



**COMMISSION
THIRTEENTH REGULAR SESSION**
Denarau, Fiji
5 - 9 December 2016

**SUMMARY REPORT AND RECOMMENDATIONS OF THE TENTH SESSION OF
THE FINANCE AND ADMINISTRATION COMMITTEE (FAC10)**

**WCPFC13-2016-FAC10
9 December 2016**

Introduction

1. The Finance and Administration Committee (FAC) was convened by Co-Chair Paul Callaghan (USA) for an initial session on 4 December 2016 and by Co-Chairs Paul Callaghan (USA) and Magele Etuati Ropeti (Samoa) at subsequent sessions on 7, 8 and 9 December 2016. Representatives of Australia, Canada, China, European Union, Federated States of Micronesia, Fiji, Indonesia, Japan, Kiribati, Korea, Marshall Island, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, United States, Vanuatu, Commonwealth of the Marianas Islands, French Polynesia, New Caledonia, Tokelau, Ecuador, American Tunaboat Association, Birdlife International, Food and Agriculture Organization of the United Nations, Forum Fisheries Agency, International Seafood Sustainability Foundation, Pew Environmental Trust, Parties to the Nauru Agreement, Pacific Community (SPC), and World Wildlife Fund. Meeting support was provided by the Commission Secretariat. A participants list is attached as Annex 4. The Committee agreed by consensus to present to the Commission the decisions and recommendations set out below.

AGENDA ITEM 1. OPENING OF MEETING

1.1 Adoption of agenda.

2. The agenda as set out in WCPFC13-2016-FAC10-01 (rev 1), WCPFC13-2016-FAC10-02 (rev 1) and WCPFC13-2016-FAC10-03 (rev 1) was adopted.

1.2 Meeting arrangements

3. The meeting arrangements were noted by Finance and Administration Manager (FAM) Aaron Nighswander.
4. WCPFC Executive Director Feleti Teo delivered some opening remarks thanking Ms Joyce Samuelu Ah-Leong of Samoa, former Co-Chair of the FAC, for her previous service and noting that the Co-Chair vacancy will need to be filled. He highlighted two issues for the attention of FAC10: 1) the integrated two-year budget format suggested at FAC9 has now been implemented for FAC10 and will provide for greater transparency and consistency with practices in other organizations; and 2) the Commission has progressed with recommended work on development of a Strategic Plan. This will provide crucial guidance to the Commission's work plan and budgeting process.

AGENDA ITEM 2. AUDIT

2.1 Auditor Report for 2015 and General Account Financial Statements for 2015

5. The FAM summarized the information in WCPFC13-2016-FAC10-04 noting the 2015 audit was completed and circulated to CCMs in July 2016. The auditor found that all financial statements were fair and that there were no instances of non-compliance with the Commission's Financial Regulation 12.4 (c) regarding income, expenditure, investment and asset management nor with Financial Regulation 12.4 (d) pertaining to financial procedures, accounting, internal controls and administration. The FAM noted one error in the paper relating to a tranche payment received for the ABNJ Tuna Project. This payment was received from the United Nations Food and Agriculture Organization (FAO) rather than the United National Development Programme (UNDP) as stated on pages 17 and 23 of the paper. The General Account Fund balance at the end of the year was \$637,017 and was transferred to the Working Capital Fund in accordance with Financial Regulation 4.4.
6. Tokelau congratulated the Secretariat on a clean audit report stating that the report provides confidence in the Commission's financial management systems.
7. **FAC10 recommended that the Commission accept the audited financial statements for 2015 as set out in paper WCPFC13-2016-FAC10-04.**

2.2 Appointment of an Auditor

8. The Chair invited FAC10 to consider the information in WCPFC13-2016-FAC10-06.
9. The FAM provided background information on the call for tenders which was circulated to members on 17 October 2016 as well as published in the Pohnpei

newspaper. The proposal from Deloitte & Touche LLP was the only proposal received.

10. Noting that this firm's past performance as the Commission's auditor has been satisfactory, and that the tendered fees were \$7000, the Chair invited the Commission to reappoint Deloitte & Touche LLP as the Commission's auditor for the next two years.
11. Samoa stated it would be happy to support the reappointment as the tender has gone through the market test as recommended by FAC9.
12. **FAC10 recommended that the Commission reappoint Deloitte & Touche LLP as the Commission's auditor for 2016 and 2017.**

AGENDA ITEM 3. STATUS OF THE COMMISSION'S FUNDS

3.1 Report on General Account Fund for 2016 – Contributions and Other Income

13. The FAM introduced paper WCPFC13-2016-FAC10-05 stating that the assessed contributions for 2016 were set at \$7,231,432 and as of 1 November 2016 fourteen CCMs had outstanding contributions totaling \$955,165. Updating the amounts in the paper based on contributions received since it was posted results in an outstanding amount of approximately \$450,000. A voluntary contribution of approximately \$9,000 was received from Institut d'émission d'Outre-Mer (IEOM) in New Caledonia and will be transferred to the Working Capital Fund as per Financial Regulation 4.4.
14. With reference to the WCPFC Convention Article 18, para. 3 which imposes a restriction on participation for any member for whom the amount in arrears equals or exceeds the sum of the previous two years' assessed contributions, the FAM noted that this is not applicable to any members at this time.
15. **The FAC accepted the report in WCPFC13-2016-FAC10-05.**

3.2 Report on the Status of Other Funds for 2016

16. Drawing the FAC's attention to WCPFC13-2016-FAC10-08 the FAM noted the following balances in the Special Requirements Fund and other funds established by the Executive Director as of 31 October 2016:
 - the Working Capital Fund (\$1,496,716),
 - the Special Requirements Fund (\$32,456);
 - the West Pacific East Asia Project Fund (\$1,600,004);
 - the Japan Trust Fund (\$15,846);
 - the Voluntary Contributions Fund (\$1,109,243);

- CNM Contributions Fund (\$230,488);
 - Global Environment Facility-Areas Beyond National Jurisdiction (GEF ABNJ) Project Fund (\$2,229,964).
17. New Zealand noted that it is likely to be able to confirm a \$3.6M (5 million NZD dollar) contribution to the WPEA Project Fund by the end of WCPFC13.
18. The FAM noted that two further contributions to the Voluntary Contributions Fund from the European Union are expected to be received shortly: funding for a simulation of reference points for the harvest strategy under CMM 2014-06, and a study of post-release mortality in sharks. A third proposed contribution for a study of mitigation of juvenile bigeye and yellowfin tuna catch in purse seine fisheries will likely be delayed to 2017.
19. **FAC10 noted the report.**

AGENDA ITEM 4. HEADQUARTERS ISSUES

4.1 Headquarters Matters

20. The FAM presented WCPFC13-2016-FAC10-09 highlighting several non-routine issues at headquarters arising in 2016:
- a. Pohnpei's internet cable connection requires repairs in the vicinity of Kwajalein sometime in 2017 and will result in slower than normal connection speeds.
 - b. Cuts in electrical power have been lasting for 4-6 hours per day and occurring 6 or 7 days per week, creating severe inconvenience for staff homes that may require a backup power solution.
 - c. The integrity of the first floor headquarters flooring (tiles and underlying cement) has been compromised and may require significant construction to remedy.
 - d. The electrical and internet wiring in the headquarters is beginning to degrade and will require substantial re-cabling in the near future.
 - e. New air service between Pohnpei and Papua New Guinea on Air Niugini now provides staff with good connections to/via Australia.
21. **FAC10 noted the report.**

4.2 Proposed Revisions to Regulations

22. The Chair opened discussion of a proposed change to staff regulations governing travel with dependent infants under 12 months as described in WCPFC13-2016-FAC10-11.
23. The Executive Director (ED) Feleti Teo provided background on the issue noting that under Staff Regulation 29(a) the Commission is required to cover the expenses

necessarily incurred by staff required to travel away from Pohnpei on official business. He considered that travelling with a dependent (especially breast-fed) infant is a necessary expense for such staff who do not wish to decline the travel assignment. Further he noted that should such staff decline to travel this would not be in the best interest of the Commission. The Secretariat's proposal is to allow for an additional economy class airfare and a 20% per diem allowance for the dependent infant, and to back-date this policy to 1 January 2016. The Executive Director considered that providing these, or similar, extra allowances to senior staff undertaking travel is a necessary and just practice, as well as a moral obligation.

