



**FOURTEENTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
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**CHAIR'S REPORT OF THE VIRTUAL INTERSESSIONAL
SPECIAL REQUIREMENTS FUND WORKING GROUP**

**WCPFC14-2017-FAC11-09
6 November 2017**

Chair's Report of the Virtual Intersessional Special Requirements Fund Working Group

This paper has been prepared by the Chair of the Working Group as a consolidated summary of deliberations and does not represent agreed recommendations or consensus of the Working Group. Rather it proposes a middle-ground option and summary of discussions for consideration by FAC.

Background

- A Virtual Intersessional Working Group of the Finance and Administration Committee (FAC) of the Western and Central Pacific Fisheries Commission (WCPFC) was established to review the current guidelines for the Special Requirements Fund (SRF), including its scope of use, prioritisation, allocation authority, securing of funding at an appropriate level, and transparency of operation.
- The Working Group included representatives from: Australia (Chair), Chinese Taipei, Cook Islands, the European Union, New Zealand, the Republic of Marshall Islands, Tokelau, the United States, the WCPFC Secretariat and the Forum Fisheries Agency.
- The Working Group agreed on three overarching objectives for the review:
 - (i) To support the full input and participation of member small island states/developing states/territories in the meetings of the Commission
 - (ii) To support the development of management and technical capability and capacity in member small island states/developing states/territories to enable them to implement Commission Conservation and Management Measures (CMMs)
 - (iii) To explore funding models that provide adequate and sustainable sources of funding [for the SRF] to achieve the objectives above

Summary of discussion

- Attachment A provides a summary of the working group deliberations with respect to the assigned task.
- Discussion with CCMs indicated that there was support to consider sustainability of the SRF more holistically, including provisions to enable effective participation in the work of the Commission and to build capacity to implement CMMs (not just travel, but broader capacity support).
- Areas of possible convergence arising from discussions included:
 - Development of a 3-5-year Strategic Investment Plan (updated annually as required) articulating priorities
 - Strengthening of transparency and accountability provisions, including greater Commission/FAC oversight (for mandatory contributions)
- Some possible enhancements that were suggested include:
 - Trial period (3 years?) of a Strategic Investment Plan including:
 - review periods to assess impact of expenditure against objectives
 - progressive increases in base allocation dependent on outcome of reviews
 - evaluation at the end of the trial period and reconsideration by the Commission as to nature of ongoing sustainable base contributions
- Note there remain some significant areas of divergence that may need further discussion by CCMs and these are summarised at Attachment B.

- Recognising these remaining areas of divergence, the Chair has used the discussion by the working group to develop a straw man proposal to focus discussions at FAC with the view of moving towards a paper that can be tabled at the Commission meeting.

Chair's Proposal

- Attachment C provides a schematic of a proposed middle ground and Attachment D provides the proposed governance for this arrangement for FAC consideration based on discussions to date.

Strategic Investment Plan

- A CCM SRF working group of FAC (with Secretariat support or support of an independent consultant) could draft a template 3-year Strategic Investment Plan (SIP) out-of-session for FAC15 consideration and WCPFC15 approval. This could build on the SIDS Checklist.
- The objectives of the SIP would be to:
 - address capability and capacity development requirements identified through the CMS process;
 - ensure effective input and participation from small island developing states/territories;
 - address capability and capacity development requirements identified through CMM2013-06 and CMM2013-07; and
 - address general fisheries capability and capacity development requirements identified by the Commission / Secretariat, including support for identification of capacity needs.
- The SIP would draw from existing Commission processes to identify capability, capacity development and participation needs (proactively as well as reactively). These include:
 - upcoming Commission meetings/working groups;
 - identification of SIDS requirements through the impact assessments (CMM2013-06);
 - priorities as defined in CMM2013-07 and raised in meetings of the Commission or by CCMs to the Secretariat;
 - the Compliance Monitoring Scheme and TCC recommendations; and
 - issues arising from Science Committee.
- Whilst the SIP could be an initial trial 3-year plan, CCMs (or the Secretariat) may propose annual updates for FAC and Commission consideration. Longer-term, it could be a rolling 5-year plan, updating annually as required (e.g. to include outcomes of TCC and SC deliberations). Longer-term, the SIP could also capture and identify areas of direct technical assistance that are not necessarily related to financial contributions.
- The working group could cross-reference funding from outside the WCPFC, identified through commitments to paragraph 19 of CMM2013-07 in Part 2 reports, the Japanese Trust Fund and the Chinese Taipei Trust Fund to identify funding gaps according to identified capacity needs in the SIP. These could form the basis of prioritised funding from the SRF. The SIP could also be used to inform special trust fund investments, noting the annual call provisions and separate governance arrangements of existing trust funds.
- The SIP would be developed by the SRF WG through FAC and approved by the Commission.

Special Requirements Fund

- The SRF would be administered by the Executive Director consistent with the SIP.
 - For SRF proposals >USD10,000, the CCM SRF WG (that develops the SIP) could be asked out of session to provide advice to the Executive Director on whether the proposal meets the objectives of the SIP and should be prioritised for funding.

