

*Perspectives from the Pacific Salmon Commission (PSC) Secretariat on the
2012 PSC External Performance Review*

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Background

The Pacific Salmon Treaty (PST or Treaty) between the United States and Canada (the Parties) entered into force on March 18, 1985. The five species and multiple stocks of salmon subject to the Treaty include those subject to interception by the other country, or those that affect achievement of the fishery management objectives of the other country. Fisheries governed by the Treaty occur in the coastal waters and spawning rivers of Oregon, Washington, British Columbia, the Yukon Territory, and southeast Alaska. Each country retains jurisdictional management authority of their fisheries but manages them consistent with the Treaty's regimes noted above.

Absent the Treaty, salmon fisheries management has not been coordinated between the two countries and was often competitive. This led to overfishing and foregone production in both Parties. The fundamental goals of the Treaty, therefore, are to prevent overfishing and to provide for the optimum production and fair sharing of the salmon harvest. To achieve these goals, the Treaty establishes a process through which the Parties interact to establish, implement and monitor fishery management regimes applicable to their respective jurisdictions.

These fishery management regimes are tailored to each of the five major geographical regions covered by the Treaty, reflecting coast-wide differences in migration and concentration of the various salmon species and stocks. These fishery management regimes are of limited duration, and thus must be renegotiated from time to time as the status and condition of the resource change. Major amendments to the regimes have occurred every 10 years in 1999, 2009, and 2019 (referenced as "agreements" by their respective years).

The Treaty also created the Pacific Salmon Commission, comprised of four Commissioners and four alternates from each country (although alternates participate essentially on par with Commissioners). Each delegation is composed of federal, state, and indigenous experts who populate the Commission and its subsidiary panels and committees. This inclusive representation is a hallmark of the PSC and yields nearly 200 delegates at the two major meetings each year. Despite the variety of national interests and jurisdictions represented, each country has only a single vote in the Commission. Therefore each delegation must express a unified position and all decisions require bilateral consensus.

The PSC is administered through a Secretariat in Vancouver, Canada. The 27 full-time Secretariat staff members include administrative and scientific professionals who facilitate meetings, provide scientific assessments, run field programs, and maintain extensive archives dating back to the early 20th Century. More than half of the Secretariat staff are technical experts assigned to support the bilateral management of Fraser River sockeye and pink salmon; this is a staffing legacy from an earlier treaty focused solely on those stocks.

For more information and history of the PSC, please visit www.psc.org.

Context for a PSC performance review

Since its inception 35 years ago, the PSC has selectively reviewed various aspects of its work. These have included “internal reviews” of Secretariat operations (either by the Secretariat itself or officials from the national governments) and expert reviews of particular scientific programs. However, it has only conducted one broad external review of its operations¹ across the Secretariat and the Commission’s various bodies.

This effort, from 2011 to 2013, arose because the Parties noted a) such a review had never been done; b) growing domestic financial constraints might affect Commission funding; and c) global best practices called for such action in RFMO’s. The terms of reference for the 2012 review (attached) focused on the efficiency and effectiveness of PSC processes, including:

1. Commission procedures;
2. Financial performance of the Secretariat in supporting the work of the Commission; and
3. Information exchange between the Commission and the Secretariat.

It is important to note that this review was not a scientific evaluation of the commission’s salmon management regimes, nor an evaluation of the quality/correctness of the decisions made by the PSC or its subsidiary bodies.

Performance review process

In early 2011, the Commission created a Steering Committee (two Commissioners from each country) to launch and guide the external review. At the PSC’s direction, the Steering Committee solicited bids from consultants through the summer of 2011 and eventually recommended a consulting firm with expertise in business operations and planning. The firm had no prior experience with international fisheries or treaties, but had appropriate aptitude, capacity, and professional references for the task.