24. Some CCMs supported the Secretariat's proposed policy without any amendment or reservation.
25. Some CCMs asked for clarification on a number of details including:
 - a. Whether the policy is gender neutral and would apply to all staff;
 - b. Whether a full economy class airfare is required for an infant; and
 - c. Whether the policy would apply to non-staff travelling under the WCPFC travel rules.
26. In responding to these issues, the ED noted that:
 - a. the policy should be gender neutral but that the degree of dependency of the infant would need to be taken into account;
 - b. the airfare compensation would only cover the infant's airfare; and
 - c. since the proposed change is to the staff regulations it would not apply to non-staff travelling under the WCPFC travel rules.
27. Some CCMs, while supporting the goal of providing equal opportunities for working mothers questioned whether the policy was necessary given that salaries are high enough to cover any additional costs, and whether the issue could be addressed in other ways such as longer maternity leave periods.
28. The ED responded that in approving travel orders, only essential travel for essential staff will be approved, and that he would necessarily consider cost as well as what is in the best interest of the infant in such cases.
29. Some CCMs expressed concerns about the proposed back-dating of the regulations on procedural grounds.
30. Some CCMs considered that the proposal should only apply to breast-feeding mothers.
31. Some CCMs supported the policy but considered that a cap should be placed on the amount of funding to be authorized for dependent infant travel.
32. Some CCMs questioned whether the current wording of Staff Regulation 29 already provides sufficient latitude for the ED to approve these costs.
33. The WCPFC Legal Advisor stated that there is some ambiguity in whether the ED can exercise discretion on this issue and thus amending the regulation was suggested.

34. A small group was formed to work with the Secretariat and the Legal Advisor to develop consensus wording on a rule to cover staff travel with a dependent infant. This group was also tasked with considering whether leaving the matter to the ED's discretion when approving travel orders would be a preferred approach.
35. When FAC10 reconvened, proposed language for the revision to Staff Regulation 29(a) had been circulated and was discussed without Secretariat staff present.
36. In addition to reiterating and further articulating some of the points that had been raised in previous discussion, some CCMs inquired about the cost of the regulation as currently written. In particular, clarity was sought about the usage of the terms "child" and "dependent infant" in the proposed text.
37. The WCPFC Legal Advisor reported that her understanding from the Secretariat staff that the cost of the regulation if it had been applied in 2016 would have been ~\$7,400. She noted that the terminology of "child" was used specifically to allow for a separate airline seat to be purchased rather than requiring the travelling staff member to hold the dependent infant on their lap.
38. **FAC10 recommended that WCPFC13 adopt following change to Staff Regulation 29(a):**

Dependent Infant Accompanying Staff on Duty Travel

(h) The Executive Director may approve the following entitlements for a staff member who is required to travel on official business and where the travel is considered essential and it is necessary for the staff member to be accompanied by a dependent infant under the age of 12 months:

(i) cost of an economy airfare for a child; and

(ii) 20% of the applicable UNDP Daily Subsistence Allowance rate to

provide for the dependent infant.

The Executive Director may, on a case by case basis, approve the extension of the above entitlements to a dependent infant between 12 and 24 months who is being breastfed by a staff member.

39. CCMs continued to express discomfort with back-dating of policies, however in the event that WCPFC13 adopted the amendment to the Staff Regulations, they considered that it should apply for WCPFC13-related travel onward.
40. **FAC10 recommended that the amendment to Staff Regulation 29(a) regarding a dependent infant accompanying staff on duty travel be applied to WCPFC13-related travel and henceforth.**
41. CCMs considered it undesirable to develop policy in an ad hoc based on individual circumstances.
42. **FAC10 recommended that the Secretariat develop and the Commission adopt a gender policy against which to evaluate new proposals for changes to existing Commission policies.**

4.3 Job Sizing for Secretariat Staff

43. The WCPFC ED presented a paper (WCPFC13-2015-FAC10-10) that summarized and assessed the implications of recommendations contained in the Job Evaluation Report prepared by StrategicPay Ltd which had been initially presented as WCPFC12-2015-FAC9-10 last year. The Secretariat's response to the paper was circulated to CCMs on 28 October 2016 but no comments were received. The ED stressed that the exercise is meant to assess the worth of staff positions, not the worth of the staff's performance within those position. The ED expressed reservations with adopting the recommendations of the consultants for several reasons: Secretariat staff were not familiar with the methodology applied by the consultant and may not have responded in the most appropriate way; the methodology does not take proper account of the special characteristics of WCPFC; the study did not recommend options (as requested) rather it presented a single recommended system; and the methodology would be costly to implement. Nevertheless, the consultant's recommendations were acknowledged as having the advantage of placing all WCPFC staff within a single system which is used by four CROP agencies and which comes with its own package and methodology. The key distinction between the current salary structure (CED) and the recommended salary structure (SP10) is that the former is based on a point-based system with no provision for performance-based bonuses whereas the latter is defined in terms of ranges and allow for higher pay within the range if performance exceeds expectation.
44. With regard to cost the FAM estimated that the new system (SP10) will cost \$359,000 per year to implement as compared to \$29,000 per year to stay with the current system with the salaries adjusted as per the paper. The higher costs are attributable to the need for a full time human resources manager and realignment of some staff positions. The FAM also noted that the banding system under SP10 leads to higher uncertainties in annual staffing costs as these will vary year by year based on performance.
45. Tokelau stated that as a general principle the job sizing system should not be changed unless there are recruitment and retention problems and asked whether such problems currently exist. Tokelau expressed disappointment that the Secretariat was not better prepared to participate in the consultant's review and thus the job-sizing exercise was not as robust as might have been hoped.
46. The FAM clarified that there is no retention or recruitment problem at present for professional staff and while qualified applicants for local staff positions are limited, thus far suitable recruitments have been accomplished and these staff have been retained.
47. Canada noted that there are several potential options including:
 - a. keep the existing CED based system (no cost);
 - b. keep the existing CED based system and adjust some position as per the consultant's report, paras 46-47 of WCPFC13-2015-FAC10-10 (\$28,871)
 - c. accept the SP10 report as provided by the consultant with no adjustments (\$346,878 to 426,878); and

- d. accept the SP10 report with adjustments submitted by the Secretariat (as per option b above) (cost \$537,662 to \$617,662).

