
10TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Manta, Ecuador, 9, 10 & 14 February 2023

FAC 10 – Doc 05.3 Developing States Fund (DS) Fund *Secretariat*

1. Background

Financial Regulations ANNEX1 provides the purpose of the DS Fund: *“The purpose of the DS Fund is to facilitate the effective participation of developing State Contracting Parties of the region, in particular the least developed among them, and small island developing States, and as appropriate, territories and possessions in the work of the Commission and its subsidiary bodies”, and “Appropriate records and accounts shall be maintained for the Fund, and the Executive Secretary shall report the status of the Fund, the amount used to provide assistance for the development of technical capacity and details of such assistance, together with the level of available funds, during the annual session of the Commission.”*

In accordance with Financial Regulations, the Secretariat established a separate account in 2017 for the Developing States Fund. This Fund contained the accumulated unspent appropriations from previous Financial Years (beginning from Financial Year 2015-16), and unused Members’ voluntary contributions for the above stated purpose.

At the FAC9 Meeting in January 2022, the Secretariat made a proposal to remove the cap on unspent appropriations as set by Financial Regulations, transfer the balance of the Special Requirements Fund¹ to the Developing States Fund and discontinue the Special Requirements Fund. FAC reviewed the Fund and agreed with this proposal. Revised Financial Regulations (2022) containing this change was adopted by the Commission to support the new operation of the Developing States Fund. This change shall still be subject to the same level of FAC oversight as previously.

After the Annual Meeting of 2022, the Secretariat implemented the Commission’s decision and reflected the change in the financial reporting for Developing States Fund (FAC10-Doc05 Page 8). This paper is prepared in accordance with the Financial Regulations (revised 2022).

FAC10 considerations:

Bearing in mind the discussions held during FAC9, the SPRFMO Secretariat has proposed that the allocation for the DS Fund remain at **NZ\$35,000** for Financial Year 2023-24.

The FAC10 is invited to:

- **Recommend** that the Commission approve the proposed budget amount of NZ\$35,000 for Budget Category 9 – Developing States for the Financial Year 2023-24 (as per FAC10-Doc06).
- **Note** the information contained in this paper.

¹ Balance of NZ\$80,831 included China’s voluntary contributions of NZ\$78,948 from 2014 to 2017, and Chile’s voluntary contributions of NZ\$1,883 in 2013 ([FAC9-Doc04-rev1](#)).



2. Status of Developing States Fund

Since 2015, the Developing States Fund has been used to support developing State Members to participate in the Commission's annual meetings and Scientific Committee's workshops/meetings. Due to the global pandemic, budget items requiring in-person meetings were replaced by virtual meetings during the Financial Year 2019-20 and 2020-21. Since the year of 2022 the international travel has resumed gradually.

Table 1 below shows the year-to-date status, as well as the estimated status up to the 30th of June 2023.

Table 1: Status of the Developing States Fund

Financial Year	Budget NZ\$	Meeting/Workshop	Member Supported	NZ\$	Remaining NZ\$
2015-16	18 000	The 4 th Commission Meeting	Cook Islands	6 130	9 697
			Cuba	2 173	
		Subtotal expense for FY 2015-16			
2016-17	20 000	The 5 th Commission Meeting	Cuba	1 555	18 420
			Peru	6 000	
			Vanuatu	3 722	
Subtotal expense for FY 2016-17			11 277		
2017-18	15 000	The 6 th Commission Meeting	Cuba	1 430	18 415
			Vanuatu	10 458	
		The 6 th SC Workshop	Ecuador	3 117	
Subtotal expense for FY 2017-18			15 005		
2018-19	20 000	The 6 th SC Meeting	Cook Islands	7 040	112
			Ecuador	3 540	
			Peru	7 510	
		The 7 th Commission Meeting	Cook Islands	5 196	
			Cuba	4 730	
			Ecuador	4 957	
			Peru	5 330	
Subtotal expense for FY 2018-19			38 303		
2019-20	30 000	The 7 th SC Meeting	Cook Islands	7 925	10 667
			Ecuador	2 435	
		The 8 th Commission Meeting	Cuba	5 050	
			Peru	4 035	
Subtotal expense for FY 2019-20			19 445		
2020-21	55 965 ²	<i>International travel prevented due to COVID19</i>		0	66 632 ³
Subtotal expense for FY 2020-21			0		
2021-22	35 000	The SC Jack Mackerel Stock Assessment Benchmark Workshop	Ecuador	9 850	172 847 ⁵
	80 831 ⁴				
	Subtotal expense for FY 2021-22			9 850	

² USA Voluntary contribution as per Adopted Budget for Financial Year 2020-21 (COMM8-Report Annex 6d)

³ As per FR (2019) 2.4 (which capped the Developing States Fund at NZ\$ 30k), and the FAC8 Recommended to exceptionally carry forward NZ\$36,632 for the Developing States Fund into the Financial Year 2021-22.