The reviewers completed their work between October 2011 and March 2012. The reviewers’ final observations and recommendations were based on:

- confidential interviews with process participants and stakeholders. A total of 50 interviews were conducted. Of those, 45 interviewees were designated by the respective national sections. The reviewers also identified four Secretariat staff members to interview, and one process participant self-identified as a candidate for an interview;
- observation of two PSC meetings (including sessions of the Commission and selected Panels and Committees);
- review of documentation provided by the Secretariat or available on the PSC website;
- review of news reports and other external publications about the PSC; and
- review of leading practices for Regional Fisheries Management Organizations.

¹ 49 Solutions (2012). Pacific Salmon Commission performance review: final report. Submitted to the Pacific Salmon Commission March 31, 2012. 66 pp. Vancouver, B.C. Canada.

The Steering Committee directed and assisted the reviewers through:

- identification of candidates for interview to provide a broad spectrum of perspectives on the efficiency and effectiveness of the PSC process;
- collaboration with the reviewers on the development of a list of questions for interviewees;
- introductions between the reviewers and the interviewees;
- suggestion of relevant Commission, Panel and Technical Committee meetings to observe; and
- review of the final report prior to its presentation to the Commission to ensure all observations and recommendations were based on factual information.

The final report contained 30 recommendations ranked by priority (high, medium, low), timeframe (short-, medium-, long-term), and effort (high, medium, low). These recommendations addressed the Secretariat, PSC panels and committees, and the Commission itself. Upon receipt of this report, the PSC created a Performance Review Implementation Group (PRIG) comprised of four delegates from each Party. The PRIG was directed to a) develop an implementation plan for the review's recommendations and b) solicit public comment on the final report via the PSC's website.

In its implementation plan, the PRIG laid out a process for direct engagement with senior Secretariat staff and leadership from PSC panels and committees. The group also separated the report's findings into "Track 1" (those focused on Secretariat operations) and "Track 2" (those focused on the Commission and its subsidiary bodies). The Commission approved this process, and authorized the PRIG to finalize a set of questions to elucidate perspectives/reactions to the reviewers' findings through in-person dialog. This process concluded in February 2013, with the Commission adopting a slate of actions to implement selected recommendations from the performance review.

Noteworthy practices in the process

It's important to note a few underlying issues in the PSC review (launched in 2011). First, the Commission had only recently completed years of complex negotiations to amend the treaty's management regimes in 2009. The organization had also updated its bylaws in 2008-2009 after considerable discussion. This may have strained internal interest for further review and changing long-held practices, although the review did proceed successfully. Second, as the reviewers heard, there were several veteran delegates who saw an admirable PSC record in salmon management that didn't suggest needed change for the organization. These were counter-balanced by other delegates who prioritized constant "evolution" in the organization and who wanted to see objective evaluation of the status quo.

One common early concern was the choice of reviewers (business consultants with no fisheries or treaty experience). There was some skepticism of how such a group could reasonably evaluate an RFMO's processes. However, the review's focus on administrative issues, transparency, and cost-containment dissipated some of that concern and did not prevent meaningful work or relevant final recommendations. The use of four national delegates as a steering committee, approximating a "hybrid" approach of internal/external reviewers, further insulated the process from criticism.

Another helpful approach for building acceptance was the PRIG's extensive consultation of delegates and Secretariat staff in drafting an implementation plan for the review's recommendations. The deliberate choice to engage delegates and affected staff in person (after the review was circulated) helped build confidence that the Commission took their views

seriously and would not act in a vacuum of internal perspectives.

Each RFMO considering performance reviews will need to custom-tailor their approach to maximize feasibility and acceptance of the findings. The number of veteran delegates with strong opinions, the nature of the perceived problems, and past review experience should guide the final terms of reference.