- The guidelines for the SRF could be enhanced with further criteria to guide the ED in allocating funds under the SRF (e.g. interpretation of the equity principle, travel criteria, etc). These criteria could also guide reporting requirements.
- The ED report on the SRF could be provided to and reviewed by the FAC against the SIP objectives annually in the initial 3-year period and SRF allocations could be increased from an equivalent of 1% of Commission budget (USD75,000) in Year 1 (2019) to 2% (USD150,000) in Years 2 (2020) and 3 (2021) subject to favourable annual review (funding mechanism to be determined by FAC).
- Some options for sustainable funding are presented for discussion below (noting first a decision on whether this is new funding or a reprioritisation of the existing funding would be required).
 - Based on IATTC precedent this would equate to:

CCM	2017 Budget	At 1%	At 2%
Australia	156,013	1,560	3,120
Canada	128,789	1,288	2,576
China	421,356	4,214	8,427
Cook Islands	31,727	317	635
European Union	389,687	3,897	7,794
Federated States of Micronesia	129,667	1,297	2,593
Fiji	61,627	616	1,233
France	137,193	1,372	2,744
Indonesia	215,678	2,157	4,314
Japan	1,113,557	11,136	22,271
Kiribati	241,265	2,413	4,825
Korea	828,940	8,289	16,579
Marshall Islands	230,557	2,306	4,611
Nauru	28,806	288	576
New Zealand	145,191	1,452	2,904
Niue	28,301	283	566
Palau	29,285	293	586
Papua New Guinea	400,014	4,000	8,000
Philippines	365,795	3,658	7,316
Samoa	35,658	357	713
Solomon Islands	64,146	641	1,283
Chinese Taipei	782,643	7,826	15,653
Tonga	33,898	339	678
Tuvalu	48,054	481	961
United States of America	1,075,462	10,755	21,509
Vanuatu	118,761	1,188	2,375
Total	7,242,069	72,421	144,841

- Alternatively, based on NC precedent this would equate to:

Country	Percent of Total Budget	Percent of SRF	1%	2%
Australia	2.15%	3.01%	2,182	4,363
Canada	1.78%	2.49%	1,801	3,602
China	5.82%	8.14%	5,892	11,785
EU	5.38%	7.52%	5,449	10,899
France	1.89%	2.65%	1,919	3,837
Japan	15.38%	21.50%	15,572	31,144
Korea	11.45%	16.01%	11,592	23,184
NZ	2.00%	2.80%	2,030	4,061
CT	10.81%	15.11%	10,945	21,889
USA	14.85%	20.77%	15,039	30,079
	71.51	100	72,421	144,841

- Other funding options could be explored, such as a development fee for high seas non-SIDS vessels, observer fees, CNM contributions, etc.
 - o Voluntary contributions could also be sought annually by the Secretariat based on the identified needs and funding gaps in the SIP.
 - o Longer-term review provisions could be agreed by FAC after the initial 3-year trial period.

Next steps:

FAC is invited to discuss this Chair’s Report of the Virtual Intersessional Special Requirements Fund Working Group and make recommendations on a way forward for Commission consideration, particularly as it relates to:

- o The concept of a Strategic Investment Plan to match capacity needs and funding resources;
- o How to address the “effective participation” issue;
- o Governance (including transparency and accountability) of the Strategic Investment Plan and SRF; and
- o The need for sustainable funding [and an appropriate funding mechanism].

Summary, 16 October 2017

TASK: Review the current guidelines for the management of the SRF including its scope of use, prioritisation, allocation authority, securing of funding at an appropriate level, and transparency of operation.

OBJECTIVES FOR THE SRF REVIEW:

- To support the full input and participation of member small island states/developing states/territories in the meetings of the Commission
- To support the development of management and technical capability and capacity in member small island states/developing states/territories to enable them to implement Commission Conservation and Management Measures (CMMs)
- To explore funding models that provide adequate and sustainable sources of funding [for the SRF] to achieve the objectives above

Underlying principles for consideration – funding models that:

- are sustainable
- do not significantly increase CCM contributions
- only draw from developed CCM contributions/general fund
- integration with capacity development requirements identified through SIDS checklist and the CMS

SRF USE TO DATE (does not include contributions prior to 2010):

YEAR	Commitment (USD)	Expenditure (USD)
2010	116,960	32,616
2011	-	32,951
2012	-	90,253
2013	-	62,734
2014	-	6,160
2015	Fund ran out	78,545
2016	40,020	3,655
TOTAL (excl prior to 2010)	156,980	306,914
Current balance	\$132,435.21 (with two requests submitted)	

- Most used for travel to meetings and technical capacity building training/workshops: MCSWG, Regional Observer Coordinators Workshop, Tuna Data Workshop, Stock Assessment Workshop, VMS training, SC, MOC, WCPFC, IMS Symposium, iFIMS Technical Consultations, i2Fish Group meeting, TCC
- The remainder was used for internships

OTHER PARTICIPATION AND CAPACITY BUILDING ELEMENTS OF THE BUDGET:

