

INTER-AMERICAN TROPICAL TUNA COMMISSION
COMMITTEE ON ADMINISTRATION AND FINANCE
9TH MEETING
Phoenix Arizona, USA
28 July 2022

DOCUMENT CAF-09-03 REV

IMPLEMENTATION OF THE IATTC REGIONAL OBSERVER PROGRAM FOR TRANSSHIPMENTS AT SEA

1. Introduction	1
2. 2009-2021 budget.....	1
3. 2022 budget.....	2
4. 2023 budget.....	4
5. Items to be agreed	4

1. INTRODUCTION

The IATTC observer program to monitor transshipments at sea by carrier vessels in the eastern Pacific Ocean (EPO) authorized to receive tuna and tuna-like species and sharks from large-scale tuna longline fishing vessels (LSTLFVs) is regulated by Resolution [C-12-07](#).

Paragraph 21 of Resolution C-12-07 establishes that “*Each year, the Director shall present a report on the implementation of this Resolution to the annual meeting of the Commission, which shall review compliance (...)*.” For the past couple of years, the report has been presented selectively in the different Committees of the Commission, with emphasis on the topics and issues specific to those Committees; thus the Administration and Finance Committee (ACF) can focus its attention on administrative and financial matters; the Compliance Committee (COR) on aspects related to this issue; and the Scientific Advisory Committee on the operational aspects of the programme related to catch data, transshipments, areas, etc.. The report that was presented to the SAC meeting in May is available here: [INF-B. Regional observer program for transshipments at sea](#).

In 2021 and 2022, the program was funded by the six IATTC Members that participate in it through their authorized large-scale tuna longline fishing vessels (LSTLFVs): China, Japan, Korea, Panama, Chinese Taipei, and Vanuatu.

With the approval of the participating Members, in 2019 the Secretariat signed a three-year contract with the *Marine Resources Assessment Group* (MRAG) consortium to operate the program during 2020-2022. The contract expires this year, so it will be necessary to decide whether to continue working with MRAG.

2. 2009-2021 BUDGET

Table 1 shows the status of the program budget during 2009-2021.

In 2021, the participants were asked for contributions of US\$ 1,440,000 as approved by the 95th meeting of the IATTC held in December 2020 by videoconference, which, when added to the 2020 surplus of US\$ 255,631, results in a total of US\$ 1,695,631 available for 2021. At the end of 2021, invoices were paid to MRAG for a total of US\$ 1,341,248, which allowed for a surplus at the end of 2021 of US\$ 354,382.

TABLE 4. Program budget, 2009-2021, in US\$					
	Contributions		Program costs	Surplus/ (deficit)	Accumulated surplus
	Participants	Others			
2009	741,346	-	698,801	42,545	42,545
2010	800,000	4,640 ¹	792,381	12,259	54,804
2011	946,971	6,060 ²	999,731	(46,700)	8,105
2012	1,006,060	6,060 ²	674,241	331,819	339,924
2013	1,000,000	-	771,083	228,917	568,841
2014	500,000	16,635 ³	760,950	(244,315)	324,526
2015	700,000	43,905 ⁴	867,175	(123,270)	201,254
2016	950,000	37,723 ⁴	1,056,479	(68,756)	132,498
2017	1,050,000 ⁵	----	1,159,644	(109,644)	22,854
2018	1,390,000 ⁶	----	1,297,585	92,415	115,269
2019	1,300,000	----	1,043,016	256,984	372,117
2020	1,305,000	----	1,421,486	(116,486)	255,631
2021	1,440,000	----	1,341,248	98,752	354,383

¹Peru; ² Belize; ³ Includes Belize (US\$ 6,060), Indonesia (US\$ 1,485) and Panama (US\$ 9,090);
⁴Panama.
⁵ Additional contributions totaling US\$ 100,000 were requested
⁶ Additional contributions totaling US\$ 290,000, agreed during 93rd IATTC meeting.

3. 2022 BUDGET

Based on 2021 expenses, during the 98th IATTC meeting in October 2021 held by videoconference, a budget of US\$ 1,440,000 was agreed to finance the program in 2022.