The FAM then clarified the cost of each option above (as shown in parentheses).

48. Further consideration by FAC10 of this issue took place without Secretariat staff present.
49. On the basis that the new SP10 system would cost more to implement and the Secretariat staff are opposed to its implementation, CCMs agreed that staying with the existing CED salary structure is preferable.
50. **FAC10 recommended that in view of the consultants' report and the Secretariat's response to it, the existing salary structure of the Secretariat be maintained without adjustment.**
51. Some CCMs considered that one of findings of the job sizing study is that the Executive Director is underpaid. It was also noted that the upper end of the Secretariat senior staff salaries are approaching that of the Executive Director. Both issues could lead to staffing problems in the future.
52. Some CCMs considered that when the entire package of benefits to the Executive Director is considered the package is quite attractive. These CCMs considered that comparison to other regional agencies may not provide appropriate benchmarks, and that there have not to date been any problems with recruitment or retention.
53. Some CCMs noted that the issue of the Executive Director's salary should be discussed in conjunction with his regular performance review, but details on how and when this performance review was conducted and how it might relate to a salary review are not available to the FAC.
54. **FAC10 recommended that WCPFC13 task FAC11 to undertake a performance-based salary review for the Executive Director based on *inter alia*, the recent job sizing study, the Executive Director's performance review as conducted by the WCPFC Chair, and any other broad-based reviews of relevant, regional salary structures for executive-level staff available to, or called for by, the Chair.**

4.4 Triannual Review of Professional Staff Salaries

55. On a related issue the FAM presented the results of the triannual review of professional staff salaries in WCPFC13-2016-FAC10-14 noting that the reference markets are Australia, New Zealand and Fiji. As in 2013, the survey recommends a relatively large increase of 20% for salary bands M-J that may not be financially feasible. Instead, the Secretariat suggested an increase of 10% to be applied to Bands M-J and to the Executive Director's salary, and a 5% increase be applied to Band I. These salary increases are estimated to cost \$147,925. The FAM noted that local staff salary adjustments are separately provided for in the Staff Regulations.
56. In response to questions about how the triannual review relates to the salary scale issue under consideration (Agenda Item 4.3), the FAM explained that the triannual review has been conducted using the same methodology as in previous years and is

thus based on the existing salary scale. Given the open issue of the Secretariat's salary scale, it might have made sense to delay the triannual review however it is required on a fixed schedule by the WCPFC Staff Regulations. When StrategicPay Ltd conducts the review they use a translation table to compare between the WCPFC salary scale and other salary scales. This translation methodology is internal to StrategicPay Ltd and non-transparent. As time passes, the translation between WCPFC's existing salary scale and more recently adopted salary scales in other organizations becomes more complicated.

57. FFA noted that recommended salary scales at other CROP agencies are often slow to be adopted due to affordability. For example, SPC is in the process of implementing recommendations from 2011 and FFA is implementing recommendations from 2012. FFA also noted that it is appropriate to compare salary bands across agencies only if the positions in those bands at different agencies are doing the same type of job. FFA considered that it has been a long time since WCPFC salaries have been increased and this lag might represent an opportunity to move forward.
58. The FAM added that the last salary review (2013) recommended an increase of 7-10% for bands J through M, but a 2% increase was approved. This 2% increase was implemented in 2014. The FAM further clarified that every 1% increase in professional staff salaries results in a \$ 14,793 increase to the budget.
59. Further consideration of this issue was undertaken without Secretariat staff present.
60. CCMs agreed that salary adjustments of greater than 1-2% are not warranted for a variety of reasons i.e., such increases need to be planned for in advance, wage inflation in comparable markets is below this level. They discussed whether, if a 2% salary adjustment is to be adopted whether the adjustment would be made in 2017 (2%) with no further adjustment in 2018 and 2019 or whether a 1% adjustment would be made in 2017, a 1% adjustment in 2018 and no adjustment in 2019.
61. Some CCMs expressed concern that there was no clear methodology for agreeing and applying a salary adjust of 1-2%.
62. CCMs agreed to revisit consideration of the salary adjustment in light of other budget decisions that are yet to be made.
63. **FAC10 recommended that a 2% increase be applied to all professional staff including the Executive Director.**

4.5 Staff Establishment

64. The ED presented WCPFC13-2016-FAC10-7 containing a proposal to establish the post of WCPFC Electronic Reporting and Electronic Monitoring (ER/EM) Technical Coordinator. This proposal is motivated by the finding of a 2014 workshop which identified that the lack of data standards for ER/EM was a key risk for the Commission. Recent, fast-paced developments in the ER/EM field are creating a large body of work to be done by the Secretariat and are stretching the capacity of existing Secretariat staff. Given the emphasis and priority that a number of Commission members have indicated for the continued work on the development and implementation of ER/EM the Secretariat recommended that the Commission

consider providing dedicated resources to the establishment of an ER/EM position within the Secretariat.

65. Japan questioned whether devoting additional resources to ER/EM work was the highest priority of the Commission or whether further support should be provided to the heavy burden currently carried by the Compliance Manager and her team for the compliance review.
66. Some CCMs queried how the proposed position would relate to ER/EM work being proposed by SPC and whether there might be duplication. Some of these CCMs suggested that as the work required may require various skill sets, it might be more efficient to hire consultants to undertake the work.
67. One CCM commented that rather than focusing the work within the Secretariat, the capacity of CCMs with regard to ER/EM should be enhanced.
68. The Secretariat responded that the ER/EM work falls within the scope of work of the Secretariat's Information Management System which includes datasets other than logsheet and observer data (which are managed by SPC). The metadata framework for Commission datasets, SPC datasets and other national datasets to be established under the new position was considered to represent a large amount of work that cannot be handled by existing staff.
69. The Secretariat and SPC confirmed that there is no overlap in the division of labour on ER/EM tasks. SPC's work focuses on scientific data and the Commission's work focuses on the development of clear standards in the form of metadata.
70. The Secretariat indicated a willingness to receive funding to support a consultancy but reiterated the need for some type of budgetary allocation to address the identified shortfall in the Secretariat's ability to keep pace with the rapid increase in workload in the ER/EM area. The ED stressed that if funding is not provided for this body of work, the Secretariat's ability to respond to requests regarding the development of ER/EM standards and metadata will be limited.
71. Some CCMs expressed support for a budget line item for consultancy work to support the development of ER/EM standards and metadata by the Secretariat.
72. The Compliance Manager explained that scoping the work of, and managing, a consultant requires time inputs from Secretariat staff that are not feasible given current workloads. This is particularly true in some parts of the year when the Compliance Monitoring Scheme work is in full swing. As result the option of a consultant would not assist the Secretariat in meeting the need for a well-planned and ongoing level of effort on ER/EM issues.
73. Some CCMs recognized the difficulties raised by the Compliance Manager and agreed to revisit the issue once the workload for the Secretariat's Compliance Team over the coming year becomes clearer.
74. When FAC10 reconvened on 8 December, the FAM summarized that there are four options under consideration: do nothing; short-term consultancy, long-term consultancy or full-time Secretariat position.