- Annual session meeting costs:
 - 2016 allocation = \$225,000 and expenditure = \$216,847
 - 2017, 2018 and 2019 allocations = \$165,000 p.a.
- Scientific Committee meeting costs:
 - 2016 allocation = \$158,100 and expenditure = \$150,102
 - 2017 allocation = \$246,600
 - 2018 and 2019 allocations = \$192,000 p.a.
- Technical and Compliance Committee meeting costs:
 - 2016 allocation = \$150,500 and expenditure = \$150,462
 - 2017, 2018 and 2019 allocations = \$159,800 p.a.
- Regional Capacity Building Workshops (To assist the Secretariat in the administration of this budget line, WCPFC13 were asked to agree and specify priority activities and amounts for this budget line for 2017, 2018 and 2019)
 - 2016 allocation = \$130,000 and expenditure = \$127,237
 - 2017, 2018 and 2019 allocations = \$130,000 p.a.

TOTAL 2016 BUDGET EXPENDITURE EXTERNAL TO SRF: \$660,734

Additional questions raised and answers from Secretariat:

- We note that most of the SRF funding was used for meeting travel (both WCPFC meetings and non-WCPFC meetings), with a smaller amount used for internships. Does the relatively low level of expenditure for wider capacity building projects reflect the fact that there were few applications for funding to serve those purposes? ---

We have not had application for wider capacity building projects from the SRF. Most of the larger projects have been submitted to the Japanese Trust fund or more recently to the Chinese Taipei Trust Fund.

- Assuming the applications for assistance have exceeded the funds available in at least some years, how did the Secretariat make decisions or prioritize how scarce SRF funds would be allocated?

We have only run out of money once in the fund. For a number of years there was minimal use of the fund. When the funding started to run low we prioritized those who had not received or who had made minimal use SRF Fund in the past as a higher priority.

- Can you confirm that all current funding for core WCPFC meeting-related travel (for one person from each eligible CCM) is currently reflected in the budgetary line items for each of those meetings (i.e. annual meeting, SC, TCC)? In other words, none of that is funded directly from the SRF?

Yes. All funding for eligible CCM meetings travel is reflected in the Core budget.

WORKING GROUP CONTRIBUTIONS:

- What happens to unspent monies in the SRF account, in the event that mandatory contributions exceed the amount of satisfactory requests for assistance? Would the unobligated balance remain in a growing SRF, or could it potentially be used to offset contributions in other areas of the Commission budget?
 - There should always be an amount of funds available to address emerging issues. Funds should accumulate to X amount. We should be looking at a fund that is not dictated by an annual budget, but is contributed to for specific tasks – initially look at a cap e.g.\$100k and review overtime based on supply/demand.

FEEDBACK ON ASPECTS OF THE CURRENT FINANCIAL REGS/PRINCIPLES/GUIDELINES & OPERATIONAL PROCEDURES (GOP) IN THE CONTEXT OF THE OBJECTIVES FOR THE REVIEW:

Scope of use	<p><i>Financial Reg 7.1</i></p> <ul style="list-style-type: none"> to assist developing States Parties, Small Island Developing State members of the Commission and, where appropriate, territories and possessions, with human resources development, technical assistance and transfer of technology in relation to conservation and management of highly migratory fish stocks in the Convention Area and development of fisheries for such stocks; and to build capacity for activities in key areas such as effective exercise of flag State responsibilities, monitoring, control and surveillance, data collection and scientific research relevant to highly migratory fish stocks on a national and/or regional level 	Adequate
Prioritisation	<p><i>Principles i</i> Preference will be given to activities that improve the capacity of individuals within the Commission's SIDS members to help States fulfil their obligations under the Convention and participate effectively in its work, rather than expenditure on other items such as hardware and software, unless these are specifically linked to the development of technical capacity of SIDS members.</p> <p><i>Principles iv</i> The Fund will be balanced across eligible commission members. Activities should, wherever possible, aim at building coherent and cohesive approaches at the Commission and avoid those that exacerbate national or sub-regional differences in capacity and access to benefits from the fishery.</p>	<p>Comment: Activities that improve the capacity of the Commission's SIDS members to fulfil their obligations under the Convention (i.e. focus on national or institutional capacity as opposed to individual capacity, since capacity building and systems development should when possible be resilient to the transfer or departure of individual personnel).</p> <p>Proposed amendment to <i>Principles i</i>: Preference will be given to activities that improve the capacity of individuals within the Commission's SIDS members to help States fulfil their obligations under the Convention and participate effectively in its work [including funding up to two participants from developing CCMs to Commission meetings where requested and considered necessary to ensure effective input and participation]</p> <p>New proposal for inclusion in GOP: At a minimum, Commission should agree on a Strategic Investment Plan developed by Executive Director based on requirements identified by developing states/territories and analyses of Commission staff (e.g. IATTC model)</p>

