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COMMITTEE ON ADMINISTRATION AND FINANCE
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**FISCAL YEAR 2015 RESULTS AND BUDGETS FOR FISCAL
YEARS 2017 AND 2018**

(1 JANUARY-31 DECEMBER)

Projected budget, FY 2018	US\$	7,319,603
Requested budget, FY 2017	US\$	7,230,573

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This document presents the Commission’s financial activity for fiscal year¹ (FY) 2015, an update on the status of the contributions to the operating budget for FY 2016, the requested budget for FY 2017, and a budget projection for 2018.

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, which can be used by the staff as a

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

basis for its research, and ultimately for its advice to the Commission regarding matters such as stock abundance and conservation measures. This work requires a broad-based, comprehensive research program, involving the collection and analysis of data from a number of fisheries, as well as ancillary biological and environmental data and, necessarily, 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 which 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), or at the [research laboratory](#) at Achotines (Panama). The scientific staff’s activities are divided among four programs (Stock assessment, Biology and ecosystems, Bycatch and International Dolphin Conservation Program, and Data collection and databases), 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.

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

The tuna fishery in the EPO is better documented than any other tuna fishery, and the dynamics of the tuna stocks in the EPO are better understood than those of most other tuna stocks. Accordingly, the IATTC's research program in the EPO has set standards for, and formed the basis of, study and comparison in other parts of the world, and it is obviously important to maintain the continuity of the research that the staff has been conducting for over sixty years. However, collecting, processing, analyzing, and storing these data come with substantial associated costs.

The staff became involved in research on dolphins by a decision of the Commission in 1976, because of the practice of some purse-seine vessels in the EPO of searching for, and setting on, dolphin herds associated with yellowfin tuna. Since 1999, the IATTC staff has also served as the Secretariat for the [Agreement on the International Dolphin Conservation Program \(AIDCP\)](#), administered the AIDCP’s On-Board Observer Program, and coordinated similar work carried out by various national observer programs under the Agreement. 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 assessments paid by participating vessels (see Document MOP-33-06). 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 vessels² required for the data collected to be statistically reliable.

The AIDCP mandates 100% observer coverage of fishing trips by large purse-seine vessels in the EPO. The national observer programs of Colombia, the European Union, Mexico, Nicaragua, Panama, and Venezuela cover

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

half of the trips made by their respective fleets, and the observer program of Ecuador covers one-third of the trips made by Ecuadorian vessels. The IATTC observer program covers the rest of the trips made by those fleets, and 100% of the trips by vessels of El Salvador, Guatemala, Peru, and the United States³.

3. THE IATTC BUDGET

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

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

Category A includes those costs not readily allocable to any specific program and which benefit the Commission in its entirety. 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**, including 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. A position has been open since a senior member of the scientific staff resigned in 2014.

Category C includes salaries and benefits for scientific staff assigned to projects of the **Biology and Ecosystems Program**, designed to increase the available knowledge of the life history of the tunas and billfishes in the EPO. This knowledge, along with catch and effort data, is used to formulate models for assessing the effect of fishing on the abundance of the stocks.

The program has several important objectives, grouped into the following categories:

1. Investigation of biology and population parameters.
2. 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 IATTC’s Achotines Laboratory in the Republic of Panama, 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-07-07c](#).
3. Studies of some of the species of billfishes taken by commercial and recreational fisheries in the EPO.
4. Ecosystem studies, which include food-web dynamics, ecological risk assessment, and ecosystem modeling.

Data for these types of research are obtained from sampling of catches at ports of landing, analyses of information from vessel logbooks, studies conducted at sea on research and fishing vessels, and laboratory experiments. Therefore, all expenditures incurred to maintain the Achotines Laboratory are charged to this program.

A senior member of the scientific staff allocated to this program retired in 2014; the vacant position is expected to be filled during 2016.

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. Conduct stock assessments of tuna, billfish, dolphins, and other species (*e.g.* dorado, silky sharks) as deemed necessary.
2. Participate in assessments by other entities of species that reside in the EPO (*e.g.* bluefin, albacore, and Pa-

³ US vessels are occasionally covered by observers from the Western and Central Pacific Fisheries Commission program, with which the IATTC has an agreement of mutual endorsement

cific-wide bigeye tunas, billfish).

