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COMMITTEE ON ADMINISTRATION AND FINANCE
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**FISCAL YEAR 2017 RESULTS AND BUDGETS FOR FISCAL
YEARS 2019 AND 2020
(1 JANUARY-31 DECEMBER)**

Requested budget, FY 2019	US\$	8,133,837
Projected budget, FY 2020	US\$	8,305,462

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This document presents the Commission's financial activity for fiscal year¹ (FY) 2017, an update on the status of the contributions to the operating budget for FY 2018, the requested budget for FY 2019, and a budget projection for 2020.

1. INTRODUCTION

The IATTC's annual budget is funded by contributions from the [21 Members](#) of the Commission. The budget is agreed by consensus of all Members, in accordance with Article IX.3 of the [Antigua Convention](#). The amount of each Member's contribution to an agreed annual budget is derived from the formula established in Resolution [C-12-04](#).

The Committee on Administration and Finance (CAF), established by Resolution [C-12-02](#) in 2012, is responsible for providing advice and recommendations on matters related to the budget, financing, and administration of the Commission.

2. BACKGROUND

The [Antigua Convention](#) provides the Commission with a modern framework for its objective of ensuring the long-term conservation and sustainable use of the fish stocks of the eastern Pacific Ocean (EPO) covered by the Convention. The Convention mandates a number of activities that must be carried out by the Commission and its staff. These include the collection and analysis of a wide range of data, as well as research

¹ The IATTC's fiscal year coincides with the calendar year, 1 January to 31 December

undertaken by IATTC scientific staff, which in turn forms the basis for advice to the Commission regarding conservation and management. This necessarily requires a budget adequate to support all of this work.

The resolutions adopted by the Commission can also add to the duties and responsibilities of the staff. For example, implementation of the capacity limitation system (Resolution [C-02-03](#)) is tracked by means of the IATTC [Regional Vessel Register](#) (Resolution [C-11-06](#)). Thus, close coordination with the fisheries authorities and tuna industries of each Member is necessary in order to monitor the movement of vessels within and among fleets, which is in turn reflected in the Regional Register. Programs implementing mandates such as these have budgetary implications because they require both human and technological resources.

The Convention requires that the Commission have a staff qualified in administrative, scientific and technical areas, and sufficient for the “efficient and effective application” of the Convention. To meet this requirement, the Commission maintains an [internationally-recruited staff](#), most of whom work at the Commission’s headquarters in La Jolla, California (USA). Other IATTC staff work at field offices in Manta and Playas (Ecuador), Manzanillo and Mazatlán (Mexico), Panama City (Panama), and Cumana (Venezuela), and at the [research laboratory](#) at Achotines (Panama). The scientific staff’s activities are divided among four programs (Data collection and database, Biology and ecosystem, Stock assessment, and the Bycatch and International Dolphin Conservation Program), each of which is in turn divided into a number of specific projects.

Fundamental to the Commission’s work is the compilation of basic data on the fisheries (*e.g.* activities of fishing vessels, distribution of the fishing effort, and the amount and composition of the catches), which are derived from onboard observer reports, vessel logbooks, cannery receipts, and information submitted by governments. Equally critical are the numerous research activities funded by the Commission’s budget and carried out by IATTC scientific staff in fields such as biology, behavioral studies, stock assessment, and ecology, that monitor not only the targeted stocks, but the health and function of the EPO ecosystem. The [research](#) undertaken at the Achotines Laboratory contributes to the understanding of the early life history, growth, and mortality of tropical tunas and the environmental dynamics that play an important role in the recruitment of fish to the fisheries.

Since 1976, the IATTC staff has conducted research on EPO dolphins, and since 1999 has provided the Secretariat for the [Agreement on the International Dolphin Conservation Program \(AIDCP\)](#) and administered the AIDCP’s On-Board Observer Program. The AIDCP mandates 100% observer coverage of fishing trips by large purse-seine vessels² in the EPO. The Commission’s budget covers 30% of the observer program costs; the remaining 70%, along with certain other costs associated with the IDCP, is covered by the budget of the AIDCP, which is funded primarily by contributions from the Parties to the AIDCP through assessments paid by participating vessels (see Document [MOP-35-06](#)). The funding level of 30%, established by the Commission at the inception of the Tuna-Dolphin Program in 1977, reflects the level of observer coverage of large purse-seine vessels required for the data collected to be statistically reliable, and these costs are also accounted for in the annual IATTC operational budget.

More detailed information on the staff’s [research activities](#) can be found on the IATTC [website](#).