	<p><i>Principles vi</i> Wherever possible, capacity-building should target the maximum number of individuals, across various stakeholder groups, including Government, the private sector and NGO.</p> <p><i>Principles vii</i> Where possible maximum use should be made of existing regional organisations to coordinate and assist with capacity development.</p>	<p>Prioritisation in the Strategic Investment Plan could include:</p> <ol style="list-style-type: none"> 1. Capability and capacity development requirements identified through the CMS process – projects that help address non-compliance issues should be prioritised. 2. Effective input and participation [[which may include up to/a minimum of] two representatives funded from each developing state/territory] 3. Capability and capacity development requirements identified through CMM2013-06 and CMM2013-07. 4. General fisheries capability and capacity identified by the Commission / Secretariat <p>Comment: <i>Principles iv</i> can be limiting if only a few CCMs are applying to use SRF - how can the principle of equity be balanced with demand? Perhaps need to look at re-wording this principle to reflect equity across applicants over a 3-year period? Need to be careful that not to limit those who are able to move ahead with addressing capacity constraints.</p>
<p>Allocation authority</p>	<p><i>Financial Reg 7.2</i> The fund will be administered by the Executive Director, in accordance with the same financial controls as regular budget appropriations.</p> <p><i>Financial Reg 7.6</i> The Commission shall consider the applications for assistance. The Commission shall be guided by the purposes of the fund, the provisions of the Convention, the financial needs of the applicant and the availability of funds, with priority given to small island developing States and, where appropriate, territories and possessions. Assistance shall be provided on an impartial basis. Consideration of applications shall also include an assessment of whether any existing sources of assistance are available. Decisions by the Commission on assistance from the fund shall take into account the size of the fund and the need</p>	<p>Comments: The Executive Director should be responsible for allocating the SRF based on priorities, guidelines and standards agreed by members. The FAC and Commission should agree areas the fund will support (e.g. Strategic Investment Plan) and Secretariat should administer the fund on an as needed basis to retain flexibility.</p> <p>The FAC and Commission should have a role in decision-making</p> <ul style="list-style-type: none"> • (e.g. SPRFMO model – FAC initial assessment and recommendations to Commission for decision) – noting this would likely remove flexibility of the SRF and make it an annual call for submissions as per the JTF and CTF, and/or • at a minimum through a Strategic Investment plan (i.e. consistent with the IATTC), particularly if higher mandatory contributions to the SRF are being contemplated.

for cost-effectiveness.

GOP 9

In assessing a proposal, the Commission will take into account the criteria shown in Attachment 1 to Appendix A [Selection and Evaluation Criteria].

- Has a clear need for the project been identified?
- What are the outcomes sought?
- Who will benefit from the project?
- Does the project clearly seek to complement or improve existing fisheries conservation and management tools or capabilities in a way that will improve the ability of one or more developing member States to implement its obligations under the WCPFC?
- Does the project duplicate existing assistance programmes being delivered bilaterally or through by regional organisations?
- Will the project benefit more than just the individual or country (i.e. can the activity be extended to other stakeholders/ countries)
- Are the proposed costs of the activity reasonable and in proportion to the likely benefits?
- Is there an appropriate financial contribution from the national government?
- Has the applicant received prior support from the Fund? If so, was the activity successful?
- Are the project outcomes and objectives clearly set out?
- Are the approach and methods well described?
- Does the applicant/ beneficiary have the demonstrated capacity to benefit fully from the project and ensure the outputs are fully utilised?
- Does the project involve a broad range of stakeholders from the fishery sector?
- Is there provision for disseminating information on the

	<p>project’s activities and results to an appropriate range of stakeholders or the general public?</p> <ul style="list-style-type: none"> • How will the success of the intervention be measured? • Who is responsible for ensuring the success of the intervention? 	
<p>Securing funding at an appropriate level</p>	<p><i>Financial Reg 7.2</i> The SRF shall be financed from voluntary contributions and such other sources as the Commission may identify.</p> <p><i>GOP 4</i> By the 30th June each year, the Executive Director will write to members, cooperating non members or other sources of potential support for the Special Requirements Fund seeking voluntary contributions to the Fund for the subsequent financial year.</p>	<p>Requires Review to ensure sustainable funding</p> <ol style="list-style-type: none"> 1. look at IATTC 2% allocation as a baseline <ul style="list-style-type: none"> ○ based on 2016 2% general fund would = USD 144,841 (excludes offsets to contributions) ○ based on 2016 2% developed CCM contributions to general fund would = USD 103,576 (excludes offsets to contributions) <p>GOP4 regarding annual calls for contributions to the SRF needs more consistent implementation – could use a Strategic Investment Plan to approach potential donors annually</p>
<p>Transparency of operation</p>	<p><i>Financial Reg 7.7</i> The Executive Director shall submit an annual report to the Commission on the status of the fund, including a financial statement of contributions to and disbursements from the fund.</p> <p><i>Principles vii</i> The use of the Funds shall be underpinned by the principles of transparency and accountability.</p> <p><i>GOP 5</i> The Executive Director will notify members of the level of available funds in the Special Requirements Fund during the Annual Session as part of the report on the status of funds. The invitation to access the available funds for any particular period will remain open for as long as funding is available for drawdown in that financial year. Members will be advised if funds reach 50%, and then 25%, of the amount advised as available, or if significant new contributions are received.</p>	<p>Could update the Financial Reg 7.7 to include:</p> <ul style="list-style-type: none"> - Executive Director report annually to the Commission on status of the SRF, including amount used for development of technical capacity and details of such assistance, together with level of available funds (SPRFMO model) - Details of how the projects will be monitored and reported on to the Executive Director and the Commission - A statement noting if any post-completion evaluations are considered necessary and if any evaluations have been commissioned by the Executive Director. <p>Comment: Proposal review process could be clarified: “may involve” does not mean that all appropriate reviewers are included. May want to establish a review or advisory committee that meets baseline criteria of representation, including FFA and SPC as relevant subject matter experts and others who can advise on technical merits.</p> <p>Could revise GOP 7 to include establishment of an advisory committee. Alternatively, this function could be carried out by FAC.</p>

