
8TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Held remotely, 21 to 23 January 2021

FAC 8 – Doc 04.3 rev1

Status of Scientific Support (SC) Fund & Developing States (DS) Fund

Secretariat

1. Background

Financial Regulation 2.4 provides that “For the budget categories “Scientific Support (SC) and Developing States (DS)”, unspent appropriations may accrue between financial years, up to a limit of \$50,000 for the SC and \$30,000 for the DS. Beyond these levels such funds shall be treated as surplus and transferred to the accumulated surplus account. The Commission will review these categories once the defined level has reached or after 4 years, whichever occurs first, and at least every four years thereafter.”

As of 30 November 2020, the balance of Scientific Support (SC) Fund is NZ\$ 87,985 (limit of NZ\$ 50,000, FR2.4); and the balance of Developing States (DS) Fund is NZ\$ 66,632 (limit of NZ\$ 30,000 FR2.4).

In relation to Budget Category 8 (Scientific Support) the FAC8 is invited to:

- *Recommend that the Commission agree to make an exceptional decision allowing for an amount of NZ\$34,715 to be carried forward into 2021-2022, in case the COVID-19 pandemic continues to limit SC workplan activities¹.*
 - *Alternatively, FAC8 may also recommend, consistent with Regulation 2.4, that on 30 June 2021 any available balance that is beyond the current Scientific Support limit shall be treated as surplus and transferred to the accumulated surplus account.*
- *Recommend that the Commission approves the 2021-2022 allocations for Budget Category 8 (Scientific Support) being an amount of NZ\$ 44,000 consistent with the SC Multi-annual workplan. (refer FAC8-Doc06 and COMM9-Doc06).*

In relation to Budget Category 9 (Developing States) the FAC8 is invited to:

- *Recommend that the Commission exceptionally agree to carry forward an amount of NZ\$36,632 for the DS funds into the 2021-2022 Financial Year, due to the effects of the COVID-19 pandemic which limited planned activities and prevented international travel during 2020-2021.*
 - *Alternatively, FAC8 may also recommend, consistent with Regulation 2.4, that on 30 June 2021 any available balance that is beyond the current Developing States limit shall be treated as surplus and transferred to the accumulated surplus account.*
 - *Alternatively, FAC8 may recommend that the Secretariat exclude voluntary contributions from its consideration of whether the FR.2.4 limit has in fact been reached².*
- *Recommend that the Commission approves the 2021-2022 allocation for Budget Category 9 (Developing States) being an amount of NZ\$30,000 (refer FAC8-Doc06).*

¹ Note there have been additional cost savings which have been realised since the SC8 meeting, which means that the current balance of the SC Fund is now expected to exceed the set limit by NZ\$37,985 (effective 30 June 2021).

² Irrespective of whether these contributions are reflected in the Organisation’s budget as was the case for 2020-2021.



2. Status of Scientific Support (SC) Fund

2.1 Year-to-date status of the SC Fund

In accordance with Financial Regulation 2.4, the Secretariat established a separate account for the Scientific Support Fund in 2017. This Fund contains the accumulated unspent appropriations from previous Financial Years (since Financial Year 2015-2016) under the budget item for Scientific Support. At the 8th Commission Meeting, the Commission reviewed these two categories, and reflected the changes in the allocation amount in the Budget. Table 1 below shows the year-to-date status of the Scientific Support Fund up to 30th November 2020.

Table 1: Year-to-date status of the SC Fund (up to 30th November 2020)

Financial Year	Budget and Voluntary Contributions NZ\$	Expenses NZ\$		Remaining NZ\$
2015-2016	20 000	GITHUB	424	19 576
2016-2017	20 000	GITHUB	432	39 144
2017-2018	12 000	GITHUB	431	
		FAO ABN workshop	1 517	
		Invited experts to 5 th SC 2017	3 835	
		Invited experts to JM workshop 2018	15 899	
Subtotal expense for FY 2017-2018			21 682	29 462
2018-2019	20 000	GITHUB	460	
		Invited experts & participation assistance, 6 th SC 2018	27 464	
		Squid - related research	5 000	
		Deep sea research	679	
Subtotal expense for FY 2018/2019			33 603	15 859
2019-2020	20 000	GITHUB	430	
		Invited experts & participation assistance, 7 th SC 2019	20 254	
Subtotal Year-to-date Expense 2019/2020			20 684	15 175
2020-2021	80 000	Expert for Jack mackerel assessment data, the 8 th SC 2020	7 000	
		GITHUB (from July to November 2020)	190	
Subtotal Year-to-date Expense (up to 30th November 2020)			7 190	87 985