75. CCMs discussed whether there were implications for the possible agreement of the draft electronic monitoring standards for logsheet and observer data at WCPFC13 and the need for the ER-EM work within the Secretariat.
76. The Compliance Manager clarified that the standards, whether agreed or not by WCPFC13, would relate to the data managed by SPC and not to the work would fall to the Secretariat to do. Specifically the work required for the Secretariat will involve developing standards for reporting electronic monitoring data to the Commission for compliance purposes and preparing for and managing the Secretariat's ability to receive and incorporate these data into the Commission's Information Management System.
77. One CCM suggested the job specifications for the ER-EM technical coordinator could be improved to better specify the database and communication skills which would be necessary for successful performance in the post.
78. The Compliance Manager welcomed further input to the job specifications.
79. **FAC10 offered interim support for the ER-EM technical coordinator position on the basis of the acknowledged need for the Secretariat to undertake critical work in this area (see para. 126(f) below).**

AGENDA ITEM 5. REVIEW OF OBSERVER PARTICIPATION IN THE WCPFC

80. The Secretariat noted paper WCPFC13-2016-33 explaining that WCPFC13 may be considering issues related to observer participation in meetings of the WCPFC. If the Commission's deliberations result in a decision to charge a fee for observer participation then FAC will be responsible for determining the amount of that fee.
81. WCPFC13 agreed that NGO observers will be required to pay a reasonable fee for participation at meetings of the Commission and that the Executive Director will determine the fee annually taking into account international practice.
82. **FAC10 noted the paper.**

AGENDA ITEM 6. REQUIREMENTS RELATED TO THE 2016 IT AUDIT REPORT

83. The Secretariat introduced paper WCPFC13-2016-FAC10-12 which describes the key outcomes of the 2016 Information Technology (IT) audit. The actual audit report is placed on the secure side of the WCPFC website and is thus available to CCMs with login credentials. The audit results were summarized in terms of three major recommendations:
 - a. Procurement of a backup firewall in case of failure of the existing firewall;
 - b. Securing off site backups, and development of a business continuity and disaster recovery plan;

c. Revising and updating the Commission's Information Security Policy;

The cost of the backup firewall is estimated at \$8,000. The offsite backup is already being secured and has no further cost implications. A consultancy to prepare a business continuity and disaster recovery plan is estimated at \$15,000, and a consultancy to revise and update the Information Security Policy will cost approximately \$20,000. If both consultancies are accepted the costs could be reduced to \$30,000.

84. The Secretariat recommended that the \$8,000 for the backup firewall be purchased with the 2017 budget and the additional work (\$30,000) be included in the 2018 budget.
85. Several CCMs noted their support for funding the identified actions resulting from all three of the IT audit recommendations.
86. **FAC10 recommended using \$8,000 from the 2017 budget and adding \$30,000 to the 2018 budget to cover the cost of implementing the recommendations of the 2016 IT audit.**

AGENDA ITEM 7. WORK PROGRAMME AND BUDGET FOR 2017 AND INDICATIVE WORK PROGRAMME AND BUDGET FOR 2018 AND 2019

7.1 Special Requirements Fund (SRF)

87. Vanuatu presented a proposal on behalf of FFA concerning the SRF (WCPFC13-2016-DP17). The proposal recommends that developed State members be assessed fees to maintain a balance of \$300,000 in the SRF each year with the intent to ensure there are adequate resources to support the full participation of SIDS in the meetings of the Commission. The proposal makes specific reference to how the contributions would be assessed among the developing State members and how the funds would be replenished if depleted below a certain level.
88. Japan asked that this proposal be discussed first in plenary and then return to FAC for further discussion as necessary.
89. The Secretariat noted that this issue has been listed in para. 8 of WCPFC-2016-FAC10-10 (rev 1) as a one of the items that may alter the proposed 2017 budget.
90. Following on from discussion of WCPFC13-2016-DP17 in plenary under Agenda Item 7, the issue returned to FAC10 for further discussion.
91. Some CCMs, conscious of the limited resources available to send participants to meetings, suggested that it is especially important to contain meeting costs as this can influence the feasibility of sending more SIDS delegates to these meetings.
92. The FAM noted that there are other costs associated with increasing the number of participants at meetings including the need for an additional local staff position to handle travel and increased difficulties with moving large amounts of cash from Pohnpei to the meeting location in order to pay per diems.

93. One CCM suggesting paying the travel funds directly to the participating SIDS as a lump sum.
94. The FAM explained that the indicative costs for meetings shown in the budget represent, for each meeting, a cost of \$90,000 to 100,000 for SIDS travel, approximately \$5,000-6000 for shipping and the remainder for staff travel. However, these costs will vary based on the venue and the length of the meeting. For example, he estimated that sending one additional SIDS participant to the annual meeting would cost ~\$90,000-100,000, to the SC ~\$110,000 and to the TCC ~\$90,000. He noted that if caps are set on per diems it would limit the number of potential venues for meetings.
95. Some CCMs noted there are several means of increasing the participation of SIDS in the meetings of the Commission and recognized that some developed country CCMs have constraints in contributing to the SRF.
96. Some CCMs suggested that, as is done at IATTC, a proportion of the overall Commission budget, say 2-3% is allocated to the SRF.
97. Some CCMs more generally advocated for more transparency about how the SRF works and what it can be used for, as well as an examination of the existing impediments to attracting voluntary funds.
98. The FAM noted that standard operating procedures were produced for the SRF at WCPFC3 in Apia. He agreed to provide some calculations on what percentage of the Commission's budget might be necessary to support the SRF with a reasonable balance. He also agreed to further explore whether CNM voluntary contributions and/or Working Capital Funds surpluses could be used to top-up the SRF. He noted that observer participation fees, if agreed, are unlikely to be substantial enough to contribute significantly to the SRF.
99. FAC10 returned to this issue on 8 December 2016 when the FAM produced an example table showing the assessed contributions to be paid by developed CCMs to support the SRF to a level of \$320,000 per year. The FAM noted that a target amount in the SRF of \$320,000 as suggested by FFA, represents 6% of the Commission's budget, and the example table was constructed using the same proportional contributions of each developed CCM to the overall budget as to the SRF.
100. Some CCMs expressed concern that an additional 6% contribution is very large.
101. One CCM preferred that the additional contribution be assessed across all CCMs rather than only to developed CCMs.
102. Several CCMs considered that more clarification surrounding the SRF is required, in particular:
 - a. what it is to be used for (e.g. the mix of SIDS participation in meetings versus other capacity building activities);
 - b. how priorities will be set (e.g. how many participants, which meetings have priority given their outputs and opportunities, where are the greatest needs);

- c. who is responsible for making these decisions (e.g. CCMs expressed differing views about the role of the Secretariat in making decisions about use of the SRF);
 - d. how the long-term funding for the SRF can and should be secured (e.g. using the IATTC model of an assessed contribution, remaining as a voluntary fund, or generating the funding in other ways); and
 - e. how to manage the SRF with greater discipline and transparency.
103. CCMs considered that articulating these guidelines would require some time and yet there is an immediate need to replenish the SRF for ongoing use.
104. Some CCMs opposed the suggestion to draw replenishment funds from the Working Capital Fund.
105. In response, the FAM suggested that transferring \$100,000 from the Cooperating Non-Members (CNM) Fund, plus a voluntary contribution from Chinese Taipei, would result in \$140,000 in the SRF for 2017.
106. Returning to the long-term needs for managing and generating funds for the SRF, the FAM agreed that to aid future consideration of the amount of funding necessary to appropriately support the SRF he would consolidate the costs of SIDS' participation in meetings from other line items related to meeting costs.
107. One CCM considered that past papers by FFA on the special requirements of SIDS would assist in defining these costs.
108. **FAC10 recommended that the Commission instruct the Secretariat to transfer \$100,000 from the Cooperating Non-Members Fund to the SRF to support the SRF for 2017.**
109. **FAC10 recommended that the Commission establish a virtual inter-sessional working group to review current guidelines for the SRF including its scope of use, prioritization, allocation authority, securing of funding at an appropriate level, and transparency of operation (see para. 102 above), to be presented to FAC11 with a view to submitting a proposal to WCPFC14 for its consideration.**