	<p><i>GOP 7</i> A review of proposals received from developing State Parties or participating territories to access funds from the Special Requirements Fund may involve senior staff of the Commission (the Science Manager, Compliance Manager, Data Manager and/or the Finance and Administration Officer), the chairperson of subsidiary bodies of the Commission, affiliate institutions providing advisory services to the Commission or independent experts. Proposals will be reviewed on an as received basis.</p>	<p>However, do not want to limit calls to once-a-year. Want to retain flexibility of the SRF, so WCPFC Secretariat should retain administrative role for many expenditures and call on subject matter experts as needed.</p>
<p>Accountability</p>	<p><i>GOP 11</i> Project monitoring and evaluation will be undertaken through:</p> <ul style="list-style-type: none"> • submission of quarterly narrative and financial reports by the applicant; • submission of a final narrative and financial report at the end of the project; • written and verbal communication as necessary with the Project Liaison Officer or other relevant staff of the Secretariat. <p><i>GOP 12</i> If considered necessary by the Executive Director, a post-completion evaluation of the project may be commissioned by the Executive Director, in order to verify project results and outcomes, and improve on the design and implementation of future projects funded by the SRF.</p>	<p>Comment: Do not believe a post-completion evaluation should be required only “if considered necessary” by the Executive Director; some aspect of evaluation and reporting to the Commission or a core group should be a requirement.</p> <p>Comment: For significant investments in capacity building of over US\$10,000 the receiving developing state / territory should also be required to complete a report on what the money was spent on and the results achieved etc. <i>[Note this should be included in all final reports anyway]</i></p> <p>Comment: Given that the SRF hasn’t actually funded any capacity building projects to date, perhaps it would make sense to include an accountability principle relating to the actual use of the fund – i.e. additional delegates attending meetings. Rather than ‘monitoring and evaluation’ this could be in the form of a self-reflective skills development report to be submitted by the funded delegate.</p> <p>Could update GOP11 to include:</p> <ul style="list-style-type: none"> - Self-reflective skills development/capacity report submitted by all delegates funded to travel to meetings or capacity building workshops/training. Reports should reflect on specific capacity gaps or needs the travel was seeking to address and what was achieved. - Quarterly narrative and financial reports (non-travel) by the beneficiary to the Executive Director

		<ul style="list-style-type: none"> - Submission to FAC of final narrative and financial report (non-travel) at end of project (SPRFMO); <p>Could update <u>GOP12</u> to include:</p> <ul style="list-style-type: none"> - the Executive Director shall specify in the annual report to the Commission (Financial Reg 7.7) if any project is considered necessary to undertake a post-completion independent evaluation, and if the Executive Director has commissioned such evaluation <p>New proposal: Review period of the SRF (e.g. initial three-year period) to determine impacts and effectiveness of actions developed from utilisation of SRF with a view to informing adjustments to ensure objectives can be met over time (IATTC) – could be linked to staged increases in contributions over time</p>
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OPTIONS FOR CONSIDERATION:

Review the Financial Regulations: [*Outside parameters of SRF*]

- Commission budget allocation from general fund in accordance with **Financial Regulation 3.5** could increase to allow for two participants from each small island/developing state/territory to the main three meetings of the Commission (Commission, TCC, SC)
Whilst it was proposed to include NC, it was noted that Article 11.7 on the Northern Committee states that “Any extraordinary cost incurred for the work of the committee shall be borne by the members of the committee.” Given the limited participation by CCMs, it was suggested that NC should not be included.

