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## 10<sup>TH</sup> MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

*Manta, Ecuador, 9, 10 & 14 February 2023*

### FAC 10 – Doc 04

### SPRFMO Report of Income

*Secretariat*

## 1. Background

Financial Regulation 4.11 provides that the “*Executive Secretary shall submit to each annual meeting of the Commission a report on the collection of annual contributions from Members, any voluntary contributions received, and any investment and other income received*”.

FAC10 is invited to:

- *note the information contained in this document.*

## 2. Report of Income

### 2.1. Annual Meeting contributions

In line with Financial Regulation 4.9 “overdue contributions are considered to be in arrears the date after they are due and payable”, i.e., after 90 days from the date the Executive Secretary informed Members of the annual contribution. In 2022, the Executive Secretary Informed Members of the annual contributions for SPRFMO on 9th of March 2022, which meant 7th of June 2022 was the due date for Member’s contributions for Financial Year 2022-23.

The Commission also agreed on the following interpretation of when a Member with two years' worth of contributions in arrears is precluded from participation in decision-making. Based on Article 15.9 of the Convention, read with Financial Regulation 4.9, such a Member would not be “in arrears with its payment of any monies owed to the Organisation by more than two years” until more than two years from the date a particular payment became in arrears, that is, two years and one day from the date that payment was due and payable, i.e., 731 days.

Table 1 below shows the invoiced contributions (in NZ\$) by financial year as well as the current balance of amounts in arrears and overpaid amounts as of 31 December 2022. If a Member has an overdue contribution amount then the final column shows how long those monies will have been in arrears as of the final date of the upcoming annual meeting (assuming that they are not paid prior, and the final date of the upcoming annual meeting is the 7th February 2023).



*Table 1: Historic and Current Member Contributions to SPRFMO by Financial Year*

Member	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Balance	Arrears (@07/02/23)
Australia	8 314	49 692	48 914	47 703	59 543	68 474	69 913	72 348	81 583	77 504	75 963	-	
Belize <sup>1</sup>	2 021	12 079	8 295	5 428	-	-	-	-	-	-	-	-	
Chile	43 134	257 811	133 123	77 986	77 986	89 684	103 137	118 608	136 399	135 367	135 367	-135 367	244 Days
China	-	148 514 <sup>2</sup>	152 481	181 114	211 659	225 752	259 615	288 385	331 643	319 975	321 344	-	
Cook Islands	1 963	11 733	11 078	8 879	10 959	12 060	12 584	12 930	14 870	17 100	40 075	-	
Cuba	2 041	12 200	7 869	6 168	7 528	8 657	8 657	9 676	11 127	11 450	11 626	-23 076 <sup>3</sup>	609 /244 Days
Ecuador	-	-	-	5 781	7 266	8 356	9 116	10 000	11 500	11 466	10 680	-	
European Union	46 297	276 721	153 619	83 879	109 043	125 399	125 399	132 540	148 926	141 480	133 292	-	
Faroe Islands	8 638	51 630	39 429	22 610	23 435	26 950	30 993	35 642	40 988	46 022	46 409	-	
Korea	8 159	48 768	38 497	40 892	48 162	43 890	47 035	50 465	58 035	57 402	57 625	-	
New Zealand	17 183	102 706	124 466	102 813	121 899	132 824	152 748	165 108	185 720	176 434	169 909	-	
Panama	-	-	-	-	-	-	-	-	-	-	26 646 <sup>2</sup>		
Peru	-	-	-	4 142 <sup>2</sup>	26 020	29 923	34 411	37 606	40 586	38 557	33 825	-33 542	244 Days
Russian Federation	5 452	32 588	24 317	24 540	24 540	28 221	32 454	37 322	42 920	49 358	55 291	-55 291	244 Days
Chinese Taipei	10 397	62 141	22 724	20 837	21 456	24 674	28 375	32 631	37 526	43 154	44 382	-	
United States of America	-	-	-	-	22 003 <sup>2</sup>	71 787	82 555	94 938	109 179	114 637	111 421	-	
Vanuatu	-	26 315 <sup>2</sup>	57 434	45 152	58 698	46 333	48 162	45 703	49 896	47 401	44 534	-	
Total invoiced	153 599	1 092	822 246	677 924	830 197	942 984	1 045 154	1 143 902	1 300 896	1 287 307	1 318 389	-	

<sup>1</sup> Belize's outstanding member contributions of NZ\$ 27,823 for previous financial years from 2013 to 2016 has been written off as bad debt as at 30 June 2016.

<sup>2</sup> China, Panama, Peru, USA, and Vanuatu acceded to the Convention after commencement of a financial year, thus only paid a portion of the annual contribution in respect of that financial year as per Convention Article 15.8.

<sup>3</sup> In recent meeting between the Secretariat and the Bank of New Zealand in 2022, the Secretariat was informed that the bank has updated and restrengthened its sanctions policy.



## 2.2. Voluntary contributions and other income

The table below shows CNCPs' & Members' Voluntary Contributions and other income received (in NZ\$) by Financial Year from different sources on a cash basis.