The costs of the program under a three-year contract signed with the MRAG Consortium and approved by the Commission during its 94th meeting were as follows (Table 2). This table also includes the costs for 2023-2025 as assessed by MRAG in the understanding that, although some of them have increased, there would be no additional increase during the upcoming triennium (Table 2):

TABLE 2. Costs for the three-year periods 2017-2019 and 2020-2022, and budget for 2023-2025, in US\$				
Period	Cost per day			
	At sea		Travel	
2017-2019	340		350	453
2020-2022	≤ 2500 days	> 2500 days	371	630
	380	350		
2023-2025	415	380	317	650

Table 3 shows the contributions payable by each participant to finance the 2022 budget.

TABLE 3. Contributions 2022, in US\$					
Participant	Total contribution	First instalment (50%); due 15 January	Paid	Second instalment (50%); due 15 June	Paid
China	728,892	364,446	✓	364,446	✓
Japan	43,878	21,939	✓	21,939	✓
Korea	140,520	70,260	✓	70,260	✓
Panama	44,604	22,302	Pending	22,302	Pending
Chinese Taipei	377,712	188,856	✓	188,856	✓
Vanuatu	104,394	52,197	✓	52,197	✓
TOTAL	1,440,000	720,000		720,000	

Table 4 shows the program costs in 2021 and 2022 as of 30 June, in US\$.

TABLE 4. Program costs, 2021 and 2021 as of 30 June, in US\$						
Item	2021			2022 (as of 30 June)		
	Unit cost	Units paid	Cost	Unit cost	Units paid	Cost
Days at sea	380	2500	950,000	380	1,375	522,500
	350	240	84,000			
	Total with two rates		1,034,000			
Travel days	371	569	211,099	371	255	94,605
Training	630	30	12,600	630	-	-
Equipment, materials, travel	---		83,549	---		39,105
Total (US\$)			1,341,248			656,210

Table 5 summarizes the financial status of the program as of 30 June 2022.

TABLE 5. Financial situation of the program, in US\$, 2022	
Item	Amount US\$
1 January – 30 June	
First-semester contributions received	697,699
Second-semester contributions received	697,698
Surplus from previous years	354,382
Subtotal	1,749,778
Program expenditures, as of 30 June	656,210
Balance as of 30 June	1,093,567
Pending contributions 2022	44,604
Expected invoices for July - December	700,000
Balance as of 30 June + pending contributions - expected invoices (6 months remaining)	438,171

Experience shows that, in the last four months of the year, the number of observer and at-sea requests is usually higher than in the earlier months, so it is expected that the expenses for the second half of the year will be higher than those of the first half. It is also important to note that in 2020 and 2021 there were additional costs incurred as a result of the COVID-19 pandemic because observers were sometimes required to stay in hotels at the disembarkation site to quarantine after a trip and then board the vessel. While it is expected that these types of charges will decrease, it is not certain that they will no longer be made.

Invoices paid to MRAG in the first half of the year totaled US\$ 656,000; therefore, we are projecting expenses of US\$ 700,000 for the second half of the year anticipating that in the final months, observers stay longer at sea and there are more requests for observers by carrier vessels.

It is important that program participants pay their outstanding contributions totaling US\$ 44,604, as shown in Table 5 in order to ensure the continuity of this program. Full payment of all required contributions will result in a surplus of about US\$ 442,000 at the end of 2022. Consistent with prior years, this surplus will be available for use for the following program year.

Also, as noted at the beginning of this document, the current contract in place must be renewed for the 2023 fiscal year and the new costs are indicated in Table 2. These costs would be fixed for 3 years and were increased just for the items of days at sea by the observer and are maintained for travel and training expenses.

4. 2023 BUDGET

Based on the above estimates, the projected funding needs for 2023 would not change, as the current level of funding of US\$ 1,440,000, should be sufficient to cover not only potential added costs caused by the COVID-19 pandemic but also anticipated inflationary increases, as well as payment to experienced observers who receive a higher salary according to their experience

5. ITEMS TO BE AGREED

In order to ensure that the Program can continue operating in an uninterrupted and integral manner, it is proposed that the Program participants approve the following:

- Continue working with MRAG by signing a new 3-year contract.
- Adopt, for 2023, a budget of US\$ 1,440,000 with the understanding that the projections are correct and that any current surplus will be used in the following year(s);
- Remind and urge participants that have not paid their 2022 contribution to do so as soon as possible or the service for longliners and purse-seiners flying their flag will be interrupted.