3. Evaluate current and proposed management measures, using, for instance, management strategy evaluation (MSE) to test harvest control rules with respect to reference points, and evaluate spatial and temporal closures.
4. Organize workshops on stock assessment methodology (*e.g.* the fall workshop series, in collaboration with the Center for the Advancement of Population Assessment Methodology) and reviews of IATTC stock assessments.
5. Design and evaluate sampling programs.
6. Analyze biological and fisheries data for input into the stock assessments.
7. Conduct research on stock assessment, stock assessment methodology, and related topics.
8. Provide analytical support for the other IATTC research programs.
9. Provide capacity building for IATTC Members related to data collection, stock assessment, and evaluation of management options.

Category E includes salaries and benefits of scientific staff assigned to the **Bycatch Program**'s projects related to the Commission's investigations of dolphins and other species caught incidentally in the tuna fisheries. The Bycatch 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 longline fisheries, to include advice and technical assistance to fishermen.
4. Support for capacity building with regard to tagging, bycatches, and shark fisheries.
5. Conduct workshops for vessel crews to promote the reduction of unnecessary impacts of the fishery on non-target species, dissemination of information, and ensuring 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, as well as direct observer costs (*i.e.* salaries, benefits, travel costs, training, *etc.*) and costs associated with maintaining field offices.

The expenditures under this category are divided into the following major areas of activity:

1. Collection of dolphin data by observers aboard purse-seine vessels.
2. Collection of fishery or biological data by observers on catches and discards of tunas and associated species. These data supplement the data collected from vessel logbooks.
3. Training of the on-board 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 monitor compliance with measures established by the IATTC and AIDCP.

4. FISCAL YEAR 2015 OPERATIONAL EXPENDITURES

In **Table 1**, Column 1 shows the original requested budget for 2015; 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 2015, and Columns 5a and 5b the variances between the budgeted and actual costs, resulting in an overall savings.

Table 1. 2015 budget	1	2	3	4	5a	5b
	Requested	Reduction	Approved	Actual	US\$	%
HEADQUARTERS SALARIES AND BENEFITS:						
Salaries	3,319,043		3,319,043	3,064,864	(254,179)	(7.7)
Employee benefits:						
Group insurance:						
Medical insurance	360,000		360,000	335,797	(24,203)	(6.7)
Life, disability and personal accident insurance	22,000		22,000	33,214	11,214	51.0
Workmen's compensation insurance	43,000		43,000	28,738	(14,262)	(33.2)
Social security	219,954		219,954	210,336	(9,618)	(4.4)
Pension fund (IFCPF)	465,000	(21,614)	443,386	401,541	(41,845)	(9.4)
403 (b) Retirement plan	208,360		208,360	219,850	11,490	5.5
Subtotal, Headquarters salaries and benefits	4,637,357	(21,614)	4,615,743	4,294,340	(321,403)	
OPERATING COSTS:						
Field office facilities and related supplies	110,000	(10,000)	100,000	82,812	(17,188)	(17.2)
Field office staff salaries	500,000		500,000	471,640	(28,360)	(5.7)
Headquarters office expenses	171,822		171,822	187,509	15,687	9.1
Purchase and maintenance of computer equipment	100,000		100,000	91,423	(8,577)	(8.6)
Vehicles:						
Purchases	14,000		14,000	8,872	(5,128)	(36.6)
Operational (fuel, parking, maintenance, etc.)	24,000	(4,000)	20,000	23,025	3,025	15.1
Insurance, licenses and permits	17,000		17,000	6,169	(10,831)	(63.7)
Printing documents, mail, and publications	8,000		8,000	11,048	3,048	38.1
Staff travel	130,000	(15,000)	115,000	91,286	(23,714)	(20.6)
IATTC meetings (excluding annual meetings)	65,000	(5,000)	60,000	46,877	(13,123)	(21.9)
Contracts:						
Annual audit and tax reporting	33,000		33,000	31,350	(1,650)	(5.0)
Payroll services	10,000		10,000	8,433	(1,567)	(15.7)
Other professional services	15,000	(3,000)	12,000	49,391	37,391	311.6
Bank and other fees	10,000	(5,000)	5,000	4,070	(930)	(18.6)
Subtotal, Operating costs	1,207,822	(42,000)	1,165,822	1,113,904	(51,918)	
Subtotal, Headquarters salaries and benefits + Operating costs	5,845,179	(63,614)	5,781,565	5,408,244	(373,321)	
Observer program	772,667		772,667	792,759	20,092	2.6
TOTAL Operating budget	6,617,846	(63,614)	6,554,232	6,201,004	(353,228)	

