. The staff-related budgets¹ (totaling \$2,802,883) are on track to be spent; however, any delays in the timing of the recruitment of the new Executive Secretary and the new P2 Fishery Officer (Data) may slow the rate of expenditure and reduce overall spending. There could also be differences at year-end for expenditures on local salaries due to USD-SCR exchange rate fluctuations and unforeseen post adjustment changes.
7. Spending on the operations-related budgets² is, overall, on track, with a total of \$505,998 spent out of a budget of \$1,157,400 (44%).
8. The meeting budget is already overspent. In 2022, the Commission greatly reduced the 2023 meeting budget to \$17,000 and it is already overspent due to the 6 meetings (2 unforeseen) that were held in the first quarter of the year. As a contingency, the Commission agreed that savings and, if necessary, the WCF would be used to cover any additional requirements in 2023. It is likely that the WCF will need to be used in 2023 to augment meeting costs.
9. 48% of the interpretation budget has been used after 3 months. This is a result of the SS6 and TCAC11 meetings being added to the 2023 calendar, without an additional allocation being made to this line. Although one of the

¹ Staff costs comprise salary costs and entitlements. Estimates of salary costs are relatively accurate as they are derived from extrapolations of current salaries. However, employer contributions to the pension and health funds can be variable and are more difficult to predict as they are determined by FAO and may change anytime during a budget year. The SCAF is advised that while the Secretariat provides best estimates for staff costs, it has no control over the final expenditures in this section of the annual budget.

² Note that the operations expenditure figures in the table include "hard commitments" made to contractual agreements such as purchase orders and contracts.

two TCAC meetings planned for 2023 (June) has been cancelled, the SCAF is invited to consider allowing up to \$40,000 of the WCF to be used to augment interpretation costs in 2023, if required.

10. Spending on translation is advanced after 3 months due funds being committed for translation service contracts that extend across the year.

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.

11. No transfers are currently being proposed in 2023.

MEETING PARTICIPATION FUND

12. As mentioned in IOTC-2023-SCAF20-05, the average annual expenditure for the MPF is over \$254,000, but the budget available for 2023 is \$219,097.
13. As of 30 April 2023, \$147,360 has been spent under the MPF. However, due to the current high costs of travel and given the full calendar of meetings planned for 2023, \$219,097 is unlikely to be sufficient to meet demand. The current balance (of \$71,737) would be expected to cover any remaining cost from the Annual Session and associated meetings; the 2nd TCAC meeting in October; the Scientific Committee meeting in December; and up to 6 working party meetings that will be convened in the second half of the year.
14. Under Agenda Item 5.2, the SCAF has been requested to provide guidance to the Secretariat on how to manage the 2023 MPF budget.

REGIONAL OBSERVER PROGRAMME

15. The Regional Observer Programme (ROP) contract is managed on a May to April calendar cycle. The Programme is on track. A new contract has been awarded for ROP services in 2023-24, a call for funds was made to participants and a total of \$738,648 has been received.

OTHER FINANCIAL ELEMENTS

16. The Secretariat received \$638,117 from the European Union as the first tranche to cover the funding of a new project in 2023-24. The multi-year project will support a range of scientific and compliance related activities that have been prioritized by the Commission through its technical bodies.
17. In April 2023, the Secretariat has received a voluntary contribution of GBP 50,000 from the United Kingdom to be used for activities related to data improvement and data analysis, such as regional data improvement workshops and the additional work on FADs requested of the Scientific Committee.
18. In response to the Commission's commitment to reduce the environmental impacts of the IOTC activities related to headquarters' operations (Resolution 22/01) the second vehicle used by the Secretariat will be retired in 2023. In accordance with FAO procedures, the vehicle, which is over 12 years old, will be consigned to the Government of Seychelles.

USE OF THE WORKING CAPITAL FUND IN 2023

Permission to use the WCF already granted

19. Meetings. See paragraph 8.
20. Meeting Participation Fund up to \$150,000. This amount has already been transferred from the WCF to the MPF. See also, paragraph 12.

Permission to use the WCF being sought in 2023

21. Meeting Participation Fund – to be discussed in Agenda Item 5.2.
22. Interpretation, up to \$40,000

SUGGESTED ACTION BY THE STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

That the SCAF:

- a) **NOTE** the mid-term financial report for the year 2023.
- b) **NOTE** that an estimated \$40,000 may be required for interpretation services in 2023 and **RECOMMEND** that should the interpretation budget require additional funds in 2023, that these funds will be first taken from savings in other budget lines, then, only if required, from the Working Capital Fund.

