
FINAL REPORT ON THE PREPARATORY CONFERENCE ORGANIZATIONAL FUND

WCPFC/Comm.1/9*
15 March 2005

Report of the Secretariat

I. INTRODUCTION

1. In its decision of 28 April 2001 relating to arrangements for future sessions of the Preparatory Conference and for a Preparatory Conference Secretariat (WCPFC/PrepCon/8), the Preparatory Conference agreed, *inter alia*, to establish a Preparatory Conference Organizational Fund (PCOF), to be financed through voluntary contributions or funding in kind, and to establish a Preparatory Conference Secretariat, consisting of a head and such advisers as the Chairman considers necessary, to service future meetings of the Preparatory Conference.

2. In accordance with agreed guidelines for its operation, funds contributed to the PCOF were used to offset the following costs associated with the Preparatory Conference:

- (a) In-country conference costs (where sessions hosted by a developing country);
- (b) Chairman's travel and associated costs;
- (c) Preparatory Conference Secretariat travel and associated costs;
- (d) appropriate retainer fees, consultancy fees and miscellaneous administrative expenses.

In accordance with WCPFC/PrepCon/8, the PCOF would continue to operate until determined by the Preparatory Conference or by the Commission.

3. At the final session of the Preparatory Conference in December 2004, the Conference decided to recommend to the Commission that, in order to enable a smooth transition to the Commission regime, the PCOF continue to operate until 31 January 2005. This would enable the interim secretariat to deal with outstanding financial commitments arising from PrepCon VII and the inaugural session of the Commission and would also allow time for audit of the PCOF by the FFA auditor. The balance remaining in the PCOF following the discharge of outstanding liabilities would then be transferred to the working capital fund of the Commission. Funds contributed for supporting the Indonesia and Philippines Data Collection Project (IPDCP) would be transferred to the Special Requirements Fund established under Financial Regulation 7 of the Financial Regulations of the Commission.

4. The recommendation of the Conference was endorsed by the Commission at its first session on 9 December 2005 (Comm.1/8, para. 16).

5. In accordance with the decision of the Commission, all outstanding financial commitments were discharged by 31 January 2005. A special audit of the PCOF was carried out on 4 March 2005. Since the Commission had not formally established its bank accounts by that date, the balance in the PCOF was then transferred, on an interim basis, to a WCPF Commission General Fund Account at the National Bank of Solomon Islands, denominated in US dollars.

6. The purpose of the present report is to provide information to participants in the Preparatory Conference on the audited financial statements of the PCOF and on the practical arrangements that have been made to transfer the balance remaining in the fund to the custody of the Commission.

II. PREPARATORY CONFERENCE ORGANIZATIONAL FUND

7. The PCOF was established in July 2001, under the administration of the Director of the South Pacific Forum Fisheries Agency. In accordance with paragraph 2 of WCPFC/PrepCon/8, the Chairman of the Preparatory Conference and the Director of the South Pacific Forum Fisheries Agency were requested to develop guidelines for the administration of the PCOF, to be applied on a provisional basis pending approval of the Conference. The agreed guidelines, contained in an exchange of letters between the Chairman of the Preparatory Conference and the Director of the South Pacific Forum Fisheries Agency were submitted to the Conference at its second session.¹ The Conference approved the guidelines with minor amendments.²

8. Financial contributions to the Preparatory Conference process were made by the Governments of Australia, Canada, China, France, Japan, Korea, New Caledonia, New Zealand, Papua New Guinea, Chinese Taipei and the United States and by the European Community.

III. SPECIAL PURPOSES FUNDS

9. During the Preparatory Conference additional amounts were contributed to the PCOF for specific purposes not envisaged in the decision establishing the Fund. These included monies contributed to support the proposed IPDCP and special contributions to support participation by developing countries in the work of the Scientific Coordinating Group.

A. Scientific Coordinating Group

10. A special contribution of \$40,000 was made by the United States towards the cost of convening the first meeting of the SCG in July 2002. For the second meeting of the SCG, in July 2003, funding for the participation of developing States and territories was provided in part by the Government of Japan and in part by a special contribution made to OFP-SPC by the Government of Papua New Guinea. A special contribution of \$20,000 was made by Chinese Taipei to support the participation of developing States and territories in the third meeting of the SCG, held in August 2004. Owing to a slight overspend on the first meeting of the SCG, the fund ended with a negative closing balance of -\$756.11. Following discussion with the auditor, it was decided to offset this against the balance remaining in the Fund on transfer to the Commission.

¹ WCPFC/PrepCon/WP.5, Annex 1.

² WCPFC/PrepCon/16, Annex II.

B. IPDCP

11. Following the discussions in Working Group II on the need to obtain improved catch data from Indonesia and Philippines,³ the delegation of Chinese Taipei made a contribution of \$20,000 towards financing this initiative. Thereafter a further contribution of \$60,000 was made by the United States. At PrepCon VI, Working Group II formed a Steering Group that included representatives from Indonesia, the Philippines, the two current donors (Chinese Taipei, United States of America), the OFP-SPC, and the Chairman of WG.II. This group was tasked with implementing the project to the extent possible with available funds.