Table 2 summarizes the financial activities, by budget category and line item, at the close of FY 2015.⁴

TABLE 2. Operational expenses, in US\$, by budget category and line item, 2015	A	B	C	D	E	Subtotal IATTC	F	TOTAL
HEADQUARTERS SALARIES AND BENEFITS:								
Salaries	668,668	523,564	861,834	598,934	411,864	3,064,864	157,618	3,222,482
Employee benefits								
Group insurance:								
Medical insurance	68,029	71,690	103,665	47,164	45,249	335,797	474	336,271
Life, disability and personal accident insurance	6,330	7,672	7,981	4,120	7,111	33,214	982	34,196
Workmen's compensation insurance	6,656	5,700	8,028	4,637	3,717	28,738	-	28,738
Social security	45,906	35,461	58,334	41,266	29,369	210,336	11,126	221,462
Pension fund (IFCPF)	11,577	73,923	174,459	61,394	80,188	401,541	21,222	422,763
403 (b) Retirement plan	40,444	17,992	20,513	45,533	95,368	219,850	8,729	228,579
Subtotal headquarters salaries and benefits	847,610	736,002	1,234,814	803,048	672,866	4,294,340	200,151	4,494,491
OPERATING COSTS:								
Field office facilities and related supplies	-	52,495	5,054	-	25,264	82,812	31,751	114,563
Field office staff salaries	-	188,779	195,947	-	86,914	471,640	74,520	546,160
Observer costs	-	-	-	-	-	-	483,335	483,335
Headquarters office expenses	23,810	450	159,473	303	3,473	187,509	-	187,509
Purchase and maintenance of computer equipment	24,430	14,522	27,252	14,693	10,526	91,423	-	91,423
Vehicles:								
Purchases	-	4,719	-	-	4,153	8,872	3,002	11,874
Operational (fuel, parking, maintenance, etc.)	17,783	-	5,055	132	55	23,025	-	23,025
Insurance, licenses and permits	5,465	30	673	-	-	6,169	-	6,169
Printing documents, mail and publications	2,004	40	7,637	1,364	3	11,048	-	11,048
Staff travel	37,333	3,760	35,835	13,138	1,220	91,286	-	91,286
IATTC meetings (excluding annual meetings)	9,076	573	726	36,503	-	46,877	-	46,877
Contracts:								
Annual audit and tax reporting	31,350	-	-	-	-	31,350	-	31,350
Payroll services	8,433	-	-	-	-	8,433	-	8,433
Other professional services	21,351	320	27,719	-	-	49,391	-	49,391
Bank and other fees	2,801	-	1,239	30	-	4,070	-	4,070
Subtotal operating costs	183,836	265,688	466,610	66,164	131,607	1,113,904	592,608	1,706,513
TOTAL operating costs	1,031,446	1,001,690	1,701,424	869,212	804,473	5,408,244	792,759	6,201,004

⁴ A (Administration); B (Data collection and database); C (Biology and ecosystem); D (Stock assessment); E (Bycatch); F (30% of the AIDCP program)

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 the California Workmen's Compensation fund and life, disability, medical, dental and accident insurance. The cost of medical insurance continues to rise by more than 12% annually, much faster than the rate of inflation.

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, and has not performed as well as expected. The triennial actuarial evaluation in January 2017 is expected to again show a significant deficit, and this has been taken into account in future budget allocations.

403 (b) Retirement plan: In FY 2002 a defined contribution 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 in which all investment gains or losses are assumed by the Fund.