2.2 Forecast status of the SC Fund

At the 8th SC Meeting, which was hosted remotely by New Zealand, from 3 October to 8 October 2020, the year-to-date status of the SC Fund was discussed. The SC recognised that due to the COVID – 19 pandemic, two items in the Multi-Annual work plan for the 2020-2021 Financial Year had been delayed, including a squid workshop and the Habitat Monitoring symposium; As only NZ\$50,000 of the unspent allocations may be carried over to the next financial year (FR2.4), the “SC **agreed** that a data workshop for Jack mackerel would be planned for late in the 2020-2021 financial year, and that \$34,715 be set aside for supporting independent experts and associated costs for this workshop ...”. This SC8 agreement has been incorporated into Table 2 below, which shows the forecast status of the SC Fund up to 30 June 2022:

Table 2: Post SC8 — Forecast status of the SC Fund (up to 30th June 2022)

Financial Year	Available Funds NZ\$	Workplan/Task	Workplan Objective	Expense NZ\$	Balance NZ\$
2020-2021	87 985	GITHUB (from Dec 2020 to June 2021)		270	53 000
		Jack mackerel assessment	Explore alternative stock assessment models and hold a benchmark workshop <u>A Jack mackerel data workshop, to address issues including revised age determinations and CPUE indices</u>	34 715 ³	
		Estimated subtotal for FY 2020-2021		34 985	
Amount available to be carried forward into the next financial year ⁴					50 000
2021-2022	94 000 ⁵	GITHUB Annual Cost		460	(13 060)
		Jack mackerel assessment data	SC and other funds to support experts	10 000	
		Deep water Stock structure	Use modelling and observation data to predict connectivity: Using genetic, microchemistry, morphometric, parasite prevalence and tagging experiments	23 600	
		Squid workshop	Organise a workshop to estimate fishing effort prior to SC09 (two days meeting), provide advice on a potential management measure	10 000	
		2022 Symposium	Symposium on Habitat Monitoring is organised prior to the 2023 meeting of the Commission ideally during the first half of 2022 in South America	63 000	
Estimated subtotal for FY 2021-2022				107 060	

³ [SPRFMO SC8-Report 2020, paragraph 279](#): “If (due to the COVID-19 pandemic or for other reasons) it is not possible to run the workshop in the 2020-2021 Financial Year, then the SC will request the Commission make an exceptional decision allowing for \$34,715 to be carried over to the 2021-22 Financial Year”.

⁴ Note that under Financial Regulation 2.4 only NZ\$50 000 unspent allocations may be accrued; This line indicates that if activities proceed as planned then at least NZ\$3,000 will need to be transferred to the Accumulated surplus account from the SC fund.

⁵ This amount is made of NZ\$44,000 (budgeted for “Scientific Support” for Financial Year 2021-2022), plus the accrued balance of NZ\$50,000 from Financial Year 2020-2021.



2.3 Other voluntary contributions to SC activities

Voluntary contributions have been received from European Union, China, and Australia for supporting SC activities. The Table 3 below shows the year-to-date status for voluntary contributions supporting SC activities:

Table 3: Current balance for voluntary contributions supporting SC activities

Period	Member	Contribution	Related SC Activities	Proposed/ Committed Expenses	Balance NZ\$
Jan 2019 to Dec 2020	EU	167 000	Support to jack mackerel assessment and data validation in SPRFMO (project led by WUR)	167 000	0
Jul 2019	China	29 230	To support squid sampling and genetic research in the SPRFMO Convention Area (Chile, China, and Peru).	29 230	0
Aug 2020+	China	26 912	To support the stock structure and genetic studies regarding the jumbo flying squid	26 170	742 ⁶
Jul 2020 to Dec 2021	EU	91 850	MSE workshop Benchmark workshop	50 100 41 750	0 0
Jul 2020+	Australia	58 034	To be directed towards SPRFMO's science work, particularly those activities described in the SPRFMO SC multi-annual workplan ⁷	58 034	0

3. Status of Developing States (DS) Fund

Since 2015, the Developing States Fund has been used to support developing States Members to participate in the Commission's annual meetings and Scientific Committee's workshops/meetings.