7.2 Commission's Budget for 2017 and Indicative Budget for 2018-2019

110. The Secretariat presented WCPFC13-2016-FAC10-15 (rev 1) which indicates a proposed Commission budget of \$7,846,717 for 2017 which is an increase of 7% over the indicative 2017 budget of \$7,355,340 and a 1.3% increase over the 2016 budget. The increase from the indicative budget is due VMS air time costs and the inclusion of new projects recommended by SC12 including tuna tagging, seabird mortality and shark data review. It was noted that there are several items under discussion by FAC10 which would alter the proposed budget and these items are listed in para. 8 of the paper. The addition of new annexes to the budget to show an overview of revenue and expenses (Annex 1), a summary of donor contributions (Annex 2), and a summary of IT costs at the Secretariat (Annex 11) were highlighted. It was also noted that the line item in Section 2.2 of \$25,000 intended to cover the further development of limit reference points for sharks in 2016 is proposed to be rolled to 2017 to allow more time for the work to be organized.

111. The FAM provided an overview of differences between the indicative and proposed 2017 budgets. The large decrease in staff salary costs in 2016 results from the filling of an IT officer position with local staff rather than professional staff. The need was originally identified as being for professional staff but a suitable candidate could not be found. At present the local staff, conducts more routine work with a contractor used to support the IT manager for more complex tasks. There has been an increase in communication and courier charges due to implementation of a full (rather than partial) offline backup. The publication and printing budget has been zeroed out due to greater use of electronic documents. Banks charges have increased but the Secretariat is working to reduce these. Increased security costs reflect social security payments for staff. Higher costs under information and communication technology reflect the hiring of the consultant to supplement the locally hired IT officer. The higher costs for the Scientific Committee meeting 2017 reflect the higher costs of travel to and per diems in the Cook Islands. Changes in VMS costs are explained in TCC paper TCC12-2016-14(rev 1) and in footnotes.
112. In response to a question about why the higher Information and Communication Technology costs would continue, the FAM clarified that this was ongoing contract support to supplement the locally hired IT officer.
113. In response to a question about why the costs for the Scientific Committee are higher than the annual meeting, the FAM explained that the meeting is approximately twice as long (10 days versus 5 days).
114. In response to a question, the Compliance Manager explained that the cost implications of some TCC Work Plan elements (TCC12-2016-IP-10) remain unclear and have not be included in the proposed budget for 2017.
115. In response to a question about how to contain costs associated with annual meetings, the FAM explained that the budget is based on past expenditures but it is difficult to anticipate which CCMs will volunteer to host. He referred to a paper presented at WCPFC10 which provides figures on the increase in cost expected when each SIDS has two, rather than one, Commission-funded participants.
116. In response to questions about expenses associated with the consultative meetings with the Chair, the FAM explained that the \$25,000 was sourced from the annual meeting line item and the Chair's own travel fund. Some CCMs called for greater transparency in consultative meetings using the Chairs expenses line item, including whether these expenses are likely to continue. The FAM stated that these expenses were not expected to continue.
117. When asked about the overall level of tolerance for an increase in the budget, the FAM suggested that while no formal rule exists, in his experience 5% has been the maximum increase.
118. Several CCMs stressed the need to keep the Commission's budget stable from year to year, or if absolutely necessary to allow for minimal increases. It was noted that meeting costs in the form of high travel and per diem expenses affect all members and should be contained.

119. The FAM noted that the majority of the budget increases for 2017 are due to requests from subsidiary bodies SC and TCC. The Secretariat costs are relatively stable.
120. In response to questions about the budget items for ROP data management and the Secretariat's Information Management System, the Compliance Manager explained that the ROP data management fees go to SPC for data entry and the IMS system is the backbone of the Secretariat's compliance monitoring system. The FAM supplemented with the information that a previous paper was prepared showing detail on the ROP data management costs and this paper can be re-provided.
121. In response to a question about the higher costs for the Pacific Tuna Tagging Project, SPC explained that tagging data is critically important for the skipjack assessment and also for the other tropical tunas. The stock assessments and ongoing harvest strategy evaluation work necessarily depends on tagging data and thus the tagging programme was strongly support by the Scientific Committee. Voluntary contributions like Korea's are shown in Annex 2. More information on the project is available in documentation provided to the Scientific Committee.
122. The FAM pointed out that more information on the nature of the work to be conducted with line items 2.1 (Scientific Services) and 2.2 (Additional Resourcing SPC) is explained in Annex 12. In response to a question about the potential to reduce the project fees charged by SPC, the FAM clarified that this has been discussed but is unlikely to be possible.
123. The Science Manager provided further background on how funding for Scientific Committee high priority projects is allocated and obligated.
124. When asked whether the skipjack impacts study was a recurrent line item in the budget, the FAM indicated that it is a one year contract that is expected to be obligated by the end of 2016 and be completed before SC13.
125. When FAC10 met again on 8 December, the FAM tabled a revised budget (WCPFC13-2016-FAC10-15(rev 2)), noting that the budget now reflects:
 - a. agreement to implement the recommendations of the IT audit;
 - b. removal of the port coordinators programme funding; and
 - c. A tentative agreement to consider a 2% salary adjustment for Secretariat staff.
126. CCMs considered Part 1 of the budget relating to Administrative Expenses of the Secretariat and agreed the following changes by consensus:
 - a. Funding for further development of the "WCPFC Planning Framework" was removed on the basis the this work should be done by CCMs themselves (\$30,000);
 - b. The budget for the Media Consultant was reduced
 - c. The training budget was reduced on the basis that it was generally underused in most years;

- d. The hospitality budget line item was reduced;
 - e. Some of the funding for “Website New Projects/Enhancements” was moved to the indicative budget for 2018 to allow for website redesign then;
 - f. After considering options for the ER-EM technical coordinator position an amount of \$60,000 was included in Part 2 of the budget to support a consultant for part of the year on the understanding that the Secretariat would explore options supplementing this with voluntary contributions (either financial or through secondments from CCMs and other sources) and the full funding for the position would be included in the indicative budget for 2018.
127. One CCM asked that the potential cost for adding another day to the TCC meeting in Pohnpei each year be catered for in the budget. The FAM estimated the cost to be USD8,000.
128. In discussing Parts 2.1 and 2.2 of the budget relating to the Science Programme, CCMs considered the priority rankings assigned by the Scientific Committee and agreed the following changes by consensus:
- a. Funding for “highly priority project(s)-to be allocated” was removed on the basis that unidentified projects would be a lower priority than those identified;
 - b. FAC10 did not reach consensus on funding for “Skipjack impacts on the margins of the Convention Area” and so it was removed because it was the lowest ranked of the SC medium-priority ranked projects and because only one CCM strongly supported its inclusion in the budget;
 - c. The allocation for “Estimation of Seabird Mortality” was reduced from \$72,500 to \$20,000 on the basis that the ABNJ Tuna Project may be able to finance the remainder through co-funding. If the co-funding is not contributed, the project will not be undertaken and the \$20,000 will be moved to the Working Capital Fund.
129. **FAC10 agreed to retain \$40,000 in the indicative budget for 2018 for the “skipjack impacts on the margins of the Convention Area” and encouraged those CCMs who support this project to provide voluntary contributions to fund it.**
130. With regard to Part 2.3 of the budget pertaining to the Technical and Compliance Programme, CCMs agreed to remove funding for the CDS workshop on the basis that it is unlikely to be held. FAC10 discussed the potential to split the cost of the CMS Review between the 2017 and 2018 budgets, but decided, based on an update from the Secretariat and CMS Working Group Chair, to include it in the 2017 budget.
131. One CCM requested the Secretariat provide a detailed presentation for the consideration of FAC11 on the condition of the headquarters facility in order to help project long-term maintenance/replacement/upgrade costs. The FAM responded that he would do his best to provide this presentation while noting that specialist expertise for this type of task is not available on Pohnpei.

