

INTER-AMERICAN TROPICAL TUNA COMMISSION
COMMITTEE ON ADMINISTRATION AND FINANCE
5TH MEETING
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FINANCING FOR THE IATTC REGIONAL OBSERVER PROGRAM FOR TRANSSHIPMENTS AT SEA, 2017-2018

1. INTRODUCTION

The IATTC observer program to monitor transshipments at sea by large-scale tuna fishing vessels was established by Resolution [C-08-02](#), and is now regulated by Resolution [C-12-07](#). In 2017, The program is financed by the six IATTC Members that currently participate in it: China, Korea, Japan, Panama¹, Chinese Taipei, and Vanuatu.

The program is operated by the Marine Resources Assessment Group Ltd. (MRAG), which is under contract through the end of 2019. The rates MRAG charges for services are fixed for the duration of the contract, so variations in the costs of the program are due only to variables such as the number of observer placements, observer days at sea, and associated travel costs.

This document presents the actual costs for 2016, the agreed budget for 2017 and the projected budget for 2018.

2. CURRENT BUDGET

During the 90th meeting of the IATTC in June 2016, a total amount of contributions of US\$ 950,000 was agreed to fund the transshipment program in 2017, which, combined with the accumulated surplus of US\$ 132,498 at the end of 2016, resulted in a total of approximately US\$ 1,082,000 available for 2017.

Table 1 shows the status of the program budget during 2009-2016.

TABLE 1. Program budget, 2009-2016, in US\$					
	Contributions from participants	Contributions from others	Program costs	Surplus/ (deficit)	Accumulated surplus
2009	741,346	-	698,801	42,545	42,545
2010	800,000	4,640 ¹	792,381	12,259	54,804
2011	946,971	6,060 ²	999,731	(46,700)	8,105
2012	1,006,060	6,060 ²	674,241	331,819	339,924
2013	1,000,000	-	771,083	228,917	568,841
2014	500,000	16,635 ³	760,950	(244,315)	324,526
2015	700,000	43,905 ⁴	867,175	(123,270)	201,254
2016	950,000	37,723	1,056,479	(68,756)	132,498

¹Peru; ²Belize; ³Includes Belize (6,064), Indonesia (1,485) and Panama (9,090); ⁴Panama

As shown in **Table 1**, the accumulated surplus, which offset some of the program costs in recent years, has

¹ In 2017 Panama began to participate fully in the Program, instead of paying for individual transshipments, as it had previously.

been decreasing, and cannot be expected to compensate for an eventual deficit by the end of 2017.

Table 2 shows the number of transshipments made and the quantity of fish transshipped during the September 2015-August 2016 period, the basis for calculating contributions for 2017.

TABLE 2. Number of transshipments, and tonnage of fish transshipped in the EPO, September 2015-August 2016		
Participant	Transshipments	
	Number	Tonnage
China	226	19,973
Japan	68	6,335
Korea	39	5,162
Panama	33	1,629
Chinese Taipei	116	7,681
Vanuatu	93	6,898
TOTAL	575	47,678

To calculate each participant's contribution, the budget is divided equally between two components, the number of transshipments made and the quantity of fish transshipped, and each participant's contribution is calculated in proportion to its fleet's activity in each of these two components. Contributions are payable in two installments, on 15 January and 15 June.

Table 3 shows the contributions payable by each participant in 2017.

TABLE 3. Contributions for 2017, in US\$				
Participant	Total contribution	First installment (50%); due 15 January	Paid	Second installment (50%); due 15 June
China	385,688	192,844	✓	192,844
Japan	119,280	59,640	✓	59,640
Korea	83,637	41,819	✓	41,818
Panama	43,511	21,755	✓	21,756
Chinese Taipei	172,343	86,172	✓	86,171
Vanuatu	145,541	72,770	✓	72,771
Total	950,000	475,000	475,000	475,000

Table 4 shows the program costs, FY 2016 and FY 2017 (as of 31 May), in US\$

TABLE 4. Program costs, FY 2016 and FY 2017 to 31 May, in US\$						
Item	2016			2017 (to 31 May)		
	Unit cost	Units paid	Cost	Unit cost	Units paid	Cost
Days at sea	330	1,900	866,580	340	2,155	368,560
Travel days	333	140	56,749	350	170	23,450
Training	453	70	15,853	453	30	-
Equipment, materials, travel	-	-	117,172	-	-	39,634
Total (US\$)			1,056,354			431,644

Table 5 summarizes the financial situation of the program as of 31 May 2017.

TABLE 5. Financial situation of the program, in US\$, 2017	
Item	Amount
1 January – 31 May	
First semester contributions received	475,000
Surplus from prior years	132,498
Subtotal	607,498
Program expenditures	(431,644)
Balance as of 31 May	175,854
Expected income	
Second semester contributions (payable 15 June)	475,000
Total (contributions received and payable, less January-May costs)	650,829

Based upon first quarter expenditures, it is expected that the total program costs for 2017 will be approximately US\$ 1,090,000, which will exceed the funds available for the year (US\$ 1,082,000). Thus, additional contributions may be required in 2017 to cover this deficit, and to maintain a reserve sufficient to cover the expenses at the beginning of 2018.

3. BUDGET FOR 2018

Based upon MRAG estimates, the projected budget for 2018 is US\$ 1,102,250. However, as has happened in some previous years, the demand for observers could exceed projections. The Secretariat recommends maintaining a reserve of US\$ 200,000, to cover costs at the beginning of 2018 and any unforeseen expenditures. Thus, the total recommended budget amount for 2018 is US\$ 1,300,000.