*Table 3: CNCPs' & Members' Voluntary Contributions and Other Income*

Income source	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
CNCP Contribution - Belize										7 883
CNCP Contribution – Colombia							9 324			
CNCP Contribution – Curaçao						7 675	8 614	10 150	11 672	22 131
CNCP Contribution – Liberia				5 065	6 507	7 483	8 605	9 896	11 380	22 110
CNCP Contribution – Panama				8 390	16 217	14 007	16 108	16 492	21 303	2 422 <sup>4</sup>
Voluntary contribution – Australia							58 034			
Voluntary contribution – China				27 250			29 230	26 912	26 231	28 130
Voluntary contribution – EU	83 500		60 287	106 407		402 275	426 220	49 581	67 624	134 235
Voluntary contribution – NZ						10 292				
Voluntary contribution – USA							175 890	151 219		201 566
Other Income					536					
Interest earned by SPRFMO	7 409	32 298	12 534	9 150	25 519	24 966	20 935	8 647	8 973	4 996 <sup>5</sup>
<b>Total</b>	<b>90 909</b>	<b>32 298</b>	<b>72 821</b>	<b>156 262</b>	<b>48 779</b>	<b>466 698</b>	<b>752 960</b>	<b>272 897</b>	<b>147 183</b>	<b>423 473</b>

<sup>4</sup> Panama became a full Member of SPRFMO on 07 July 2022 and as per letter R07-2022 on Treatment of Panama's financial contribution to SPRFMO, Panama's CNCP voluntary contribution for Financial Year 2022-23 was proportionate to 1 complete month. Panama also has a historical overpaid contribution in amount of NZ\$7,735, which is currently held in the Secretariat general account and available to be used as Panama directs.

<sup>5</sup> In FY 22-23, NZ\$ 4 996 is the amount of interest earned from the first 6 months of the year (from 1 July to 31 December 2022).



### 2.3. Other recent voluntary contributions

#### European Union:

**SI2.808674 – SPRFMO Regional Observer Programme** (pre-financing of EUR 105,000 in FY2019-20).

This project was originally scheduled to finish during December 2021; however, the European Union has agreed to extend this project until 30<sup>th</sup> April 2025 and agreed to make the funding available for translation of relevant materials. This project continues to support payments to the SPRFMO accreditation assessor for their work assessing the applications against the SPRFMO Observer standard.

**SI2.829333 – Support to the Scientific Process and Data Management in SPRFMO** (pre-financing of EUR 87,500 in FY2019-20).

This project was originally scheduled to finish during December 2021; however, the European Union has agreed to extend this project until 30 June 2023. In addition to completed activities, funds from this project will be used to support expert assistance with the 2023 MSE workshop in Manta.

**New Grant: 101058576 - Support to MSE for Jack mackerel in SPRFMO** (pre-financing of EUR 42,000 in FY 2021-22).

This is a new grant that was signed in June 2022 and has a project duration of 18 months. This action is to support scientific analysis and management in SPRFMO by further developing and implementing a Management Strategy Evaluation for Jack mackerel. The timeline for this work is currently in the SC Multiannual workplan 2023. Tasking for this activity has been discussed by the SC and the Secretariat has begun coordinating the activities with the self-identified SC members who will conduct the work.

**New Grant: 101089755 Science based decision making** (prefinance payment of EUR84,000, received FY 2022-23).

This is a new grant, that was signed in August 2022 and has a project duration of 24 months. This grant has two objectives: The first objective will build on previous works conducted over several years to prevent the occurrence of significant adverse impacts on Vulnerable Marine Ecosystems (VMEs); The second objective will build on previous works to continue to develop and update SPRFMO's management of the Jack mackerel fishery. Two sub-tasks are to be supervised by the Deepwater working group and 3 sub-tasks will be supervised by the Jack mackerel working group. The timeline for this project is currently in SC's multi-annual workplan and the Secretariat is coordinating the activities with the relevant working groups.

#### China

In addition to its earlier contributions, China made a voluntary contribution of NZ\$28,130 for SC squid related research activities in December 2022. These new funds alongside the historic unused balance are currently available for collecting and analysing genetic samplings (Convention area and adjacent National Jurisdiction Areas) as per the Squid Connectivity item in the Scientific Committee Multi-Annual Plan. The Secretariat is has begun to coordinate these distribution of these funds as per China's instructions.

#### United States of America

Under the Memorandum of Understanding between the National Oceanic and Atmospheric Administration, U.S. Department of Commerce, and the Secretariat, and in response to a proposed workplan, NOAA has provided a second contribution of US\$100,000 (NZ\$159,091). These funds will be used to support projects including Monitoring, Control and Surveillance enhancements to the Commission VMS as well as attending regional MCS initiatives.

In September 2022, another voluntary contribution from the USA for US\$25,000 (NZ\$42,475) was received to support the SPRFMO Habitat Monitoring Symposium. The timeline for this workshop is as per the Scientific Committee Multi-Annual Plan.



### 3. An Overview of SPRFMO Income by Financial Year

The Figure below provides a graphic overview of SPRFMO Income from Financial Year 2012-13 to Financial Year 2022-23 (up to 31<sup>st</sup> December 2022).