3. THE IATTC BUDGET

For budgetary purposes, the activities of the Commission staff that are funded by the Members are divided into six categories:

A	Administration	D	Stock assessment program
B	Data collection and database program	E	Bycatch and AIDCP program
C	Biology and ecosystem program	F	30% of the AIDCP observer budget

² Carrying capacity greater than 363 t (IATTC Class 6).

Category A includes those costs not readily allocable to any specific program and which benefit the Commission in its entirety and are an element of the support provided as Secretariat to the AIDCP. In addition to general secretarial and clerical support (correspondence, filing, document management, meeting organization, etc.), these are broadly divided into **Administration and Management**, which includes financial planning, budgeting, accounting, management of human resources in the main office and in the field offices and the Achotines Laboratory (payroll, benefits, recruiting, policies, procedures), and administrative coordination of scientific research, and **Policy**, which includes communication and relations, including cooperation and coordination, with Members and Cooperating Non-Members, relevant international organizations, both governmental and non-governmental, and other stakeholders, assistance and capacity-building activities, meeting and document preparation, participation in meetings related to the Commission's mandate and legal, institutional and procedural matters related to the operation of the Commission, including guidance on the correct implementation of policies, procedures, measures and rules adopted by the Commission and the AIDCP Parties. All other costs are allocated to the program(s) to which they pertain or which they benefit directly.

Category B includes salaries and benefits for staff assigned to the **Data Collection and Database Program**, and field office staff whose duties include obtaining statistical records of the tuna fishery directly from the fishing fleet and processing plants, providing the data necessary for assessing the effects of fishing on the abundance of the stocks. This category includes the processing of this data and the preparation of the corresponding reports as well as the provision of data in response to requests from CPCs. It also includes all activities related to the IATTC Regional Register of Vessels and its maintenance, including the lists and categories established in different resolutions. A position remains open since a senior member of the staff resigned in 2014; salary and benefits for his replacement have been included in the requested 2019 and projected 2020 budgets.

Category C includes salaries and benefits for field office and scientific staff assigned to projects of the **Biology and Ecosystems Program**, designed to increase the available knowledge of the biology and ecology of tunas, billfishes and associated species in the EPO. This knowledge—along with catch and effort data—is used to parameterize models for assessing the effects of fishing and natural factors on the abundance, sustainability, and ecosystem structure of stocks.

The program encompasses several important activities, grouped into the following categories:

1. Investigations of the biology and behavior of tunas, and deriving population parameter estimates.
2. Tuna tagging experiments to obtain vital information on movements and population structure, along with growth, mortality, and exploitation rates.
3. Determination of the important features of the early life history of the fish and the factors that affect the recruitment of young fish to the exploitable population. This research is conducted at the Achotines Laboratory, and involves field and laboratory investigations of the key environmental and biological factors that control pre-recruitment survival of tunas. The key components of the program are described in Document [SAC-09-14](#).
4. Studies of key species of billfishes taken by commercial, artisanal and recreational fisheries in the EPO.
5. Ecosystem studies, which includes sampling and analysis of diets and tissues required to understand food-web dynamics, and analysis of biological, ecological and fisheries data to facilitate ecological risk assessment and ecosystem modeling.

Data for these types of research are obtained from sampling catches at ports of landing, analyses of information collected from vessel logbooks and by on-board observers, studies conducted at sea on research and fishing vessels, and laboratory experiments.

Category D includes salaries and benefits for scientific staff assigned to projects of the **Stock Assessment Program** related to the Commission's responsibilities regarding conservation and fisheries management. This program is divided into the following major areas of activity:

1. Stock assessments of tunas, billfishes, dolphins, and other species (*e.g.* sharks and dorado) as deemed necessary by the Members.
2. Participation in assessments conducted by other entities of stocks whose range includes the EPO (*e.g.* bluefin, albacore, billfishes) or for which hypotheses of stock boundaries are being explored (*e.g.* Pacific-wide assessment of bigeye, billfishes).
3. Evaluation of current and proposed management measures. (*e.g.* using, management strategy evaluation (MSE) to test harvest control rules with respect to reference points, and evaluate spatial and temporal closures).
4. Organizing workshops on stock assessment methodology (*e.g.* the fall workshop series, in collaboration with CAPAM, the Center for the Advancement of Population Assessment Methodology) and reviews of IATTC stock assessments.
5. Design and evaluation of sampling programs for fishery data collection and scientific experiments in the EPO.
6. Analyzing biological and fisheries data for input into the stock assessments.
7. Conducting research on stock assessment, stock assessment methodology, and related topics.
8. Providing analytical support for the other IATTC research programs.
9. Capacity-building for IATTC Members related to data collection, stock assessment, and evaluation of management options.
10. Participation in scientific meetings, scientific bodies, and peer reviews of stock assessments and research.