- Travel costs for one participant equates to:
 - Commission meeting: 2014-16 ranged from \$92,506 - \$100,247
 - SC: travel costs 2014-16 ranged from \$81,665 - \$135,613
 - TCC: travel costs 2014-16 ranged from \$80,249 - \$111,379

TOTAL TRAVEL 2014-16 \$254,420 - \$347,239
- Travel costs for two participants would range from:
 - Commission meeting \$185,012 - \$200,494
 - SC \$163,330 - \$271,226
 - TCC \$160,498 - \$222,758

TOTAL TRAVEL \$508,840 - \$694,478

Review the Financial Regulations: [*Within parameters of SRF*]

- Allocation to SRF under **Financial Regulation 7.2** could include gradual increase (dependent on review outcomes) to set allocation (2%?) from general fund budget plus voluntary contributions
- Strategic Investment Plan/FAC to guide use of SRF (proposed longer time period than annual – could be updated annually but on a 3-5 year period) based on CMM2017-07, CMS/TCC specific outputs (plus additional ad hoc requirements as needed)

ATTACHMENT A: INTERSESSIONAL VIRTUAL SPECIAL REQUIREMENTS FUND WORKING GROUP

Country	Percent of Total Budget	Percent of SRF	Total contribution by each member (USD)		
Australia	2.15	3.0	9,020	4,510	3,007
Canada	1.78	2.5	7,467	3,734	2,489
China	5.82	8.1	24,416	12,208	8,139
EU	5.38	7.5	22,570	11,285	7,523
France	1.89	2.6	7,929	3,964	2,643
Japan	15.38	21.5	64,522	32,261	21,507
Korea	11.45	16.0	48,035	24,018	16,012
NZ	2	2.8	8,390	4,195	2,797
CT	10.81	15.1	45,350	22,675	15,117
USA	14.85	20.8	62,299	31,149	20,766
	71.51	100	300,000	150,000	100,000

If all CCMs contribute towards the 1% or 2% target level of funding as per IATTC model, this would equate to:

CCM	2017 Budget	At 1%	At 2%
Australia	156,013	1,560	3,120
Canada	128,789	1,288	2,576
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Cook Islands	31,727	317	635
European Union	389,687	3,897	7,794
Federated States of Micronesia	129,667	1,297	2,593
Fiji	61,627	616	1,233
France	137,193	1,372	2,744
Indonesia	215,678	2,157	4,314
Japan	1,113,557	11,136	22,271
Kiribati	241,265	2,413	4,825
Korea	828,940	8,289	16,579
Marshall Islands	230,557	2,306	4,611
Nauru	28,806	288	576
New Zealand	145,191	1,452	2,904
Niue	28,301	283	566
Palau	29,285	293	586
Papua New Guinea	400,014	4,000	8,000
Philippines	365,795	3,658	7,316
Samoa	35,658	357	713
Solomon Islands	64,146	641	1,283
Chinese Taipei	782,643	7,826	15,653
Tonga	33,898	339	678
Tuvalu	48,054	481	961
United States of America	1,075,462	10,755	21,509
Vanuatu	118,761	1,188	2,375
Total	7,242,069	72,421	144,841

If only developed CCMs contributed towards the 1% and 2% target as per the Northern Committee model, this would equate to:

Country	Percent of Total Budget	Percent of SRF	1%	2%
Australia	2.15%	3.01%	2,182	4,363
Canada	1.78%	2.49%	1,801	3,602
China	5.82%	8.14%	5,892	11,785
EU	5.38%	7.52%	5,449	10,899
France	1.89%	2.65%	1,919	3,837
Japan	15.38%	21.50%	15,572	31,144
Korea	11.45%	16.01%	11,592	23,184
NZ	2.00%	2.80%	2,030	4,061
CT	10.81%	15.11%	10,945	21,889
USA	14.85%	20.77%	15,039	30,079
	71.51	100	72,421	144,841

Issues that remain unresolved and may require further discussion.

The need for *mandatory* contributions to the SRF

Some working group members pointed to the fact that the Secretariat has only had to prioritise disbursements once over the life of the SRF due to insufficient funds. Some pointed to the guidelines and operating procedures, which suggest the Secretariat should take an active role in annually calling for contributions to the SRF, and that this could be complemented with development of a Strategic Investment Plan identifying key needs and gaps to guide donor investment more proactively.

Some working group members considered that mandatory funds would not be required if funding of an additional representative to all Commission meetings could be facilitated through amendment to Financial Regulation 3.5 – the SRF would then remain voluntary and reviewed after a three-year period. However, one WG member noted that the implementation component is far more significant in terms of workload and resourcing needs. It was argued that having a mandatory funding mechanism for the SRF would provide certainty and security to ensure phased implementation approaches and *ad hoc* needs can be met, as well as funding activities which existing CCM funds restrict due to national fiscal policies e.g. purchasing of equipment.

It was noted that mandatory funding of the SRF would likely increase the need for a change in the nature of the transparency and accountability provisions associated with this funding.

If mandatory contributions are pursued, the *nature* of mandatory contributions

There were several suggestions regarding sources of mandatory funds:

- *additional* funds from CCMs on top of the existing CCM contributions;
- *prioritised* allocation within the existing Commission budget
- a new *development levy* from all registered (non-SIDS) high seas vessels;
- use of the cooperating non-member and/or observer contributions.

Some working group members indicated preference for additional mandatory funds (if pursued) to be allocated to the SRF from developed CCMs only. Others considered that the SRF should be a priority for the Commission as a whole, thus mandatory funds (if pursued) should be allocated as a priority FAC consideration from the existing Commission budget indiscriminately. If taken from the member contribution part of the Commission budget, these two perspectives are irreconcilable, so the Chair recommends looking first at options for allocation outside member contributions.