Overall, the costs of **Salaries and benefits** in 2015 were US\$ 321,403 (7%) lower than budgeted, because two scientific positions were left unfilled and one scientific staff member changed to part-time status. This led to a reduction in all line items within this budget group except one (**Life, disability and personal accident insurance**), which increased due to the addition of short-term disability insurance and a life insurance policy for an employee in Central America.

OPERATING 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-33-06, and is subject to change once the Parties to the AIDCP approve the budget for 2017.

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

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

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

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

Printing and postage: 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. This line item does not include IATTC-sponsored meetings.

IATTC meetings (excluding annual meetings): includes travel and subsistence costs incurred by IATTC staff members to attend IATTC meetings and 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. **Staff travel** (US\$ (23,744); (20.6%)): Staff members were successful in obtaining support from sponsoring organizations to attend meetings requiring travel; thus keeping these costs to a minimum during 2015.
2. **Other professional services** (US\$ 37,390; 311.6%): Several projects were left uncompleted when a senior scientist retired in 2014. His services were contracted to complete them during 2015 in conjunction with current staff members. Also included are legal fees incurred when a member of the staff threatened to sue the Commission, which required retaining legal counsel.

5. 2015 EXTERNALLY FUNDED PROJECTS AND PROGRAMS

The IATTC staff also 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 externally funded. 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\$ 106,872 in supplementary funding for research at the Achatines 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.

Table 3 summarizes the income and expenses related to those funds received during 2015. The main projects are the Center for the Advancement of Population Assessment Methodology (CAPAM), the collection of data on bycatches of sharks, the IATTC/AIDCP performance review, and the Pacific Tuna Tagging Program. "Other projects" includes tuna tagging, and sundry funds remaining from previous projects that were exhausted during 2015. The program for monitoring transshipments at sea by longline vessels is funded separately, (see Document [CAF-04-05c](#)).

Additional funding for implementing the provisions of Resolution [C-14-03](#) regarding the special fund for strengthening the institutional capacity of developing countries (Document [CAF-04-05b](#)) is essential to ensure the substantial and effective participation of those countries in the activities of the Commission, including its meetings.

Resolution [C-14-03](#) specifies that "*the resources of the Fund shall proceed from contributions obtained from the Members or from national and international bodies or entities interested in strengthening the capacities of developing countries*". At its 89th meeting in July 2015 in Guayaquil the Commission clarified that this 2% is not to be extracted from the operational budget. Rather, once the amount of the operational budget is settled, an additional amount equal to 2% of the operational subtotal shall be added to the regular budget as a separate line item, and the final budget amount will be the sum of these two components, and each Member's contribution to the 2% shall follow therefore the same distribution key as the regular budget. Following that procedure and based on the 2015 approved operating budget of US\$ 6,554,250, a total of US\$ 131,085 was included in the 2016 total budget.

TABLE 3. Externally-funded projects, in US\$, 2015	Income (actual)	Expenses (actual)
CAPAM (NOAA / ISSF /UCSD)	\$ 159,643	\$ 127,170
Collection of data on bycatches of sharks (GEF/FAO)	80,784	80,784
IATTC / AIDCP performance review (EU)	51,359	51,359
Pacific Tuna Tagging Program (SPC) ⁵	-	22,698
Contracts for services at Achotines Laboratory	51,717	3,128
Capacity-building fund	-	2,315
Other projects	9,492	29,341
Total	\$ 352,995	\$ 316,795
Transshipment program	\$ 867,221	\$ 867,221

6. STATUS OF 2015 MEMBER CONTRIBUTIONS, AS OF 31 DECEMBER 2015

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-14-03](#) received during 2015:

Table 4. Member contributions received during 2015, in US\$				
	Payments of past arrears	2015 budget contributions	Voluntary contribu- tions	Total
Belize	-	42,137	-	\$ 42,137
China	-	73,640	16,360	90,000
Colombia	228,142	259,296	-	487,438
Costa Rica	-	74,833	-	74,833
Ecuador	-	1,051,215	-	1,051,215
El Salvador	68,431	104,454	-	172,885
European Union	-	374,019	-	374,019
France	-	98,304	-	98,304
Guatemala	-	34,923	-	34,923
Japan	-	334,263	-	334,263
Korea	-	173,956	-	173,956
Mexico	-	874,732	-	874,732
Nicaragua	-	57,995	-	57,995
Panama	168,163	-	-	168,163
Peru	3,213	43,245	-	46,458
Chinese Taipei	-	156,566	-	156,566
United States of America	-	1,746,553	2,447	1,749,000
Vanuatu	18,572	36,378	-	54,950
Venezuela	425,841	-	-	425,841
Total contributions	\$ 912,362	\$ 5,536,509	\$ 18,807	\$ 6,467,678
	2015 contribution received in 2014	118,751 ⁶		
	Unpaid 2015 budget contributions at year end	898,972 ⁷		
	2015 approved budget	\$ 6,554,232		

As of 31 December 2015, past-due contributions totaled US\$ 3,128,054. **Table 5** shows in greater detail

⁵ income received in 2014

⁶ Canada paid its 2015 contribution in December 2014, and is therefore reflected in the audited financial statements for 2014, not 2015

⁷ See **Table 5**

the status of the contributions of Members that are in arrears. Almost US\$ 900,000 of the contributions due for 2015 remains unpaid. In 2015 the impact of those contributions in arrears was offset coincidentally by the payment of a little over US\$ 900,000 of contributions in arrears. Payments of past arrears can be highly variable: for example, in 2014 US\$ 445,000 in arrears was paid, or less than half of the amount received in 2015. Had these arrears not been paid in 2015, the operational costs of US\$ 6,201,004 (Table 2) would have exceeded the 2015 revenue of US\$ 5,655,260 from the 2015 established contributions (Table 4) by US\$ 545,744.

	Arrears						2015		Total, 31-DEC-15
	2010	2011	2012	2013	2014	Total, 31-DEC-14	Rec'd	Contri- bution	
Colombia	*	*	*	*	228,142	228,142	228,142	46,748	46,748
El Salvador	*	*	*	*	68,431	68,431	68,431	-	-
Guatemala	*	*	*	*	*	*	-	14,337	14,337
Kiribati	*	*	*	*	*	*	-	31,839	31,839
Panama	114,712	470,091	492,817	435,910	396,980	1,910,510	168,163	356,551	2,098,898
Peru	*	*	*	*	3,213	3,213	3,213	5,084	5,084
Venezuela	*	*	*	472,520	440,056	912,576	425,841	425,841	912,576
Vanuatu	*	*	*	*	18,572	18,572	18,572	18,572	18,572
Total	\$ 114,712	\$ 470,091	\$ 492,817	\$ 908,430	\$ 1,155,394	\$ 3,141,444	\$ 912,362	\$ 898,972	\$ 3,128,054

* Members with no outstanding arrears during those years.

7. STATUS OF MEMBER CONTRIBUTIONS FOR 2016

The operating budget for the current year, FY 2016, is US\$ 6,423,147, plus US\$ 351,085 in additional funding for the IATTC/AIDCP performance review, the search for a new Director, a meeting on capacity, the 2016 annual meeting, and the Capacity Building Fund, for a total agreed budget of US\$ 6,774,232, as reflected in Resolution [C-15-06](#).

Table 6 shows the status of unpaid contributions, totalling US\$ 3,717,791, as of 15 May 2016:

	Previous years	FY 2015	FY 2016	Total
China	-	-	128,486	128,486
Colombia	-	46,748	309,591	356,339
Costa Rica	-	-	6,842	6,842
Ecuador	-	-	1,159,626	1,159,626
El Salvador	-	-	62,400	62,400
France	-	-	101,460	101,460
Guatemala	-	-	40,279	40,279
Kiribati	-	31,839	33,191	65,030
Mexico	-	-	952,017	952,017
Nicaragua	-	-	62,478	62,478
Panama	1,742,348	356,551	359,070	2,457,969
Peru	-	5,084	52,624	57,708
Vanuatu	-	18,572	47,366	65,938
Venezuela	486,735	425,841	402,721	1,315,297
Total	\$ 2,229,083	\$ 884,635	\$ 3,717,791	\$ 6,831,509

⁸ Payments made subsequent to 15 May will be presented at the annual meeting.