Included in the salaries and benefits line items for 2019 and 2020 is the planned replacement for a member of the scientific staff allocated to this program who retired in December 2016, and has been scheduled for replacement in late 2018.

Category E includes salaries and benefits of field office staff and of scientific staff assigned to the **Bycatch and IDCP Program**'s projects related to the Commission's investigations of dolphins and other species caught incidentally in the tuna fisheries. The Bycatch and IDCP program is divided into the following major areas of activity:

1. Research and support for the reduction and management of bycatches of non-target species taken in fisheries for species covered by the Antigua Convention.
2. Modeling studies of the selectivities of different fisheries and gears, and their impacts on the ecosystem.
3. Gear workshops; developing recommendations for the adoption of dolphin-saving technology for fisheries involving dolphins, reduction of bycatches on FADs and bycatches of sea turtles in artisanal long-line fisheries, to include advice and technical assistance to fishermen.
4. Support for capacity-building with regard to tagging, bycatches, and shark fisheries.
5. Conducting workshops for vessel crews to promote the reduction of impacts of the fishery on non-target species and compliance with IATTC resolutions.

Category F includes a portion of salaries and benefits of scientific staff performing various tasks in support of the AIDCP that are not included in other programs, direct observer costs (*i.e.* salaries, benefits, travel costs, training, *etc.*) and costs associated with maintaining field offices.

This program is divided into the following major areas of activity:

1. Collection of dolphin data by observers aboard purse-seine vessels.
2. Collection by observers of fishery and biological data on catches and discards of tunas and associated species by the purse-seine fishery. The AIDCP budget covers 70% of the cost of these observers; the

IATTC budget covers the other 30%.

3. Training of the observers who collect data for this program.
4. Editing of the data collected by observers, in support of the Data collection and database program.

The information is also used to support monitoring of compliance with measures established by the IATTC and AIDCP.

4. FISCAL YEAR 2017 OPERATIONAL EXPENDITURES

In **Table 1**, Column 1 shows the original requested budget for 2017; Column 2 shows the reductions made by the Members to individual items, and Column 3 the resulting approved budget. Column 4 shows the actual expenditures in FY 2017, and Columns 5a and 5b the variances between the budgeted and actual costs.

Table 2 summarizes the financial results, by budget category and line item, as of 31 December 2017.

The following provides additional detail about the individual line items presented in **Table 2**.

HEADQUARTERS SALARIES AND BENEFITS

Salaries: The permanent scientific, administrative, clerical, and technical personnel required to carry out the tasks assigned by the Commission. Headquarters staff salaries are based on US government salary scales.

Group insurance: Includes life, disability, medical, dental and accident insurance. To counteract the growing costs of health insurance in the United States, the IATTC now offers employees a cross-border medical plan which allows the option of using health care providers in Mexico.

Social security: Includes contributions to US social security paid by the Commission.

Pension fund (IFCPF): Includes the IATTC's original pension plan, administered by the International Fisheries Commissions Pension Society (IFCPS), which provides level funding over periods of three years based upon actuarial evaluations. As discussed in prior budget documents, and documented in the footnotes to the Commission's Annual Financial Statement audit, the IFCPF has experienced large deficits in prior years. Although the fund has shown some improvement, the triennial actuarial evaluation in January 2017 again showed a significant deficit, and this has been considered in future budget allocations.

403 (b) Retirement plan: In FY 2002, a defined contribution (403(b)) retirement plan, in which all financial risks are assumed by the employee, was introduced for new employees in place of the existing IFCPS defined benefit plan, whereby the fund assumes all risks.