Table 1. Comparison between budgeted expenditures and actual expenditures as of 30 April 2023 (in US\$).

	TOTAL BUDGET 2023	EXPENDITURE S AS OF 30 APRIL 2023	BALANCE	% SPENT
PRO STAFF				
BASE SALARY (& post adj)	1,539,387	459,120	1,080,267	30%
PENSION & HEALTH	397,180	133,086	264,094	34%
FAO ENTITLEMENTS & RENTAL	631,091	242,070	389,021	38%
ICRU	74,462	18,150	56,312	24%
GS STAFF	-	0	-	
BASE SALARY	76,606	28,341	48,265	37%
PENSION & HEALTH	39,841	14,423	25,418	36%
FAO ENTITLEMENTS	39,784	16,320	23,464	41%
ICRU	4,531	1,267	3,264	28%
TOTAL STAFF	2,802,882	912,777	1,890,106	33%
OPERATIONS				
CAPACITY BUILDING	62,000	15,148	46,852	24%
CO-FUNDING SCIENCE/DATA GRANTS	-	-	-	-
CO-FUNDING COMPLIANCE GRANTS	-	-	-	-
MISCELLANEOUS CONTINGENCIES	-	-	-	-
CONSULTANTS/SERVICE PROVIDERS	542,400	184,024	358,376	34%
TRAVEL (STAFF)	165,000	63,939	101,061	39%
MEETINGS	17,000	50,652	(33,652)	298%
INTERPRETATION	135,000	65,287	69,713	48%
TRANSLATION	115,000	106,948	8,052	93%
EQUIPMENT	35,000	-	35,000	0%
GOE	76,000	20,001	55,999	26%
PRINTING	-	-	-	-
CONTINGENCIES	10,000	-	10,000	0%
TOTAL OPERATIONS	1,157,400	505,998	651,402	44%
SEY add. Contribution	(28,750)	-	(28,750)	0%
FAO Support Costs	178,213	30,733	147,480	17%
Deficit Contingency	-	-	-	0%
MPF	-	-	-	-
GRAND TOTAL	4,109,745	1,449,508	2,660,238	35%

Appendix 1.

Status of Member contributions to the IOTC autonomous budget (in US\$) as of 30 April 2023

Member	Outstanding Contribution 1 January 2023 (all years prior to 2023)	Contribution due for 2023	Received Contributions in 2023	Total Outstanding Contributions
AUSTRALIA	0	190,607	190,607	0
BANGLADESH	45,648	50,309	45,648	50,309
CHINA	0	105,022		105,022
COMOROS	166,646	73,926	21,700	218,872
ERITREA	306,605	31,092		337,698
EUROPEAN UNION	0	873,095	873,095	0
FRANCE	0	159,823	159,823	0
INDIA	0	159,911	159,911	0
INDONESIA	0	281,959		281,958
IRAN	202,958	207,267		410,225
JAPAN	0	211,401	211,401	0
KENYA	0	69,860	69,860	0
KOREA, Rep. of	217,024	233,023	450,047	0
MADAGASCAR	13,599	35,427	17,530	31,496
MALAYSIA	0	80,313		80,313
MALDIVES	0	144,872		144,872
MAURITIUS	0	80,345	80,345	0
MOZAMBIQUE	137,966	33,839		171,806
OMAN	0	220,227		220,228
PAKISTAN	11,561	95,035		106,596
PHILIPPINES	45,551	50,230	50,230	45,551
SEYCHELLES	0	140,180	140,180	0
SOMALIA	28,821	13,699	42,270	250
SOUTH AFRICA	0	67,764	67,764	0
SRI LANKA	122,439	127,321		249,760
SUDAN	374,118	13,791		387,909
TANZANIA	0	73,362	73,362	0
THAILAND	0	78,437	78,437	0
UNITED KINGDOM	0	160,872	160,872	0
YEMEN	742,863	46,733		789,597
Total	2,415,801	4,109,745	2,893,083	3,632,463

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

Members	3,632,463
Ex-Members	295,306
Total	3,927,769