Despite the requirement that all contributions be paid by 1 March of the corresponding year, as of 15 May 2016, **Table 6** shows that over half of the 2016 budget contributions established in [Resolution C-15-06](#) are still pending, and are now considered in arrears. This puts the Commission in a very difficult position from an operational standpoint, as the US\$ 3.717 million represents nearly 58 percent of the annual operating budget. The operational budget stress thus created is further compounded by the fact that the non-operational or extra expenditures for which financial commitments have been made (e.g. annual meeting costs, performance review, selection and appointment of the Director, and extraordinary meetings of the working group on fleet capacity) must also be paid for by drawing on the contributions remitted to date. There is no option for not paying for these activities despite the fact that they have only been partially funded so long as Member contributions remain outstanding. The staff requests guidance on how to proceed with this lack of funding for those specific projects. Given that the majority of 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 2017 AND PROJECTED BUDGET FOR 2018

Table 7 presents the budgets for 2017 and 2018, by budget category. Column 1 shows actual expenditures in 2015 and Column 2 the differences from the approved budget for 2016 (Column 3). Columns 4-8 extend this to the requested budget for 2017 and the projected budget for 2018.

Category	1 FY 2015 (actual)	2 Difference 2015-2016	3 2016 (approved)	4 Difference 2016-2017	5 2017 (requested)	6 Difference 2017-2018	7 2018 (projected)
A	1,031,446	25,643	1,057,090	196,412	1,253,502	(12,430)	1,241,072
B	1,001,690	33,554	1,035,244	60,125	1,095,369	21,907	1,117,276
C	1,701,424	80,058	1,781,482	230,571	2,012,054	40,241	2,052,295
D	869,212	41,899	911,110	66,287	977,397	19,548	996,945
E	804,473	48,748	853,221	47,631	900,852	18,017	918,869
F	792,759	(7,759)	785,000	64,624 ⁹	849,624 ⁹	- ⁹	849,624 ⁹
Total	6,201,004	222,143	6,423,147	665,650	7,088,797	87,283	7,176,080

Increase from approved 2016 to requested 2017 operational budgets:

The proposed increase of US\$ 665,650 from 2016 to 2017 includes funding for the following:

1. **Salaries and benefits (US\$ 412,826):**
 - a. To increase original 2016 budget request as presented in 2015 to fully cover anticipated total salaries and benefit costs of (US\$ 236,630)
 - b. A 2% COLA (cost-of-living adjustment) increase in salaries and benefits (US\$ 79,850)
 - c. Retroactive COLA increases of staff salaries, frozen since 2011 (US\$ 96,346)
2. **Pension fund (US\$ 50,000):**
Special contribution toward the accumulated deficit of the IFCPF.
3. **Vehicles (US\$ 40,000):**
Current IATTC headquarters vehicles are over eleven years old and require replacement. The 2017 budget request includes funding for the purchase of two new vehicles to replace them.
4. **Headquarters office expenses (US\$ 9,200):**
Despite careful scrutiny of expenditures due to the budget shortfalls, headquarters office expenditures continue to rise.

⁹ Amount is based upon the AIDCP budget request for 2017 ([Document MOP-33-06](#)); subject to change when 2017 and 2018 budgets are approved by the AIDCP Parties.

5. **Printing and postage (US\$ 4,000):**

In line with the general headquarters office expenses, the costs of printing, postage, and publication continue to rise.

6. **30% of observer costs contained within the AIDCP program (US\$ 64,624):**

Increased funding for AIDCP program based upon anticipated observer costs. The amount of the IATTC portion of the costs related to the AIDCP program (30%) is based upon the requested AIDCP budget for 2017, to be presented to the Meeting of the Parties to the AIDCP in June 2016 ([Document MOP-33-06](#)), and is subject to change.

7. **Annual meeting (US\$ 85,000):**

Expenses related to holding the annual meeting in La Jolla. This item may be removed from the requested budget if a Member offers to host the annual meeting and agrees to assume all meeting venue costs and the costs of all IATTC staff members attending the meeting, such as transportation, accommodation, and meals.

