

AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

25TH MEETING OF THE PARTIES

La Jolla, California (USA)

19 June 2012

DOCUMENT MOP-25-06

AIDCP BUDGET

1. INTRODUCTION

This document compares actual expenditures and revenue for 2011 with the 2011 budget, anticipated 2012 expenses, and a proposed budget for 2013 to cover all costs related to the AIDCP.

2. CURRENT FINANCIAL SITUATION

Every year the Secretariat is faced with the difficult task of developing a budget with expenses that are based upon anticipated levels of income from vessel assessments. Unfortunately, changes in vessel ownership or status (active vs. inactive) during the year will result in the IATTC having to cover deficits of the AIDCP out of its operating funds, thus exceeding the 30% maximum funding level approved by the IATTC, or further increasing the AIDCP deficit.

An increase in the surcharges for late payment of fees was recommended at the 22nd Meeting of the Parties in October 2009, but that was not agreed. A nominal increase in vessel assessments of USD 1.55 per cubic meter (m³) of well volume was again proposed at the 23rd and 24th Meetings of the Parties, in September 2010 and October 2011 respectively, (Documents [MOP-23-06](#) and [MOP-24-06](#)), but was likewise not approved. At that same meeting the possibility of asking the IATTC to increase its contribution from 30% to 40% was discussed, but no decision was reached in this regard, and the Parties concluded that efforts to reduce the budget should continue.

Table 1 reflects the 2011 AIDCP budget, as presented by the Secretariat in Document [MOP-24-06](#), which includes USD 1,652,700 for the AIDCP's 70% share of observer costs, USD 360,000 for those direct AIDCP costs with 100% budget coverage, and USD 1,910,408 in income from vessel assessments, late, sunk and inactive fees, for a projected net deficit of USD 102,292. This projected deficit is compared to actual 2011 program year expenses, reflecting an actual net deficit of USD 48,940. Column 3 of the table shows the difference between the budgeted and actual cost of each line item.

During the last four years, significant efforts have been made to reduce program expenses, as can be seen in column 3, by decreasing IATTC staff cost allocations and field office expense allocations. To accomplish these savings the Secretariat made some adjustments to the personnel costs allocated to the program, and efforts to reduce meeting expenses continued. However, as noted in column 3, there was a significant increase in the AIDCP meeting costs due to a late change of venue for the annual meeting in October 2011. The costs of hosting the meeting increased due to the need to allocate actual costs to this line item that were not budgeted for.

Extraordinary receipts from prior years are not included in Table 1, in order to present the budget more accurately as it relates to the 2011 program year. For the first time since the inception of the IDCP, the Secretariat received a significant amount of money related to prior years. Income received during 2011 related to prior year budgets includes: assessments for two size-class 5 vessels from 2010 (USD 25,451); resolution of a vessel capacity increase (USD 50,495); and collection of unpaid 2010 fees from a vessel on the active list (USD 9,377). Table 1 shows actual income from 2011 vessel fees of USD 1,926,834, USD 16,426 higher than the budgeted amount of USD 1,910,408. Based on 2011 vessel payments, the

Secretariat calculates that an additional USD 73,166 in vessel fees could have been collected had the nominal increase of USD 1.55/m³ been implemented. This would have been sufficient to cover the 2011 deficit, as well as a small portion of the deficits of previous years.

Table 2 compares three proposed budgets for 2013 to cover all costs related to the AIDCP while remaining within available funding, based upon the current composition of the Regional Vessel Register. The three scenarios for possible expenditures in 2013 are based upon the current rate of USD 14.95/m³ and the proposed rates of USD 18.00 and USD 19.15/m³. The only difference between the scenarios is related to the variable costs of the observers (*i.e.* wages, travel, equipment and training).

3. RECOMMENDATION REGARDING VESSEL FEE INCREASE

As elaborated in recent AIDCP budget documents, the costs associated with the AIDCP continue to grow. Vessel fees have not increased since Resolution A-06-01 was adopted in June 2006, six years ago. In order to have a solvent observer program, the Secretariat again recommends that an increase in vessel assessments be agreed. Taking into consideration recent budget cuts such as the allocations of IATTC staff salaries to the observer program and the changes within the fleet, the Secretariat recommends an increase of USD 4.20 per cubic meter of vessel well volume, which is needed to balance the AIDCP budget in 2013 while still providing the level of anticipated coverage. Should the Parties opt for a smaller increase of USD 3.05/m³, a reduction in anticipated observer costs would be necessary to maintain a balanced budget. If an increase in vessel assessments is not agreed, additional reductions to the budget will need to be considered during 2013, as well as the possibility of not placing observers once the AIDCP income is exhausted. As stated in previous AIDCP budget documents, it is difficult to envision reductions that would not jeopardize the effective implementation of the AIDCP.