132. **FAC10 agreed to a 2017 budget of \$7,799,392 (Annexes 1-3) pending any subsequent decision reached by WCPFC13 that will have an impact on the budget.**

AGENDA ITEM 8. OTHER MATTERS

133. No other matters were raised.

AGENDA ITEM 9. ADOPTION OF REPORT

134. **FAC10 adopted this summary report which is tabled as WCPFC13-2016-FAC10.**
135. FAC10 invites WCPFC13 to consider this report and to endorse its recommendations.

AGENDA ITEM 10. CLOSE OF MEETING

136. The Co-Chairs, Paul Callaghan and Magele Etuapi Ropeti, closed the final session of FAC10 at 11:31am on 9 December 2016.

ANNEX 1

**Summary of estimated General Fund budgetary requirements for 2017
and indicative figures for 2018 and 2019 (USD)**

	<i>Approved budget 2016</i>	<i>Estimated expenditure 2016</i>	<i>Indicative budget 2017</i>	<i>Proposed budget 2017</i>	<i>Indicative budget 2018</i>	<i>Indicative budget 2019</i>
Part 1 - Administrative Expenses of the Secretariat						
Sub-Item 1.1	<i>Staff Costs</i>					
Professional Staff Salary	973,064	878,829	985,381	948,955	1,081,763	1,084,102
Professional Staff Benefits and Allowances	987,338	896,097	994,804	947,864	1,079,700	1,076,580
Professional Staff Insurance	125,560	112,459	129,122	127,269	127,269	127,269
Recruitment/Repatriation	56,695	18,500	51,130	0	86,695	25,565
Support Staff	370,253	380,284	378,046	413,938	426,425	431,665
Total, sub-item 1.1	<i>2,512,909</i>	<i>2,286,169</i>	<i>2,538,483</i>	<i>2,438,026</i>	<i>2,801,852</i>	<i>2,745,181</i>
Sub-Item 1.2	<i>Other Personnel Costs</i>					
Temporary Assistance/Overtime	10,000	14,890	10,000	15,000	15,000	15,000
Chairs Expenses	20,000	20,143	20,000	20,000	20,000	20,000
Consultants <i>see note 1</i>	138,000	136,912	148,000	178,000	148,000	148,000
Total, sub-item 1.2	<i>168,000</i>	<i>171,945</i>	<i>178,000</i>	<i>213,000</i>	<i>183,000</i>	<i>183,000</i>
Sub-item 1.3	<i>Official Travel</i>					
	<i>210,000</i>	<i>184,464</i>	<i>210,000</i>	<i>210,000</i>	<i>231,000</i>	<i>210,000</i>
Sub-item 1.4	<i>General Operating Expenses</i>					
Electricity, Water, Sanitation	70,000	59,241	72,800	65,000	72,800	65,000
Communications/Courier <i>note 12</i>	67,000	62,875	67,898	76,000	76,000	76,000
Office Supplies & Fuel	45,500	41,917	46,500	43,500	46,500	43,500
Publications and Printing	1,000	799	1,000	0	0	0
Audit	7,500	7,000	7,500	7,500	7,500	7,500
Bank Charges	6,500	9,091	6,200	9,500	6,600	9,500
Official Hospitality	20,000	19,267	14,000	10,000	14,000	14,000
Community Outreach	8,000	8,000	8,000	8,000	8,000	8,000
Miscellaneous Services	5,000	6,655	5,000	6,000	6,000	6,000
Security	83,303	90,383	83,303	92,000	83,303	92,000
Training	25,000	12,050	30,000	15,000	25,000	25,000
Total, sub-item 1.4	<i>338,803</i>	<i>317,278</i>	<i>342,201</i>	<i>332,500</i>	<i>345,703</i>	<i>346,500</i>
Sub-item 1.5	<i>Capital Expenditure</i>					
Vehicles	20,000	20,000	0	0	22,000	0
Information Technology	58,678	53,876	58,678	56,753	56,753	56,753
Website New Projects/Enhancements <i>see note 2</i>	8,000	8,000	20,000	8,000	20,000	8,000
Furniture and Equipment	32,000	31,894	32,000	32,000	32,000	32,000
Total, sub-item 1.5	<i>118,678</i>	<i>113,770</i>	<i>110,678</i>	<i>96,753</i>	<i>130,753</i>	<i>96,753</i>
Sub-item 1.6	<i>Maintenance</i>					
Vehicles	5,800	6,667	5,800	6,000	5,800	6,000
Information and Communication Technology <i>see note 2</i>	78,500	120,855	78,500	120,618	120,618	120,618
Buildings & Grounds	56,500	55,586	56,500	56,500	56,500	56,500
Gardeners and Cleaners	77,074	78,707	77,074	79,500	77,074	79,500
Insurance	23,000	24,895	23,000	25,000	23,000	25,000
Total, sub-item 1.6	<i>240,874</i>	<i>286,710</i>	<i>240,874</i>	<i>287,618</i>	<i>282,992</i>	<i>287,618</i>
Sub-item 1.7	<i>Meeting Services</i>					
Annual Session <i>see note 3</i>	165,000	250,500	165,000	165,000	165,000	165,000
Scientific Committee <i>see note 4</i>	192,000	157,903	160,000	246,600	192,000	192,000
Northern Committee <i>see note 5</i>	18,000	9,696	18,000	18,000	18,000	18,000
Technical and Compliance Committee	159,800	149,682	159,800	159,800	159,800	159,800
IWG FADs	50,000	32,800	0	0	0	0
WCPFC Planning Framework	39,500	43,050	30,000	0	0	0
Total, sub-item 1.7	<i>624,300</i>	<i>643,631</i>	<i>532,800</i>	<i>589,400</i>	<i>534,800</i>	<i>534,800</i>
TOTAL, Section 1/Item 1	4,213,565	4,003,967	4,153,035	4,167,298	4,510,101	4,403,853