These options include a development levy on high seas (non-SIDS) vessels, or use of the cooperating non-member and/or observer contributions.

The quantum of mandatory funds required was not agreed, but note the FFA position is that it at least equates to an amount that would support participation by an additional person to the three main Commission meetings. Others argue that SRF is currently underutilised in this regard so the need is not immediately apparent. Periodic increases over time in response to review outcomes could be a way forward.

Two participants to each meeting is required to support effective input and participation

A majority of working group members considered the principle of a second representative to Commission meetings as important for the effective input and participation of members. This was due to the increasing size, complexity and diversity of discussions. One working group member considered that it was not clear that prioritising two representatives was the best possible use of limited Commission funds. It was also raised that activities should focus on building capacity of Commission members rather than individuals.

The Secretariat noted that supporting an additional representative to each meeting would require additional resourcing to manage the travel and disbursements and that host governments may be required to agree to additional requirements for hosting a meeting, such as access to a bank account to manage cash disbursements in country. A time restriction for all travel funded from the general fund or SRF was also proposed (i.e. travel requests must be submitted at least two weeks prior to the commencement of travel).

Amending the underlying principles for the SRF might be a way to address the preferential treatment of requests for an additional participant to relevant meetings without imposing it as a set requirement in the Commission budget. This would allow the SRF to retain flexibility to respond to the needs of relevant CCMs, whilst recognising in principle that funding a second participant for some CCMs can be necessary for effective input and participation. It was noted that the use of the SRF for travel has increased recently because the UNCLOS Part VII fund is no longer available – i.e. no contributions.

Whilst noting travel-related cost are not the only potential use of SRF funds, an important distinction was made between travel support under the SRF used for participation and input into Commission meetings, and travel support under the SRF used to participate in capacity building workshops or training exercises to ensure effective implementation of CMMs. It was noted that travel support to date was predominantly for the latter and the focus on having two representatives to the main Commission meetings should not override the need for travel support to participate in capacity building and training exercises, including travel to the main Commission meetings for succession planning and capacity building.

A suggestion to manage the two distinct travel needs was made:

- For travel related to effective input and participation in meetings of the Commission: it was suggested that the principles could be expanded to include support for more than one representative provided the Executive Director was satisfied it was required for effective input and participation. CCMs would need to provide the Executive Director with some guidance on what constitutes effective input and participation through development of agreed criteria (such as, fisheries as a proportion of government revenue), which would form part of the application process.

It was also suggested that the focus on individuals be replaced with an emphasis on building capacity of members. The intent is not to remove building of individual capacities (as per principle vi), but rather to ensure that systems or institutional capacity strengthening complements individual capacity building to maximise longer term benefits for CCMs.

Principle i could be amended to read: Preference will be given to activities that improve the capacity of [~~individuals within~~] the Commission's SIDS members to [~~help States~~] fulfil their

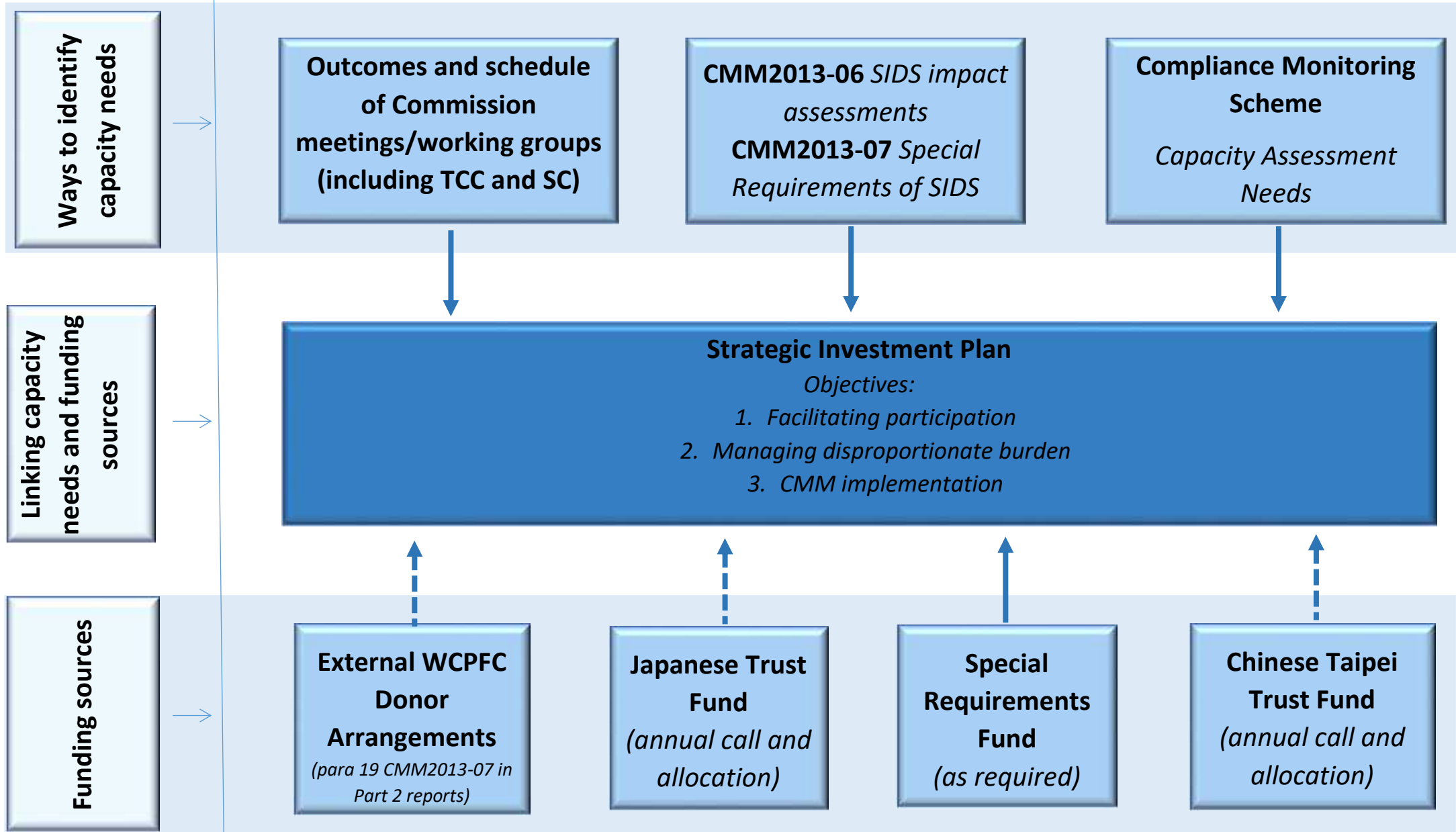
obligations under the Convention and participate effectively in its work[, **including funding up to two participants from developing CCMs to Commission meetings where requested and considered necessary by the Executive Director to ensure effective input and participation based on agreed criteria**].