TABLE 1. IDCP: Allocation of costs, 2011, and agreed budget for 2012**TABLA 1.** PICD: Distribución de costos, 2011, y presupuesto acordado de 2012

	1	2	3	4
(USD)	2011 Approved budget – Presupuesto aprobado	2011 Actual Reales	2011 Difference Diferencia (Col. 2 - Col. 1)	2012 Agreed budget– Presupuesto acordado
COSTS-COSTOS:				
Covered at 70%-Cubiertos al 70%				
Gross costs-Costos brutos:				
Observers (wages, travel, equipment, training) Observadores (sueldos, viajes, equipo, entre- namiento)	1,200,000	1,200,445	445	1,171,553
IATTC scientific staff (part) Personal científico de la CIAT (porción)	821,000	759,560	(61,440)	824,000
IATTC field office staff and facilities (part) Personal e instalaciones de las oficinas regiona- les de la CIAT (porción)	340,000	326,329	(13,671)	340,000
Subtotal	2,361,000	2,286,334	(74,666)	2,335,553
70% of/del subtotal	1,652,700	1,600,434	(52,266)	1,634,887
Covered at 100%-Cubiertos al 100%				
IATTC administrative staff (part) Personal administrativo de la CIAT (porción)	340,000	310,243	(29,757)	300,000
AIDCP direct costs Costos directos del APICD	5,000	9,956	4,956	8,000
Meetings of Parties and IRP (including staff travel) Reuniones de las Partes y del PIR (incluye viajes del personal)	15,000	35,141	40,141	26,000
Subtotal	360,000	375,340	15,340	334,000
TOTAL COSTS – TOTAL DE COSTOS	2,012,700	1,975,774	(36,926)	1,968,887
REVENUE-INGRESOS:				
Total vessel assessments Total de cuotas de buques	1,853,403	1,877,172	23,769	1,968,887
Late fees, inactive and sunk vessel assessments Recargos + Cuotas de buques inactivos y hundidos	57,005	49,662	(7,343)	-
TOTAL REVENUE – TOTAL DE INGRESOS	1,910,408	1,926,834	16,426	1,968,887
Surplus (deficit) – Superávit (déficit)	(102,292)	(48,940)	53,352	-

TABLE 2. IDCP: Agreed budget for 2012, and three scenarios for proposed vessel fees.**TABLA 2.** PICD: Presupuesto acordado para 2012, y tres escenarios con las cuotas de buques propuestas

(USD)	2012 Agreed budget– Presupuesto acordado	Scenarios - Escenarios		
		1	2	3
		2013	2013	2013
		Vessel fees - Cuotas de buques		
		14.95 / m ³	18.00 / m ³	19.15 / m ³
COSTS-COSTOS:				
Covered at 70%-Cubiertos al 70%				
Gross costs-Costos brutos:	1,171,553	1,263,000	1,180,601	1,263,000
Observers (wages, travel, equipment, training) Observadores (sueldos, viajes, equipo, entrenamiento)	824,000	758,000	758,000	758,000
IATTC scientific staff (part) Personal científico de la CIAT (porción)	340,000	330,000	330,000	330,000
IATTC field office staff and facilities (part) Personal e instalaciones de las oficinas regionales de la CIAT (porción)				
Subtotal	2,335,553	2,351,000	2,268,601	2,351,000
70% of/del subtotal	1,634,887	1,645,700	1,588,021	1,645,700
Covered at 100%-Cubiertos al 100%				
IATTC administrative staff (part) Personal administrativo de la CIAT (porción)	300,000	306,000	306,000	306,000
AIDCP direct costs Costos directos del APICD	8,000	11,000	11,000	10,898
Meetings of Parties and IRP (including staff travel) Reuniones de las Partes y del PIR (incluye viajes del personal)	26,000	55,000	55,000	55,000
Subtotal	334,000	372,000	372,000	371,898
TOTAL COSTS – TOTAL DE COSTOS	1,968,887	2,017,700	1,960,021	2,017,598
REVENUE-INGRESOS:				
Total vessel assessments Total de cuotas de buques	1,968,887	1,807,317	1,960,021	2,017,598
Late fees + inactive and sunk vessel assessments Recargos + Cuotas de buques inactivos y hundidos	-	-	-	-
TOTAL REVENUE – TOTAL DE INGRESOS	1,968,887	1,807,317	1,960,021	2,017,598
Surplus (deficit) – Superávit (déficit)	-	(210,383)	-	-