	<i>Approved budget 2016</i>	<i>Estimated expenditure 2016</i>	<i>Indicative budget 2017</i>	<i>Proposed budget 2017</i>	<i>Indicative budget 2018</i>	<i>Indicative budget 2019</i>
ANNEX 1 (continued)						
Part 2 - Science & Technical & Compliance Programme						
Section 2 (Item 2)						
Sub-item 2.1	Scientific Services (SPC)	871,200	871,200	871,200	871,200	871,200
Sub-item 2.2	<i>Scientific Research</i>					
	Additional Resourcing SPC	160,000	160,000	160,000	160,000	160,000
	Pacific Tuna Tagging Project	10,000	10,000	10,000	250,000	650,000
	Refinement of BET Biological Parameters	50,000	50,000	0	0	
	Limit Reference Points	25,000	0	0	25,000	0
	WPEA Project Co-finance	25,000	25,000	25,000	25,000	0
	Estimation of Seabird Mortality	0	0	0	20,000	22,500
	High Priority Project(s) - to be allocated <i>see note 6</i>	0	0	83,000	0	83,000
	Skipjack Impacts on Margins of Conv. Area	40,000	40,000	40,000	0	40,000
	Paired Sampling and Unloading Data Comparisons	50,000	50,000	50,000	50,000	0
	Maintenance of WCPFC Tissue Bank	80,000	80,000	80,000	95,000	95,000
	Review of shark Data and Modelling Framework	0	0	0	65,000	0
	Shark Monte Carlo Mitigation Analysis	25,000	25,000	0	0	0
	Technical Support for the MOW	30,000	15,134	0	0	0
Total, sub-item 2.2		495,000	455,134	448,000	690,000	1,035,500
Sub-item 2.3	Technical & Compliance Programme					
	ROP - Audit/Remediation	15,000	4,733	15,000	15,000	15,000
	ROP - Special Projects and Research Activities	30,000	0	30,000	30,000	30,000
	ROP - Training, Assistance & Development	20,000	7,912	30,000	30,000	30,000
	Observer CMM booklet	15,000	11,882	15,000	13,000	15,000
	ROP Data Management	923,904	923,904	923,904	923,904	923,904
	Vessel Monitoring System - Capital Costs	20,000	13,600	40,000	20,000	20,000
	Vessel Monitoring System - SLA Costs <i>see note 11</i>	450,000	518,101	265,000	265,000	265,000
	Vessel Monitoring System - Airtime <i>see note 11</i>	131,125	244,664	105,000	190,000	190,000
	Vessel Monitoring System - Security Audit	7,500	8,350	7,500	8,400	7,500
	CCM/Staff VMS Training	60,000	59,346	40,000	40,000	40,000
	VMS Redundancy Provision <i>see note 7</i>	18,700	10,400	18,700	0	0
	Information Management System	100,000	100,000	100,000	100,000	100,000
	Workshops/IATTC Cross Endor. Train.	28,000	28,288	25,000	28,000	28,000
	AR Part 2/CMS Online Host. and Pub.	18,000	0	18,000	18,000	18,000
	Targeted Capacity Building <i>see note 8</i>	50,000	16,085	50,000	50,000	50,000
	Catch Documentation Workshop	35,000	12,800	50,000	0	0
	E-Monitoring and E-Reporting Workshop	25,000	27,096	0	25,000	0
	E-monitoring and E-Reporting Activities	0	0	0	60,000	30,000
	CMS Review	0	0	0	124,590	0
	Port Coordinators <i>see note 9</i>	75,000	45,000	0	0	0
	Regional Capacity Building Workshops <i>see note 10</i>	130,000	127,237	130,000	130,000	130,000
Total, item 2.3		2,152,229	2,159,398	1,863,104	2,070,894	1,891,304
TOTAL, Section 2/Item 2		3,518,429	3,485,732	3,182,304	3,632,094	3,798,004
Total, Parts 1 & 2		7,731,994	7,489,699	7,335,340	7,799,392	8,201,857

Note 1: Consultancies proposed are:

Legal support services	\$55,000
ED Discretion	\$20,000
Media Consultant	\$15,000
Consultant - IT audit findings	\$30,000
Meetings' rapporteur	\$48,000
	<u>\$168,000</u>

Note 2: Website New Projects/Enhancements

Includes support for webpage redesign as outlined in the Secretariat Communication Strategy

Note 3: Annual Session

Cost based on host for 2017 annual meeting. If no host identified for 2017 annual meeting 155,000 will be added to the costs of hosting the annual meeting.

Note 4: Scientific Committee

Additional costs are due to the higher than average DSAs for the meeting to be held in the Cook Islands.

Note 5: Northern Committee

As per WPCFC9, an additional \$25,000 will be assessed from non-developing state members of the NC to fund attendance at the NC meeting by developing states and territories if needed.

Note 6: Unobligated Budget

For science-related projects requested by the Commission with no budget allocation

Note 7: VMS Redundancy Provision

The costs for the VMS Redundancy Provision have been included with the costs of data backup under IT maintenance.

Note 8: Targeted Capacity Building

To be directed to specific areas identified in CMR process and annual report Part 2 assistance, and if funds permit to specific needs identified in the CMR process.

Note 9: Port Coordinators

WCPFC13 is to make a decision on the possible extension and expansion of this programme into 2017/18 and beyond. Budgeted amount in 2017/18 is indicative and subject to the WCPFC13 decision.

Note 10: Regional Capacity Building Workshops

For the Tuna Data Workshop (SPC) and MCS officer courses (FFA) in 2017

Note 11: Vessel Monitoring System

For 2016 cost analysis and proposed updates to the SLA please refer to TCC12-2016-14_rev1 (18 Sept 2016)

Note 12: Communications/Courier

Increased costs for internet are related to the costs of increasing the internet bandwidth in the office to accommodate off site backup.

ANNEX 2

**Proposed General Fund financing table for 2017
01 January to 31 December 2017**

Proposed budget expenditure total	7,799,392
less	
Estimated interest and other income	(12,000)
Transfer from Working Capital Fund	(350,000)
CNM Contributions Fund	(50,000)
Limit Reference Points transfer from 2016 budget	(25,000)
Total assessed contributions	<u>7,362,392</u>
(see detailed schedule in Annex 7)	

**Proposed General Fund financing table for 2018
01 January to 31 December 2018**

Proposed budget expenditure total	8,174,205
less	
Estimated interest and other income	(12,000)
Transfer from Working Capital Fund	(350,000)
CNM Contributions Fund	(50,000)
Total assessed contributions	<u>7,762,205</u>
(see detailed schedule in Annex 7)	

**Proposed General Fund financing table for 2019
01 January to 31 December 2019**

Proposed budget expenditure total	8,201,857
less	
Estimated interest and other income	(12,000)
Transfer from Working Capital Fund	(350,000)
CNM Contributions Fund	(50,000)
Total assessed contributions	<u>7,789,857</u>
(see detailed schedule in Annex 7)	

ANNEX 3

Indicative schedule of contributions based on the Commission's contribution formula