9. JUSTIFICATION FOR INCREASE FROM THE REQUESTED BUDGET FOR 2017 TO THE PROJECTED BUDGET FOR 2018

Table 8 shows the information in **Table 7** in greater detail, reflecting a 2% COLA salary increase, and no vehicle purchases in 2018.

TABLE 8. Comparative figures, in US\$, by budget line item, FYs 2015-2018				
	2015	2016	2017	2018
	(actual)	(agreed)	(requested)	(projected)
HEADQUARTERS SALARIES AND BENEFITS:				
Salaries	3,064,864	3,211,565	3,547,928	3,618,887
Group insurance:				
Medical insurance	335,797	320,000	347,000	353,940
Life, disability and personal accident insurance	33,214	22,000	23,460	23,929
Workmen's compensation insurance	28,738	-	-	-
Social security	210,336	215,000	234,201	238,885
Pension fund (IFCPS)	401,541	465,000	515,000	525,300
403 (b) Retirement plan	219,850	212,127	240,929	245,748
Subtotal, Headquarters salaries and benefits	4,294,340	4,445,692	4,908,518	5,006,689
OPERATING COSTS:				
Field office facilities and related supplies	82,812	114,020	114,020	116,300
Field office staff salaries	471,640	505,000	505,000	515,100
Headquarters office expenses	187,509	181,710	190,910	194,728
Purchase and maintenance of computer equipment	91,423	90,000	90,000	91,800
Vehicles:				
Purchases	8,872	-	40,000	-
Operational (fuel, parking, maintenance, etc.)	23,025	10,305	24,305	24,791
Insurance, licenses and permits	6,169	20,000	6,000	6,120
Printing and postage	11,048	8,000	12,000	12,240
Staff travel	91,286	136,420	136,420	139,148
IATTC meetings (excluding annual meetings)	46,877	65,000	65,000	66,300
Contracts:				
Annual audit and tax reporting	31,350	32,000	32,000	32,640
Payroll services	8,433	10,000	10,000	10,200
Other professional services	49,391	10,000	10,000	10,200
Bank and other fees	4,070	10,000	10,000	10,200
Subtotal, Operating costs	1,113,904	1,192,455	1,245,655	1,229,768
ANNUAL MEETINGS:				
Meeting venue	-	-	85,000	90,000
Subtotal, Salaries and benefits, Annual meetings, and Operating costs	5,408,244	5,638,147	6,239,173	6,326,457

AIDCP program ¹⁰	792,759	785,000	849,624	849,624
Total, Operating costs	6,201,004	6,423,147	7,088,797	7,176,081
Capacity Building Fund ¹¹	-	131,085	141,776	143,522
Performance review	-	100,000	-	-
2016 Annual meeting	-	70,000	-	-
Director candidate travel costs	-	30,000	-	-
Extraordinary contribution for a capacity meeting	-	20,000	-	-
TOTAL BUDGET	\$ 6,201,004	\$ 6,774,232	\$ 7,230,573	\$ 7,319,603

Since 2005, an administrative fee has been charged on all contracts for services provided by the IATTC staff to third parties that are neither covered 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 revenue** in the audited financial statements, along with fees charged to persons and organizations attending IATTC meetings as observers and scientific workshops at the Achotines Laboratory. This income is in addition to the regular budget, and is used to cover unexpected costs not included in the approved 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. However, at this time, it would seem that an expansion of the IATTC budget is warranted. 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, cost of living adjustments should be made to salaries, and the increases in the cost of health care insurance and other necessities should be taken into account. It is important also to recall that the scope of the activities of the Commission and its staff continues to expand, as noted within the context of this document, not only because of the broader mandate deriving 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 2017 in the amount of US\$ 7,230,573. Finally, it must be recalled that if the Commission and its staff are 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 the situation related to the pending arrears of some Members be promptly resolved.

¹⁰ Amount is based upon the AIDCP budget request for 2017 ([Document MOP-33-06](#)), and is subject to change

¹¹ Actual amount is dependent upon the approved operational budget