

AGREEMENT ON THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

24TH MEETING OF THE PARTIES

DEL MAR, CALIFORNIA
21 OCTOBER 2011

DOCUMENT MOP-24-06

AIDCP BUDGET

1. INTRODUCTION

This document compares actual expenditures and revenue for 2010 with the 2010 budget, anticipated 2011 expenses, and a proposed budget for 2012 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 US\$ 1.55 per cubic meter of well volume was again proposed at the 23rd Meeting of the Parties in September 2010 (Document [MOP-23-06](#)), 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 2010 AIDCP budget, as presented by the Secretariat in Document [MOP-23-06](#), which includes US\$ 1,726,995 for the AIDCP's 70% share of observer costs, US\$ 436,566 for those direct AIDCP costs with 100% budget coverage, and US\$ 2,080,379 in income from vessel assessments, for a projected net deficit of US\$ 83,182.

During the last three years, significant efforts have been made to reduce program costs. The Secretariat made some adjustments to personnel costs allocated to the program, and continued working towards lowering meeting expenses. The 2010 deficit herein presented resulted directly from a decrease in budgeted income from vessel fees. Table 1 shows actual income from vessel fees of US\$ 1,847,354, US\$ 233,025 less than the budgeted amount of US\$ 2,080,379. Based on 2010 vessel payments, the Secretariat calculated that an additional \$183,549 in vessel fees could have been collected had the nominal increase of \$1.55 per cubic meter been implemented. This increase in fees would have been sufficient to cover the 2010 deficit, as well as a small portion of previous years' deficits.

Table 2 compares two proposed budgets for 2012 to cover all costs related to the AIDCP while remaining within available funding, based upon vessel invoices distributed in August 2011. The two different scenarios for possible expenditures in 2012 are based upon the current rate per cubic meter of US\$ 14.95 and the proposed rate of US\$ 16.50. In both scenarios, the only change is the variable costs related to the observers placed on the vessels (*i.e.* observer 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. In order to have a solvent observer program, the Secretariat again recommends that a modest increase in vessel assessments

be agreed. Taking into consideration recent budget cuts such as the allocations of Secretariat salaries to the observer program and the changes within the fleet, an increase of US\$ 1.55 per cubic meter of vessel well volume continues to be a reasonable solution for balancing the AIDCP budget while allowing sufficient funding for anticipated observer expenses. If an increase in vessel assessments is not agreed, additional reductions to the budget will need to be considered during the 2012 program year. 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, 2010, and forecast 2011 expenditures

TABLA 1. PICD: Distribución de costos, 2010, y gastos de 2011 predichos

	1	2	3	4
(US\$)	2010 Approved budget – Presupuesto aprobado	2010 Actual Reales	2010 Difference Diferencia (Col. 2 - Col. 1)	2011 Projected budget– Presupuesto proyectado
COSTS-COSTOS:				
Covered at 70%-Cubiertos al 70%				
Gross costs-Costos brutos:				
Observers (wages, travel, equipment, training) Observadores (sueldos, viajes, equipo, entre- namiento)	1,377,145	1,210,063	(167,082)	1,200,000
IATTC scientific staff (part) Personal científico de la CIAT (porción)	772,087	796,352	24,265	821,000
IATTC field office staff and facilities (part) Personal e instalaciones de las oficinas regiona- les de la CIAT (porción)	317,904	312,609	(5,295)	340,000
Subtotal	2,467,136	2,319,024	(148,112)	2,361,000
70% of/del subtotal	1,726,995	1,623,317	(103,678)	1,652,700
Covered at 100%-Cubiertos al 100%				
Net alignments (travel) and training seminars Alineamientos de la red (viajes)	10,173	273	(9,900)	-
IATTC administrative staff (part) Personal administrativo de la CIAT (porción)	362,273	390,058	27,785	340,000
AIDCP direct costs Costos directos del APICD	14,250	2,386	(11,864)	5,000
Meetings of Parties and IRP (including staff travel) Reuniones de las Partes y del PIR (incluye viajes del personal)	49,870	25,450	(24,420)	15,000
Subtotal	436,566	418,167	(18,399)	360,000
TOTAL COSTS – TOTAL DE COSTOS	2,163,561	2,041,484	(122,077)	2,012,700
REVENUE-INGRESOS:				
Total vessel assessments Total de cuotas de buques	2,080,379	1,847,354	(233,025)	1,853,403
Late fees, inactive and sunk vessel assessments Recargos + Cuotas de buques inactivos y hundidos	-	40,872	40,872	57,005
TOTAL REVENUE – TOTAL DE INGRESOS	2,080,379	1,888,226	(192,153)	1,910,408
Surplus (deficit) – Superávit (déficit)	(83,182)	(153,258)	70,076	(102,292)

TABLE 2. IDCP: Projected budget for 2011, and for 2012 with current and proposed vessel fees (Scenarios 1 and 2).

TABLA 2. PICD: Presupuesto proyectado para 2011, y para 2012 con cuotas de buques actuales y propuestas (Escenarios 1 y 2)

	(US\$)	Scenarios - Escenarios	
		1	2
		2011 Projected budget– Presupuesto proyectado	2012 Vessel fees Cuotas de buques \$14.95 / m ³
COSTS-COSTOS:			
Covered at 70%-Cubiertos al 70%			
Gross costs-Costos brutos:			
Observers (wages, travel, equipment, training) Observadores (sueldos, viajes, equipo, entrenamiento)	1,200,000	1,171,553	1,300,000
IATTC scientific staff (part) Personal científico de la CIAT (porción)	821,000	824,000	824,000
IATTC field office staff and facilities (part) Personal e instalaciones de las oficinas regionales de la CIAT (porción)	340,000	340,000	340,000
Subtotal	2,361,000	2,335,553	2,464,000
70% of/del subtotal	1,652,700	1,634,887	1,724,800
Covered at 100%-Cubiertos al 100%			
IATTC administrative staff (part) Personal administrativo de la CIAT (porción)	340,000	300,000	300,000
AIDCP direct costs Costos directos del APICD	5,000	8,000	8,000
Meetings of Parties and IRP (including staff travel) Reuniones de las Partes y del PIR (incluye viajes del personal)	15,000	26,000	26,000
Subtotal	360,000	334,000	334,000
TOTAL COSTS – TOTAL DE COSTOS	2,012,700	1,968,887	2,058,800
REVENUE-INGRESOS:			
Total vessel assessments Total de cuotas de buques	1,853,403	1,968,887	2,173,019
Late fees + inactive and sunk vessel assessments Recargos + Cuotas de buques inactivos y hundidos	57,005	-	-
TOTAL REVENUE – TOTAL DE INGRESOS	1,910,408	1,968,887	2,007,245
Surplus (deficit) – Superávit (déficit)	(102,292)	-	114,219