Table 4 below shows the year-to-date expenses and status of this Fund (a separate account was established for this purpose in accordance with Financial Regulation 2.4 in 2017)

Table 4: Year-to-date status of the DS Fund (up to 30th November 2020)

Financial Year	Budget NZ\$	Meeting/Workshop	Member Supported	NZ\$	Remaining NZ\$
2015-2016	18 000	The 4 th Commission Meeting	Cook Islands	6 130	9 697
			Cuba	2 173	
		Subtotal expense for FY 2015-2016			
2016-2017	20 000	The 5 th Commission Meeting	Cuba	1 555	18 420
			Peru	6 000	
			Vanuatu	3 722	
		Subtotal expense for FY 2016-2017			
2017-2018	15 000	The 6 th Commission Meeting	Cuba	1 430	18 415
			Vanuatu	10 458	
		The 6 th SC Workshop	Ecuador	3 117	
		Subtotal expense for FY 2017-2018			

⁶ Small, estimated variation due to contingency present in allocation plan provided by China.

⁷ At the 8th SC Meeting, the SC recommended that the Australia's contribution be firstly used to cover any projected deficit and to use the remainder on high priority workplan items including aligning the Deepwater and Habitat Monitoring work.



Financial Year	Budget NZ\$	Meeting/Workshop	Member Supported	NZ\$	Remaining NZ\$
2018-2019	20 000	The 6 th SC Meeting	Cook Islands	7 040	
			Ecuador	3 540	
			Peru	7 510	
		The 7 th Commission Meeting	Cook Islands	5 196	
			Cuba	4 730	
			Ecuador	4 957	
			Peru	5 330	
		Subtotal expense for FY 2018-2019			
2019-2020	30 000	The 7 th SC Meeting	Cook Islands	7 925	
			Ecuador	2 435	
		The 8 th Commission Meeting	Cuba	5 050	
			Peru	4 035	
		Subtotal expense for FY 2019-2020			
2020-2021	55 965 ⁸				66 632

4. FAC8 considerations:

The [FAC7-Report](#) (Paragraph 28), referring to the Scientific Support (SC) Fund and Developing States (DS) Funds, records that “The FAC recommended that the Commission gives further consideration to the quantum of funding in these budget categories”. The [COMM8-report](#) (Paragraph 41) records that although the Commission clarified the level of allocation provided towards each fund, it did not make a decision regarding reviewing the limits associated with these categories.

Financial Year 2020-2021:

This year due to the global pandemic, several large budget items requiring in-person meetings have been deferred or replaced by virtual meetings. This has directly resulted in unusually large surpluses for both the SC and DS Funds. Currently Financial Regulation 2.4 requires that those funds be operated within capped limits, but nevertheless due to the exceptional *force majeure* circumstances the FAC is invited to consider retaining the funds in order to support the now deferred activities as well as future similar activities.

Financial Year 2021-2022:

Last year’s budget forecast that NZ\$ 44,000 would be required to support SC funded items in the SC Multi-Annual workplan (COMM9-Doc06), this amount has been retained in the current proposed budget ([FAC8-Doc06](#)) in order to maintain consistency in the Budget development process. However, due to some work items being deferred (notably the Squid workshop and the Habitat Monitoring Symposium), there is now a forecast deficit for Financial Year 2021-2022. As discussed during the SC8 meeting, this projected deficit will be able to be covered by Australia’s voluntary contribution.

Prior to 2020 the Developing States fund had been experiencing significant pressure and was fully used during Financial Year 2018-2019 ([FAC7-Doc04.3](#)) and was expected to be fully committed for Financial Year 2019-2020. However, considering that the Fund has not been able to be accessed during 2020 due to the global pandemic

⁸ USA Voluntary contribution to the Developing States Fund, as per Adopted Budget for Financial Year 2020-2021 (COMM8-Report Annex 6d)



the current proposed budget ([FAC8-Doc06](#)) suggests a slight reduction from last year's the original forecast (NZ\$ 35,000 -> NZ\$ 30,000) is appropriate and will continue to facilitate the effective participation of Members from Developing States.