TABLE 1. 2017 budget	1	2	3	4	5a	5b
	Requested	Reduction	Approved	Actual	US\$	%
HEADQUARTERS SALARIES AND BENEFITS:						
Salaries	3,547,928	(332,976)	3,214,952	3,280,025	65,073	2.0
Employee benefits:						
Group insurance:						
Medical insurance	347,000		347,000	292,560	(54,440)	(15.7)
Life, disability and personal accident insurance	23,460		23,460	25,452	1,992	8.5
Workmen's compensation insurance	-		-	7,230	7,230	100.0
Social security	234,201		234,201	231,965	(2,236)	(1.0)
Pension fund (IFCPF)	515,000		515,000	547,847	32,847	6.4
403(b) retirement plan	240,929		240,929	251,726	10,797	4.5
Subtotal, Headquarters salaries and benefits	4,908,518	(332,976)	4,575,542	4,636,805	61,263	
OPERATING COSTS:						
Field office facilities and related supplies	114,020	(29,020)	85,000	73,903	(11,097)	(13.0)
Field office staff salaries	505,000	-	505,000	508,272	3,272	0.6
Headquarters office expenses	190,910	-	190,910	193,966	3,056	1.6
Purchase and maintenance of computer equipment	90,000	-	90,000	94,547	4,547	5.1
Vehicles:						
Purchases	40,000	(20,000)	20,000	38,202	18,202	91.0
Operation (fuel, maintenance, <i>etc.</i>)	24,305	-	24,305	20,423	(3,882)	(16.0)
Insurance, licenses and permits	6,000	-	6,000	2,768	(3,232)	(53.9)
Printing, postage and publication	12,000	-	12,000	7,506	(4,494)	(37.45)
Staff travel	136,420	(16,420)	120,000	100,993	(19,007)	(15.8)
2017 Annual meeting	85,000	(85,000)	-	45,445	45,455	100.0
IATTC meetings (excluding annual meetings)	65,000	-	65,000	60,854	(4,146)	(6.4)
Contracts:						
Web design	-	-	-	43,172	43,172	100.0
Annual audit and tax reporting	32,000	-	32,000	52,290	20,290	63.4
Payroll services	10,000	-	10,000	9,664	(336)	(3.4)
Other professional services	10,000	-	10,000	18,017	8,017	80.2
Bank and other fees	10,000	-	10,000	7,870	(2,130)	(21.3)
Subtotal, Operating costs	1,330,655	(150,440)	1,180,215	1,277,892	97,677	
Subtotal, Headquarters salaries and benefits + Operating costs	6,239,173	(483,416)	5,755,757	5,914,697	158,940	
Observer program	849,624	-	849,624	821,106	(28,518)	(3.4)
TOTAL Operating budget	7,088,787	(483,416)	6,605,381	6,735,803	130,422	

TABLE 2. Operational expenses, in US\$, by budget category and line item, 2017 ³	A	B	C	D	E	Subtotal IATTC	F	TOTAL
HEADQUARTERS SALARIES AND BENEFITS:								
Salaries	730,234	543,947	999,590	575,849	430,405	3,280,025	157,031	3,437,056
Employee benefits:								
Group insurance:								
Medical insurance	64,356	66,786	93,036	38,120	30,262	292,560	15,065	307,625
Life, disability and personal accident insurance	5,273	6,474	6,243	2,606	4,856	25,452	579	26,031
Workmen's compensation insurance	1,367	1,663	2,128	1,230	842	7,230	582	7,812
Social security	51,259	37,683	69,795	42,295	30,933	231,965	10,824	242,789
Pension fund (IFCPF)	16,583	117,308	265,325	52,819	95,812	547,847	13,929	561,776
403(b) Retirement plan	45,315	19,318	28,804	49,112	109,177	251,726	8,241	259,967
Subtotal, headquarters salaries and benefits	914,387	793,179	1,464,921	762,031	702,287	4,636,805	206,251	4,843,056
OPERATING COSTS:								
Field office facilities and related supplies	-	46,806	5,739	,	21,358	73,903	26,517	100,420
Field office staff salaries	-	212,057	200,633		95,582	508,272	86,637	594,909
Headquarters office expenses	31,517	331	157,710	235	4,173	193,966	-	193,966
Observer costs	-	-	-	-	-	-	501,701	501,701
Purchase and maintenance of computer equipment	77,882	159	6,901	5,492	4,113	94,547	-	94,547
Vehicles:								
Purchases	38,202	-	-	-	-	38,202	-	38,202
Operation (fuel, maintenance, etc.)	8,078	242	10,977	1,116	10	20,423	-	20,423
Insurance, licenses and permits	2,498	20	250	-	-	2,768	-	2,768
Printing, postage and publication	2,569	112	4,817	8	-	7,506	-	7,506
Staff travel	34,001	7,508	33,068	21,580	4,836	100,993	-	100,993
2017 annual meeting	39,613	-	-	5,832	-	45,445	-	45,445
IATTC meetings (excluding annual meetings)	11,598	1,869	600	46,787	-	60,854	-	60,854
Contracts:								
Web design	43,172	-	-	-	-	43,172	-	43,172
Annual audit and tax reporting	52,290	-	-	-	-	52,290	-	52,290
Payroll services	9,347	-	317	-	-	9,664	-	9,664
Other professional services	18,017	-	-	-	-	18,017	-	18,017
Bank and other fees	7,145	-	695	30	-	7,870	-	7,870
Subtotal, operating costs	375,929	269,104	421,707	81,080	130,072	1,277,892	614,855	1,892,747
TOTAL operational expenses	1,290,316	1,062,283	1,886,627	843,111	832,359	5,914,697	821,106	6,735,803

³ A (Administration); B (Data collection and database); C (Biology and ecosystem); D (Stock assessment); E (Bycatch and AIDCP); F (30% of the AIDCP observer program)

BUDGETED OPERATIONAL COSTS

Field office facilities and related supplies: includes rent, utilities, insurance, telephone and office supplies for the Commission's field offices.