- For travel related to capacity or skills development or training: it was suggested that a final narrative report (format to be determined by FAC/CCMs) could be provided to the Secretariat demonstrating the capacity development/skills outcomes achieved through participation and the benefit for the relevant CCM. These could be presented to FAC each year as part of the Executive Director's annual report.

There was broad agreement by the working group members that transparency and accountability provisions needed review if the SRF were to include mandatory contributions. Specific amendments to the Financial Regulations, principles, and guidelines and operating procedures related to enhanced accountability and transparency would need to be determined by CCMs should they decide to proceed down that path and if development of a Strategic Investment Plan (see below) is supported as proposed in paragraph 7. Some suggestions from the working group deliberations (not including the SIP proposal) include:

- Update *Financial Regulation 7.7*: The Executive Director shall submit an annual report to the Commission on: the status of the fund, including a financial statement of contributions to and **detailed information regarding** disbursements from the fund; **a summary of capability/capacity development outcomes related to travel support; details of how projects (non-travel) will be monitored and reported on; and a statement noting whether any independent evaluations have been, or are planned to be, commissioned**. Recipients of assistance shall be required to provide to the Executive Director a report on the purpose and outcome of each approved project **or capability or capacity development opportunity** and a summary of expenditures.
- Update *Guideline and Operational Procedure 11*: Project monitoring and evaluation will be undertaken through:
 - **submission of self-reflective skills development/capacity final narrative and financial report by all delegates funded for travel-only to participate in capacity building workshops/training opportunities, including reflection on specific capacity gaps or needs the travel was seeking to address and what was achieved for the individual and for the sponsoring CCM [format to be determined by FAC/CCMs];**
 - submission of quarterly narrative and financial reports (**non travel-only**¹) by the applicant;
 - submission of a final narrative and financial report (**non travel-only**) at the end of the project;
 - written and verbal communication as necessary with the Project Liaison Officer or other relevant staff of the Secretariat.
- Update regulations, guidelines, or procedures to allow for FAC decision-making on the use of the SRF for capacity building purposes through the Strategic Investment Plan (if supported by WCPFC14).

¹ Note travel may form part of broader project proposals and would be included here.



Decision-making



FAC and Commission for SIP
Executive Director WCPFC for administration of the SRF

Transparency



SRF Working Group of FAC

Advisory role to FAC and ED on:

- Development of the SIP (FAC); and
- Projects over \$10,000 (ED)

Accountability



ED SRF report to FAC (Reg 7.7)

To include:

- the status of the fund, including a financial statement of contributions to **and detailed information regarding disbursements** from the fund;
- a **summary of capability/capacity development outcomes related to travel support;**
- **details of how projects (non-travel) will be monitored and reported on; and**
- a **statement noting whether any independent evaluations have been, or are planned to be, commissioned.**

TRAVEL REPORTS (GOP11)

- **submission of self-reflective skills development/capacity final narrative and financial report by all delegates funded for travel-only to participate in capacity building workshops/training opportunities, including reflection on specific capacity gaps or needs the travel was seeking to address and what was achieved for the individual and for the sponsoring CCM**