⁴ Transfer from Special Requirement Fund as per the COMM10 Decision.

⁵ Closing balance as of 30th June 2022 was NZ\$172,847, this amount includes year-to-date interest income of NZ\$234.



Financial Year	Budget NZ\$	Meeting/Workshop	Member Supported	NZ\$	Remaining NZ\$
2022-23	35 000	The SC Jack Mackerel Stock Assessment Benchmark Workshop	Ecuador (Final payment considered 2021-22 appropriation)	2 421	
			The 10 th SC Meeting	Ecuador	
		Peru		14 005	
		The 11 th Commission Meeting (Committed)	Cook Islands	12 000	
			Panama	8 311	
			Peru	3 458	
		Estimated subtotal for FY 2022-23		46 260	161 587

3. 2022-23 Applications to use the Developing States Fund

Financial Regulations ANNEX 1 paragraph 5 provides that “Maximum 60% of the annual budget amount of the DS Fund shall be allocated for participation in the Annual Meeting of the Commission and maximum 40% shall be allocated for participation in the meeting or workshops of the Scientific Committee.”

For SPRFMO Financial Year 2022-23, the Commission allocated NZ\$35,000 for Budget Item 9 Developing States ([COMM10 – Report ANNEX 5a](#)), therefore, the allocations for the SPRFMO’s two main Meetings are:

- For the 10th SC Meeting, it is NZ\$14,000.
- For the 11th SPRFMO Commission Meeting, it is NZ\$21,000.

As per the guidelines provided by the Financial Regulations, the Secretariat, on behalf of the Organisation, implemented the operation and disbursement of the DS Funds are outlined below:

3.1 The 10th Scientific Committee Meeting (held in Korea, from 26 to 30 September 2022)

By Letter R05-2022 on 13th June 2022, the Secretariat invited developing State Members to apply for support, indicating the submission due date was 13th July 2022.

The Secretariat received three applications from Peruvian delegates requesting a total amount of NZ\$20,250 within the due date. In assessing applications received, the Executive Secretary considered the criteria for selection and evaluation as contained in Schedule D of the Financial Regulations and due to the limited funds, the Secretariat confirmed the level of support available to the Peruvian delegates would be NZ\$14,000.

After this confirmation had been made, a late application was received from Ecuador. Initially this application was declined due to the lack of budget availability. However, Ecuador asked that the application to be reviewed by the SPRFMO Chairpersons because the application was delayed due to a case of *force majeure* as the applicant contracted COVID19 and additionally the Ecuador would not require assistance to attend the Commission meeting. After discussions, the Commission and FAC Chairpersons decided that due to the exceptional circumstances and considering the overall balance available in the developing States Funding, the Organisation should support Ecuador’s application. This cost was attested at NZ\$6,065.

In addition to Ecuador’s request an informal enquiry was made by another developing State member who decided against filing a request upon learning that the funds had been fully allocated.

3.2 The 11th SPRFMO Annual Meeting (Ecuador, from 7 to 17 February 2023)

By Letter R09-2022 on 25th October 2022, the Secretariat invited developing State Members to apply for support, indicating the submission due date was 24th November 2022.

By this due date, the Secretariat received 13 applications: 1 from Cook Islands, 3 from Panama and 9 from Peru requesting a total amount of NZ\$69,942. The Commission allocation by contrast was NZ\$ 21,000.



In assessing applications received, the Executive Secretary considered the criteria for selection and evaluation as contained in Schedule D of the Financial Regulations, and due to the limited funds, the Secretariat confirmed that the final travel subsidies would be awarded to Cook Islands (NZ\$12,000, 1 delegate), Panama (NZ\$8,311, 2 delegates) and Peru (NZ\$3,458, 1 delegate).

This level of travel support corresponded to the amount requested and the number of applicants confirmed by applying the schedule D criteria and was also only made possible by use of the 10% allocation transfer provision in Regulation 3.3 of the Financial Regulations. The results of the assessment were communicated to the successful Members on 2 December 2022.

Afterwards the Secretariat received a late application from Vanuatu requesting travel support for 1 delegate including travel, accommodation, and meals. The Secretariat declined the application, as the funding had been fully distributed when the application was received.

3.3 Applications for technical assistance and capacity-building

There were no applications under these categories in 2022.

3.4 Comment on oversubscription

As shown in Table 2, applications for meeting travel assistance continue to be above the amount allocated in the SPRFMO budget.

Table 2: Developing State applications and amount allocated to meeting travel assistance (2022-23)

Meeting supported	Applications	Budget NZ\$	
SC meetings or workshops	Ecuador	8 000	
	Peru	20 250	
		28 250	14 000
Annual meeting	Cook Islands	12 000	
	Panama	12 467	
	Peru	45 474	
	Vanuatu (estimate)	12 000	
		81 941	21 000
Grand Totals		110 191	35 000