Field office staff salaries: includes costs related to permanent field office staff, as well as related taxes and benefits.

Observer costs: includes the required IATTC funding of the IDCP, which covers 30% of all direct observer costs such as wages, taxes, insurance, travel, equipment, and training. The amount is based upon the requested AIDCP budget in document [MOP-37-01](#), and is subject to change once the Parties to the AIDCP approve the budget for 2019.

Headquarters office expenses: includes utilities, insurance, telephone, and office supplies for both the La Jolla office and the Achotines Laboratory.

Purchase and maintenance of computer equipment: Includes major equipment purchases such as computers, software, licensing agreements, and office machines.

Purchase and operating costs of vehicles: includes purchase of vehicles and related maintenance, and fuel costs.

Insurance, licenses and permits: includes all vehicle and property insurance, vehicle registrations and regulatory agency fees.

Printing, postage and publication: includes all costs related to postage and printing needs.

Staff travel: includes travel and subsistence costs incurred by IATTC staff members to attend meetings or workshops sponsored by third parties. Does not include IATTC meetings.

IATTC meetings (excluding annual meetings): includes cost of venue and incidental costs incurred by IATTC staff members to attend IATTC meetings. Also includes costs for simultaneous interpretation services.

Contracts: includes legal and professional fees, auditing and payroll services, short-term contracts with specialists, and casual labor costs.

Bank and other fees: includes bank fees and other similar costs.

Line items with significant variances (> US\$ 15,000 and 10%) between the budgeted and actual costs (**Table 1**) were:

1. **Medical insurance (US\$ (54,440); (15.7%)):** The decision made by the Commission staff to offer a cross-border health insurance plan has been well received by the staff, thus reducing the cost of this line item.
2. **Vehicle purchase (US\$ 18,202; 91.0%):** After considering the current condition of the IATTC vehicles, it was determined that the costlier higher passenger capacity vehicle would require higher maintenance costs, and it would therefore be more beneficial to replace this vehicle during the current year rather than the next; therefore, exceeding this budget line item.
3. **Staff travel (US\$ (21,246); (17.7%)):** In many cases support was obtained from sponsoring organizations to attend meetings requiring travel, thus keeping these costs to a minimum during 2017.
4. **IATTC meetings (US\$ 45,445; 100.0%):** Non-budgeted costs related to staff travel to attend the 92nd annual meeting.
5. **Web design (US\$ 43,172; 100.0%):** Non-budgeted costs related to the development of a new IATTC website.

6. **Annual audit and tax reporting** (US\$ 20,290; 63.4%): Non-budgeted costs related to disclosure requirements that cash held in international banks be accounted for within the financial statements of the organization.

5. 2017 SPECIAL PROJECTS

The IATTC staff routinely seeks and receives funding from alternative sources to support its activities. Consequently, in addition to the Commission's regular operations, several projects in which the staff is involved are funded separately by the Members or other interested parties. The information on these projects is included for illustrative purposes only, as their budgets are determined, approved, and accounted for separately, and are not part of the IATTC's regular budget. For instance, since 2007 the IATTC staff has raised an annual average of US\$ 97,000 in supplementary funding for research at the Achotines Laboratory, in addition to the US\$ 274,000 from the IATTC regular budget for utilities, fish food, and other supplies, and salaries for 20 locally-contracted staff, included in the Biology and Ecosystem Program. This amount has remained unchanged since 2006, and due to continued increases in costs and the growth in the operations of the Achotines Laboratory, an annual increase of US\$ 50,000 is being requested beginning in 2019.

Table 3 summarizes the income and expenses related to those funds received during 2017. "Other projects" includes sundry funds remaining from previous projects that were exhausted during 2017.

The 2017 approved budget did not include funds supporting the 92nd Annual meeting. Related staff expenses for flights, ground transportation and translation totaled approximately US\$ 35,000 (**Table 3**).

The program for monitoring transshipments at sea by longline vessels is funded separately (see Document [CAF-06-03](#)).

The special fund for strengthening the institutional capacity of developing countries established by Resolution [C-14-03](#) is essential to ensure the substantial and effective participation of those countries in the activities of the Commission, including its meetings. The fund is financed by a 2% levy added to the operating budget, and thus proportionately to each Member's contribution (see Document [CAF-06-02](#)). In 2017 this amounted to US\$ 132,108, based on the approved operating budget of US\$ 6,605,381 for that year.