<i>2017 Contribution Table</i>								
<i>Member</i>	<i>Base fee component: uniform share 10% of budget</i>	<i>National wealth component: 20% of budget</i>	<i>Catch component: 70% of budget</i>	<i>Addition for Northern Committee</i>	<i>Total Contributions by Members</i>	<i>Percent of Budget by member</i>	<i>Offset for Small Island Developing States*</i>	<i>Total of components: 100% of budget</i>
Australia	28,317	117,051	11,176	0	156,544	2.15%	0	156,544
Canada	28,317	100,911	0	0	129,228	1.78%	0	129,228
China	28,317	137,877	256,597	0	422,791	5.82%	0	422,791
Cook Islands	28,317	890	2,625	0	31,832	0.44%	22,255	54,087
European Union	28,317	250,323	112,375	0	391,015	5.38%	0	391,015
Federated States of Micronesia	28,317	5,122	96,670	0	130,109	1.79%	0	130,109
Fiji	28,317	7,145	26,375	0	61,837	0.85%	0	61,837
France	28,317	100,485	8,858	0	137,660	1.89%	0	137,660
Indonesia	28,317	17,037	171,059	0	216,413	2.98%	0	216,413
Japan	28,317	131,988	957,047	0	1,117,352	15.38%	0	1,117,352
Kiribati	28,317	4,192	209,579	0	242,087	3.33%	0	242,087
Korea	28,317	58,743	744,704	0	831,764	11.45%	0	831,764
Marshall Islands	28,317	2,650	200,367	0	231,333	3.18%	3,999	235,332
Nauru	28,317	564	21	0	28,902	0.40%	24,027	52,929
New Zealand	28,317	61,406	55,963	0	145,686	2.00%	0	145,686
Niue	28,317	81	0	0	28,397	0.39%	18,534	46,931
Palau	28,317	1,065	0	0	29,381	0.40%	16,587	45,968
Papua New Guinea	28,317	3,427	369,633	0	401,377	5.52%	0	401,377
Philippines	28,317	9,545	329,179	0	367,042	5.05%	0	367,042
Samoa	28,317	5,887	1,576	0	35,780	0.49%	0	35,780
Solomon Islands	28,317	2,785	33,264	0	64,365	0.89%	0	64,365
Chinese Taipei	28,317	39,802	717,191	0	785,310	10.81%	0	785,310
Tonga	28,317	5,309	370	0	33,995	0.47%	1,409	35,405
Tuvalu	28,317	496	19,403	0	48,216	0.66%	8,875	57,091
United States of America	28,317	307,171	743,638	0	1,079,126	14.85%	0	1,079,126
Vanuatu	28,317	4,842	86,007	0	119,166	1.64%	0	119,166
Totals	736,239	1,376,793	5,153,675	0	7,266,707	100%	95,686	7,362,392

* To be offset by the CNM Contributions Fund.

ANNEX 3 (continued)

Offset for Small Island Developing States as per Financial Regulation 5.2(b) (ii)

<i>Member</i>	<i>Population</i>	<i>Maximum Payable for wealth component</i>	<i>National wealth component</i>	<i>Offset for Small Island Developing States</i>
Cook Islands	17,794	890	23,145	22,255
Federated States of Micronesia	104,460	5,223	5,122	0
Fiji	892,140	44,607	7,145	0
Kiribati	112,420	5,621	4,192	0
Marshall Islands	52,990	2,650	6,648	3,999
Nauru	11,288	564	24,591	24,027
Niue	1,611	81	18,614	18,534
Palau	21,290	1,065	17,651	16,587
Papua New Guinea	7,619,320	380,966	3,427	0
Samoa	193,230	9,662	5,887	0
Solomon Islands	583,590	29,180	2,785	0
Tonga	106,170	5,309	6,718	1,409
Tuvalu	9,920	496	9,371	8,875
Vanuatu	264,650	13,233	4,842	0
Total				95,686

Additional Funding for Northern Committee as agreed in WCPFC9-2012-22 FAC 6 Summary Report 5.4 (25)

<i>Non-developing States Members of NC</i>	<i>Percent of total budget</i>	<i>Percent of NC fund</i>	<i>Additional cost</i>
Canada	1.76%	3.7%	0
China	5.74%	12.2%	0
Japan	2.94%	6.2%	0
Korea	11.30%	24.0%	0
Chinese Taipei	10.67%	22.7%	0
United States of America	14.66%	31.1%	0
Total	47.06%	100.00%	0

ANNEX 3 (continued)

Indicative schedule of contributions based on proposed 2017 budgets without with the Offset for Small Island Developing States and Additional funds Assessed on Non-Developing States Members of NC

Member	2017 Proposed					2018 Indicative		2019 Indicative	
	Base fee component: uniform share 10% of budget	National wealth component: 20% of budget	Catch component: 70% of budget	Total of components: 100% of budget	% of budget by member	Total of components: 100% of budget	% of budget by member	Total of components: 100% of budget	% of budget by member
Australia	28,317	117,051	11,176	156,544	2.13%	165,045	2.13%	165,633	2.13%
Canada	28,317	100,911	0	129,228	1.76%	136,246	1.76%	136,731	1.76%
China	28,317	137,877	256,597	422,791	5.74%	445,751	5.74%	447,339	5.74%
Cook Islands	28,317	23,145	2,625	54,087	0.73%	57,024	0.73%	57,227	0.73%
European Union	28,317	250,323	112,375	391,015	5.31%	412,249	5.31%	413,718	5.31%
Federated States of Micronesia	28,317	5,122	96,670	130,109	1.77%	137,174	1.77%	137,663	1.77%
Fiji	28,317	7,145	26,375	61,837	0.84%	65,195	0.84%	65,428	0.84%
France	28,317	100,485	8,858	137,660	1.87%	145,136	1.87%	145,653	1.87%
Indonesia	28,317	17,037	171,059	216,413	2.94%	228,165	2.94%	228,978	2.94%
Japan	28,317	131,988	957,047	1,117,352	15.18%	1,178,029	15.18%	1,182,226	15.18%
Kiribati	28,317	4,192	209,579	242,087	3.29%	255,234	3.29%	256,143	3.29%
Korea	28,317	58,743	744,704	831,764	11.30%	876,933	11.30%	880,057	11.30%
Marshall Islands	28,317	6,648	200,367	235,332	3.20%	248,112	3.20%	248,995	3.20%
Nauru	28,317	24,591	21	52,929	0.72%	55,803	0.72%	56,002	0.72%
New Zealand	28,317	61,406	55,963	145,686	1.98%	153,597	1.98%	154,144	1.98%
Niue	28,317	18,614	0	46,931	0.64%	49,480	0.64%	49,656	0.64%
Palau	28,317	17,651	0	45,968	0.62%	48,465	0.62%	48,637	0.62%
Papua New Guinea	28,317	3,427	369,633	401,377	5.45%	423,173	5.45%	424,681	5.45%
Philippines	28,317	9,545	329,179	367,042	4.99%	386,974	4.99%	388,352	4.99%
Samoa	28,317	5,887	1,576	35,780	0.49%	37,723	0.49%	37,857	0.49%
Solomon Islands	28,317	2,785	33,264	64,365	0.87%	67,860	0.87%	68,102	0.87%
Chinese Taipei	28,317	39,802	717,191	785,310	10.67%	827,956	10.67%	830,905	10.67%
Tonga	28,317	6,718	370	35,405	0.48%	37,327	0.48%	37,460	0.48%
Tuvalu	28,317	9,371	19,403	57,091	0.78%	60,191	0.78%	60,405	0.78%
United States of America	28,317	307,171	743,638	1,079,126	14.66%	1,137,728	14.66%	1,141,781	14.66%
Vanuatu	28,317	4,842	86,007	119,166	1.62%	125,637	1.62%	126,084	1.62%
Totals	736,239	1,472,478	5,153,675	7,362,392	100.00%	7,762,205	100.00%	7,789,857	100.00%