12. In November 2004, on the advice of the Chairman of the Steering Committee and with the explicit authorization of the donor concerned, the interim secretariat disbursed \$36,325.64 from available funds to support project activities in the Philippines. In January 2005, further disbursements of \$23,823.67 and \$2,958.39 were made on the same basis. The use of the funds so transferred is supported by a memorandum of understanding between the Steering Committee and the project beneficiaries.

IV. AUDIT

13. A final independent audit of the PCOF was carried out on 4 March 2005. The audit report is at annex I. The status of the PCOF as at 28 February 2005 is summarized in annex II.

V. TRANSFER TO THE COMMISSION

14. The authority of the Chairman of the Preparatory Conference and the Head of the Interim Secretariat to approve disbursements from the PCOF ceased on 31 January 2005. The PCOF remained open for final receipts and audit during February 2005. Since the Commission had not formally established its bank accounts by February 2005, the balance remaining in the PCOF was transferred, on an interim basis, to a WCPF Commission General Fund Account at the National Bank of Solomon Islands, denominated in US dollars. At present, pending the appointment of an Executive Director of the Commission or further direction by the Commission, no authority exists to approve expenditures from these Funds. Interest will continue to be added to the Fund and credited as miscellaneous income.

15. Annex III shows the status of the Commission accounts as at March 2005. It will be noted that the net balance of the PCOF has been transferred to the working capital fund of the Commission in accordance with the decision of the Commission. In accordance with the financial regulations, these funds may be used to support the activities of the Commission in 2005, or taken into account by the Executive Director in preparing the budget requirements for 2006, as appropriate. The balance of funds available to support the IPDCP has been transferred to the Special Requirements Fund in accordance with Financial Regulation 7.

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³ See WCPFC/PrepCon/28

Annex II

Status of Preparatory Conference Organizational Fund as at 28 February 2005

PART I - GENERAL PURPOSE FUND	USD	USD
A. Contributions received (net) *		
Australia	117,649.60	
Canada	36,954.54	
China	89,930.00	
European Community	49,508.81	
France	38,782.88	
New Zealand	155,475.00	
New Caledonia	29,038.25	
Papua New Guinea	46,156.34	
Republic of Korea	40,000.00	
Chinese Taipei	60,000.00	
United States of America	236,000.00	
B. Other income		
Interest	3,800.71	
Total receipts	903,296.13	903,296.13
C. Disbursements		
<i>(a) In-country conference costs</i>	265,335.62	
<i>(b) Chairman's travel and associated costs</i>	46,880.35	
<i>(c) Secretariat travel and associated costs</i>	86,766.32	
<i>(d) Retainers, consultancy fees and miscellaneous administrative expenses</i>		
<i>(i) retainers and honoraria</i>	133,034.75	
<i>(ii) consultancy fees, miscellaneous administrative expenses</i>	152,622.62	
<i>(e) FFA management charges</i>	64,722.99	
Total disbursements	749,362.65	749,362.65
D. Fund balance		153,933.48

PART II - SPECIAL PURPOSES FUNDS

(1) SCG	USD	USD
A. Contributions received		
United States of America	40,000.00	
Chinese Taipei	20,000.00	
B. Other income		
Interest **		Nil
Total receipts	60,000.00	60,000.00
C. Disbursements		
<i>SCG, July 2002, costs (travel, per diems of participants and secretariat)</i>	40,756.11	
<i>SCG, August 2004, costs (travel, per diems of participants and secretariat)</i>	20,000.00	
Total disbursements	60,756.11	60,756.11
D. Fund balance		(756.11)
(2) IPDCP	USD	USD
A. Contributions received		
United States of America	60,000.00	
Chinese Taipei	20,000.00	
B. Other income		
Interest **		Nil
Total receipts	80,000.00	80,000.00
C. Disbursements		
<i>November 2004, NFRDI, Philippines</i>	36,325.64	
<i>January 2005, BAS, Philippines</i>	23,823.67	
<i>January 2005, BAS Philippines</i>	2,958.39	
Total disbursements	63,107.70	63,107.70
D. Fund balance		16,892.30

Notes:

* Additional direct contributions were made in the case of Korea to support the second session of the Conference and in the case of Japan to support SCG 2 and the final session of the Conference.

** Interest credited to the General Fund.

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Annex III

Commission Financial Statement as at 1 March 2005

WORKING CAPITAL FUND	
(1) SCG	USD
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A. Income	
Balance received from PCOF	153,933.48
Less over expenditure from SCG 1	(756.11)
B. Working Capital Fund balance	153,177.37
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(2) SPECIAL REQUIREMENTS FUND	
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A. Transfer from PCOF Special Purposes Fund	16,892.30
B. Fund balance	16,892.30
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(3) BANK BALANCE	
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(1) + (2)	170,069.67

Pending the establishment of an independent bank account for the Commission, these funds are held in a U.S. dollar account at the National Bank of Solomon Islands, P.O. Box, 37, Honiara, Solomon Islands. The account number is 01 002509 6001 8: WCPF Commission General Fund Account.

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