TABLE 3. Special projects, 2017, in US\$	Income	Expenses	+/-
Collection of data on bycatches of sharks (GEF/FAO)	82,131	82,131	-
Western Pacific out-of-area activity	55,982	44,181	11,801
Shark Sampling Workshop (GEF/FAO)	53,894	51,328	2,566
92 nd IATTC Annual meeting (staff flights, transportation and translation)	-	35,457	(35,457)
Testing of non-entangling and biodegradable FADs (EU/ISSF)	17,650	17,650	-
Estimation of post-release shark survival rate (EU/ISSF)	16,550	16,550	-
92 nd meeting (extraordinary)	15,781	15,781	-
Marine Turtle Conservation Fund (USA)	10,000	10,000	-
Simulation testing of reference points	8,952	8,952	-
2018 CAPAM workshop (preparations) (ISSF)	3,439	3,439	-
Other projects	235	530	(295)
Total	264,614	285,999	(21,385)
Transshipment program	1,159,643	1,159,643	-
Capacity-building fund (CBF)	117,410	113,937	3,473

Since 2005, an administrative fee has been charged on all contracts for services provided by the IATTC staff to third parties that are covered neither in the IATTC nor AIDCP budgets. This includes research contracts and grants, as well as the placement of observers on vessels operating outside the IATTC Convention Area, and is included under **Other contract revenue** in the audited financial statements. This income is in addition to the regular budget, and is used to cover unexpected costs not included in the approved

budget.

6. STATUS OF 2017 MEMBER CONTRIBUTIONS, AS OF 31 DECEMBER 2017

As noted in the introduction, the Commission's primary source of income is the contributions of its Members. **Table 4** summarizes the status of the contributions specified in Resolution [C-15-06](#) received during 2017:

TABLE 4. Member contributions received during 2017, in US\$

	Payments of past arrears	Budget contributions		Total
		2017	Voluntary / 2018	
Belize	-	35,387	-	35,387
Canada	-	117,004	-	117,004
China	25,186	149,021	20,000	194,207
Colombia	50,000	-	-	50,000
Costa Rica	-	70,861	-	70,861
Ecuador	-	1,171,914	-	1,171,914
El Salvador	-	62,460	-	62,460
European Union	-	295,377	-	295,377
France	-	99,939	-	99,939
Guatemala	14,336	24,847	-	39,183
Japan	-	351,207	-	351,207
Kiribati	65,030	33,424	966	99,420
Korea	-	185,629	-	185,629
Mexico	-	909,706	-	909,706
Nicaragua	-	58,702	-	58,702
Panama	697,675	-	-	697,675
Peru	10,115	60,617	-	70,732
Chinese Taipei	-	167,589	-	167,589
United States of America	-	1,746,553	-	1,746,553
Vanuatu	-	20,552	-	20,552
Venezuela	1,315,297	-	-	1,315,297
Total contributions	2,177,640	5,560,788	20,966	7,759,394
Unpaid 2017 contributions at year end		1,148,595 ⁴		
Prepaid contribution in 2016		28,106		
2017 approved budget		6,737,489		

As of 31 December 2017, past-due contributions totaled US\$ 2,997,129, a decrease of over US\$ 1,000,000 from the previous year. **Table 5** shows in greater detail the status of the contributions of Members that are in arrears.

⁴ See **Footnote 6** in notes to the audited financial statements dated 7 June 2018.

TABLE 5. Contributions in arrears, in US\$, as of 31 December 2017										
	Previous years						2017		Total, 31-DEC-17	
	2011	2012	2013	2014	2015	2016	Total, 31-DEC-16	Billed	Paid	
China	*	*	*	*	*	25,186	25,186	149,021	174,207	-
Colombia	*	*	*	*	46,748	309,591	356,339	279,534	50,000	585,873
Guatemala	*	*	*	*	*	14,337	14,337	40,993	39,183	16,146
Kiribati	*	*	*	*	31,839	33,191	65,030	33,424	98,454 ⁵	-
Panama	198,542	492,817	435,910	396,980	356,551	359,070	2,239,870	477,072	697,675	2,019,267
Peru	*	*	*	*	*	10,115	10,115	61,979	70,732	1,363
Venezuela	*	*	46,679	440,056	425,841	402,721	1,315,297	374,480	1,315,297	374,480
Total	198,542	492,817	482,589	837,036	860,979	1,154,210	4,026,173	1,416,503	2,445,548	2,997,129

* No outstanding arrears during those years.

