

**INTER-AMERICAN TROPICAL TUNA COMMISSION**  
**COMMITTEE ON ADMINISTRATION AND FINANCE**  
**3<sup>RD</sup> MEETING**  
**Guayaquil, Ecuador**  
**26 June 2015**

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**FINANCING FOR THE IATTC REGIONAL OBSERVER PROGRAM FOR TRANSSHIPMENTS AT SEA, 2015-2016**

**1. INTRODUCTION**

The IATTC observer program to monitor transshipments at sea by carrier vessels was established by Resolution [C-08-02](#) and is now regulated by Resolution [C-12-07](#). The program is basically financed in 2015 by China, Korea, Japan, Chinese Taipei, and Vanuatu, the five IATTC Members that participate fully in the program, and operated by the Marine Resources Assessment Group Ltd. (MRAG) consortium.

This document presents information on the agreed budget for 2015 and the projected budget for 2016.

**2. CURRENT BUDGET**

During the 86<sup>th</sup> meeting of the Commission in July 2014, an operating budget of US\$ 800,000 was approved for 2015. At that time, a surplus of US\$ 100,000 was expected for that year, and it was decided to apply it to the 2015 budget. At the end of 2014, the program's accumulated surplus was US\$ 324,500 (Table 1).

**TABLE 1.** Accumulated surplus, 2009-2014, in US\$

	<b>Contributions received</b>	<b>Program expenses</b>	<b>Annual difference</b>	<b>Accumulated surplus</b>
2009	741,346	698,801	42,545	42,545
2010	804,640 <sup>1</sup>	792,381	12,259	54,804
2011	953,031 <sup>2</sup>	999,731	(-46,700)	8,105
2012	1,006,060 <sup>3</sup>	674,241	331,819	339,924
2013	1,000,000	771,083	228,917	568,841
2014	516,635 <sup>4</sup>	760,950	(-244,315)	324,526
Includes: <sup>1</sup> US\$ 4,640 (Peru); <sup>2</sup> US\$ 6,060 (Belize); <sup>3</sup> US\$ 6,060 (Belize) <sup>4</sup> US\$ 16,635 (Belize, Indonesia, Panama)				

It was agreed that the program would be continued for two more years (2015-2016) with the contract with MRAG, with an annual budget of US\$ 800,000. Since a surplus of US\$ 100,000 was expected for 2014, it was decided that the contributions by the participants in the program would total only US\$ 700,000.

Bearing in mind the program costs of US\$ 760,950 in 2014 and the level of expenditure during the first four months of 2015 in terms of requests for observers and days at sea, the budget of US\$ 800,000 will be sufficient to cover the costs of the program in 2015. The surplus of US\$ 324,500 from previous years can be used to pay the first invoices in 2016 and ensure that transshipments are not interrupted. In addition to the scheduled contributions in Table 2, Belize, Indonesia, and Panama made contributions for their participation in the program during 2014, included in Table 1.

To calculate each participant's contribution, the budget is divided equally between two components, the number of transshipments made and the quantity of fish transhipped, and each participant's contribution

is calculated in proportion to its fleet's activity within each of these two components. Contributions are payable in two installments, on 15 January and 15 May, to ensure funding during the first and second semesters, respectively (Table 2).

<b>Member</b>	<b>Total contribution</b>	<b>First installment (50%)</b>	<b>Paid</b>	<b>Second installment (50%)</b>	<b>Payable</b>
China	295,651	147,826	✓	147,825	15 May
Japan	134,446	67,223	✓	67,223	
Korea	33,240	16,620	✓	16,620	
Chinese Taipei	157,678	78,839	✓	78,839	
Vanuatu	78,985	39,492	✓	39,493	
<b>Total</b>	<b>700,000</b>	<b>350,000</b>	✓	<b>350,000</b>	

Table 3 summarizes the financial situation of the program as of 30 April 2015.

<b>Item</b>	<b>Amount</b>
First semester contributions (paid) <sup>1</sup>	350,000
Second semester contributions (payable)	350,000
Surplus from 2012	324,500
<b>Total</b>	<b>1,024,500</b>
Payments to MRAG (1 January-30 April)	261,838
Total available funding for May-December, once all contributions are received	762,662

Appendix 1a summarizes in greater detail the expenditures in 2014, and Appendix 1b those of the first four months of 2014.

Based upon MRAG estimates, the budget for 2016 could remain at US\$ 800,000. However, unforeseen observer requests could occur (as in the first two years of the program), making it advisable to have funds in reserve. Taking this into consideration, the staff recommends that the participating Members contribute US\$ 700,000 toward the 2016 budget, thus leaving a reserve available to offset any unexpected expenditures, as has been done in the previous two years. Under the agreed cost-sharing formula, the program's budget in 2016 would be distributed as shown in Table 2.

In December 2015 the Secretariat will inform the participating Members of their contributions to the program for 2016, calculated on the basis of the formula in Table 3. The first contribution for 2016 is payable by 15 January of that year, and in April 2016 the Secretariat will send a reminder for the second contribution, payable by 15 May.

<b>% of budget</b>	<b>Basis</b>	
50%	Number of transshipments in the EPO	1 September 2014- 31 August 2015
50%	Amount of fish transshipped in the EPO	

In order to continue with this program, the Committee should recommend to the Commission that it:

1. Approve the 2016 budget of US\$ 800,000 and the dates of payment by the participants. The contributions by the participating Members would total US\$ 700,000; the remainder would be covered by the existing surplus.
2. Confirm that the agreed formula currently in use for sharing contributions among the participants in

<sup>1</sup> Includes one contribution made 14 May 2015

the program will continue to be used.

**Anexo-Appendix 1a**

Gastos del programa de observadores, 2014 (US\$)  
Observer program costs, 2014 (US\$)

	<b>Costo por unidad</b>	<b>Unidades cobradas</b>	<b>Costo</b>
	<b>Unit cost</b>	<b>Units paid</b>	<b>Cost</b>
Días en el mar Days at sea	330	1,934	638,220
Días de viaje Travel days	333.82	120	40,059
Capacitación Training	453	0	0
Equipo, materiales, viajes Equipment, materials, travel	-		82,671
<b>Total</b>			<b>760,950</b>

**Anexo-Appendix 1b**

Gastos del programa de observadores, 2015, al 30 de abril (US\$)  
Observer program costs, 2015, to 30 April (US\$)

	<b>Costo por unidad</b>	<b>Unidades cobradas</b>	<b>Costo</b>
	<b>Unit cost</b>	<b>Units paid</b>	<b>Cost</b>
Días en el mar Days at sea	330	642	211,860
Días de viaje Travel days	333.82	54	18,026
Capacitación Training	453	0	0
Equipo, materiales, viajes Equipment, materials, travel	-	-	31,952
<b>Total</b>			<b>261,838</b>