7. STATUS OF MEMBER CONTRIBUTIONS FOR 2018

The operating budget for the current year, FY 2018, is US\$ 6,366,467, plus US\$ 849,624 in additional funding for the AIDCP Observer Program, special funding of US\$ 100,000 to perform a review of the IATTC's management of human resources, an additional US\$ 504,500 in scientific research projects, and US\$ 156,412 for the capacity-building fund, for a total agreed budget of US\$ 7,977,003, as reflected in Resolution [C-17-03](#).

Table 6 shows the status of unpaid contributions, totaling US\$ 6,468,754 as of 30 June 2018:

TABLE 6. Contributions outstanding, in US\$, as of 30 June 2018 ⁶				
	Previous years	FY 2017	FY 2018	Total
China	-	-	200,561	200,561
Colombia	306,339	279,534	351,584	937,457
Costa Rica	-	-	8,641	8,641
Ecuador	-	-	1,640,775	1,640,775
Guatemala	-	-	41,399	41,399
Kiribati	-	-	41,441	41,441
Nicaragua	-	-	71,491	71,491
Panama	1,542,195	477,072	606,497	2,625,764
Peru	-	1,363	84,561	85,924
Vanuatu	-	-	55,261	55,261
Venezuela	-	374,480	385,560	760,040
Total	1,848,534	1,132,449	3,487,771	6,468,754

Despite the requirement that all contributions be paid by 1 March of the corresponding year, as of 30 June 2018, 44% (US\$ 3.5 million) of the 2018 budget contributions established in Resolution [C-17-03](#) are still pending (**Table 6**), and are thus considered in arrears. Given that most of the contributions due in any given year are not paid before the established deadline, the Members may wish to consider creating additional incentives or penalties to improve compliance with that obligation.

8. REQUESTED BUDGET FOR 2019 AND PROJECTED BUDGET FOR 2020

Table 7 presents the budgets for 2017 - 2020, by budget category. Column 1 shows actual expenditures in

⁵ Does not include 2018 prepaid contribution of US \$ 966

⁶ Payments made subsequent to 30 June will be presented at the 6th Meeting of Committee on Administration and Finance in August.

2017, and Column 2 the differences from the approved budget for 2018 (Column 3). Columns 4-8 extend this to the requested budget for 2019 and the projected budget for 2020.

TABLE 7. Increase/(decrease) in budgeted operational expenditures, in US\$, by budget category							
Category	1 FY 2017 (actual)	2 Difference 2017-2018	3 2018 (approved)	4 Difference 2018-2019	5 2019 (requested)	6 Difference 2019-2020	7 2020 (projected)
A	1,290,316	1,701	1,292,017	94,754	1,386,771	71,464	1,458,235
B	1,062,283	63,300	1,125,583	65,125	1,190,708	57,902	1,248,610
C	1,886,627	143,741	2,030,368	167,474	2,197,842	104,447	2,302,289
D	843,111	189,347	1,032,458	59,737	1,092,195	53,111	1,145,306
E	832,360	53,680	886,040	51,265	937,305	45,580	982,885
F	821,106	28,518	849,624	158,405	1,008,029	(2,744)	1,005,285
Total	6,735,803	480,287	7,216,091	596,760	7,812,850	329,760	8,142,610

Increase from approved 2018 to requested 2019 operational budgets:

The proposed increase of US\$ 596,760 from 2018 to 2019 includes funding for the following:

1. **Salaries and benefits (US\$ 343,354):**
 - a. Reflects an increase related to the salaries and benefits of one open senior scientist position, as discussed in Section 3. Category B, and a translator (US\$ 171,354)
 - b. To provide adequate life, disability and personal accident insurance for all staff (US\$ 2,000)
 - c. A 2% COLA (cost-of-living adjustment) and merit increases in salaries and benefits (US\$ 170,000)
 - d. A move from the IFCPS pension fund to the 403(b) retirement plan with a zero net effect on the budget. This change in allocation considers that new hires will be under the 403(b) retirement fund and those currently in the pension fund will be retiring, thus reducing the pension plan employer cost and increasing the 403(b) retirement plan costs.
2. **Field office staff salaries (US\$ 15,000):**
A 2% COLA and merit increases in salaries and benefits.
3. **Headquarters office expenses (US\$ 50,000):**
Adjusted to reflect anticipated storage cost increases, as well as additional funds needed to cover cost increases for yellowfin broodstock food, repairs and materials at the Achotines Laboratory.
4. **Purchase of vehicle (US\$ (30,000)):**
Replacement of headquarters vehicles no longer needed; therefore, stricken from the budget.
5. **Vehicle operational costs (US\$ 5,000):**
Increase in anticipated fuel costs for the Achotines Laboratory.
6. **Annual audit and tax reporting (US\$ 10,000):**
The IATTC has used the same auditors for ten years. The staff believes it is good practice to change auditors regularly, and plans to do so. This will require additional funding to cover an anticipated increase in fees.
7. **Other professional services (US\$ 25,000):**
Anticipating the need for further consultations for the new web site.
8. **Annual meetings (US\$ 20,000):**
Annual increases are needed to ensure funding needs as these costs continue to increase.
9. **AIDCP program (US\$ 158,405):**
Further discussion of this increase may be found in [MOP-37-06](#).

9. JUSTIFICATION FOR INCREASE FROM THE REQUESTED BUDGET FOR 2019 TO THE PROJECTED BUDGET FOR 2020

Table 8 shows the information in **Table 7** in greater detail.

TABLE 8. Comparative figures, in US\$, by budget line item, FYs 2018- 2020

	2018 (approved)	2019 (requested)	2020 (projected)
HEADQUARTERS SALARIES AND BENEFITS:			
Salaries	3,547,928	3,865,024	4,190,620
Group insurance:			
Medical insurance	347,000	347,000	347,000
Life, disability and personal accident insurance	28,000	30,000	32,000
Workmen's compensation insurance	14,000	14,000	14,000
Social security	239,323	263,581	288,489
Pension fund (IFCPS)	565,000	515,000	515,000
403 (b) Retirement plan	255,001	305,001	305,001
Subtotal, Headquarters salaries and benefits	4,996,252	5,339,606	5,692,110
OPERATING COSTS:			
Field office facilities and related supplies	100,000	100,000	100,000
Field office staff salaries	515,000	530,000	530,000
Headquarters office expenses	190,910	240,910	240,910
Purchase and maintenance of computer equipment	100,000	100,000	100,000
Vehicles:			
Purchases	30,000	-	-
Operational (fuel, maintenance, etc.)	24,305	29,305	29,305
Parking	14,000	14,000	14,000
Insurance, licenses and permits	6,000	6,000	6,000
Printing and postage	20,000	20,000	20,000
Staff travel	120,000	120,000	120,000
IATTC meetings (excluding annual meetings)	80,000	80,000	80,000
Contracts:			
Annual audit and tax reporting	35,000	45,000	45,000
Payroll services	15,000	15,000	15,000
Other professional services	10,000	35,000	10,000
Bank and other fees	10,000	10,000	10,000
Subtotal, Operating costs	1,270,215	1,345,215	1,320,215
ANNUAL MEETINGS:			
Meeting venue	100,000	120,000	125,000
Subtotal, Salaries and benefits, Annual meetings, and Operating costs	6,366,467	6,804,821	7,137,325
AIDCP program⁷	849,624	1,008,029	1,005,285
Total, Operating costs	7,216,091	7,812,850	8,142,610
Human Resource Consultant	100,000	-	-
Various research projects	504,500	161,500	-
Subtotal	7,820,591	7,974,350	8,142,610
Capacity Building Fund⁸	156,412	159,487	162,852
TOTAL BUDGET	7,977,003	8,133,837	8,305,462

⁷ Amount is based upon the AIDCP budget request and is subject to change (See current MOP Finance Document).

⁸ Actual amount is dependent upon the approved operational budget.

10. SUMMARY

The Director and the staff of the Commission recognize the need to minimize costs while ensuring that they fulfill their functions in compliance with the Antigua Convention and carry out the tasks assigned by the Members. The budget needs first to keep pace with inflation, which affects all expenditures related to the activities of the Commission, both at headquarters and abroad, in view of the continuously rising costs of the supplies and goods that must be purchased as a normal part of the function of the Commission, as well as for all activities associated with meetings and the implementation of projects and programs. With regard to staff salaries and related benefits, cost of living adjustments should be applied on an annual basis. It is important also to recall that the scope of the activities of the Commission and its staff continues to expand, as noted in this document, not only because of the broader mandate derived from the Antigua Convention, but also in response to the wishes and demands of the Members. It is therefore essential that the Commission give due consideration to the levels of funding requested in this document and adopt the requested budget for 2019 in the amount of US\$ 8,133,837. Finally, it must be stressed that, for the Commission and its staff to fulfill their functions in compliance with the Antigua Convention fully and efficiently, it is essential that all Member contributions to the budget be paid in a timely manner, and that the situation related to the pending arrears of some Members be promptly resolved.

Due to the continued growth of IATTC activities, it is essential to consider adding funds to fully fund the activities proposed at the annual Scientific Advisory Committee.

Detailed proposals for specific activities that should be considered individually and that require funding additional to the budget outlined in this document will be presented in a separate document.