Attachment 1: Performance Review Terms of Reference

Preamble

Noting the continued importance of the Pacific Salmon Treaty (the Treaty) and the Pacific Salmon Commission (the Commission) created by it in fostering cooperation in management, research and enhancement of Pacific salmon stocks;

Pleased with the fishery management, research, enhancement, and conservation efforts of the Commission since its inception;

Foreseeing considerable new demands for human and financial resources to achieve the goals and objectives of the Treaty;

Mindful of the need to maintain the quality of core Commission programs and to not degrade the Pacific Salmon Commission's Secretariat's (the Secretariat) capacity to perform key functions;

Recognizing the significant fiscal constraints faced by the Governments of Canada and the United States;

Noting the importance of the Secretariat in supporting the work of the Commission and the implementation of the Treaty, and seeking to build upon the Secretariat's success;

Finding that efficient Secretariat operations are an essential element in the implementation of the Treaty;

Seeking to foster efficient operations in the conduct of the Commission's work, including through cost containment efforts, operational savings and sound budgetary practices;

Now, therefore, the Pacific Salmon Commission shall pursue a performance review of its operations as described below.

Overall Review Objectives

- 1) The review is intended to assess performance of the Commission including:
 - a) financial performance of the Secretariat in supporting the work of the Commission;
 - b) Commission procedures; and
 - c) Information exchange between the Commission and the Secretariat.
- 2) In assessing the work of the Commission, the review will identify:
 - a) existing accomplishments and practices that contribute to excellence in performance;
 - b) potential expenditure savings and cost containment measures including processes to achieve these savings such as capital asset planning and meeting frequency;
 - c) opportunities for efficiency improvements;
 - d) possible improvements for the development, review and establishment of the Commission's annual budget, acknowledging budget pressures from external factors such as pension obligations and the standards of the Public Service of Canada; and
 - e) any other key issue(s) that may warrant follow-up by the Commission.
- 3) The review shall be guided by the review assessment content as listed below in Paragraph three below.

Review Assessment Content

- 1) In pursuit of the overall review objectives set out in 2 above, the review shall evaluate the Commission with respect to its:
 - a) work practices and organization, including the Commission, its subsidiary bodies and panels;
 - b) rules of procedure, their adequacy and adherence to those rules;
 - c) financial administration practices, financial rules, and management; and
 - d) annual Commission budget development process including the extent to which this process fosters (i) transparency; (ii) adequate financial control; (iii) efficiency and effectiveness; (iv) planning and program choices by the Commission; and (v) management of variation in the budget based on program or administrative changes.
- 2) In identifying potential savings and cost containment measures, the contractor shall be guided by the following questions:
 - a) Are the various activities relevant?
 - b) Do these activities further the Commission's overall priorities?
 - c) Do they provide value for money?
 - d) Can they be improved to realize efficiencies and/or effectiveness?

Review Structure and Administration

- 1) An independent contractor will be hired to conduct the review through a competitive process. The review may be completed by an individual, business or institution.
- 2) The contractor will meet the following selection criteria:
 - a) be acceptable to each Section of the Commission;
 - b) have experience in conducting financial performance, institutional organization, and management reviews; and
 - c) experience in working with and/or evaluating fisheries management organizations will be an asset to this work and may be factored into the selection of the successful contractor.
- 3) The contractor will report to a Steering Committee comprised of four Commissioners, two from the United States and two from Canada as selected by their national sections.
- 4) The Steering Committee will review the bids received as part of the competitive process and select the contractor to be awarded the review work.
- 5) The contractor will consult with both national sections and the Commission staff during the review. To facilitate this, meetings for the review process will occur in person and through other means (e.g. email/telephone) as necessary. Cost efficiency shall govern the timing and location of such meetings.
- 6) The Secretariat will supply the contractor with information as requested to assist in the conduct of the review.
- 7) The Secretariat will provide administrative support to the review process including issuance of the contract to the contractor.

- 8) The cost of the review contract, including travel costs of the contractor, is not to exceed \$40,000 Canadian dollars, the cost of which will be shared equally between Canada and the United States (\$20,000 Canadian for each party).
- 9) Each section shall pay for the participation of its respective Commissioners on the Steering Committee. All other costs associated with the review will be paid by the Commission.

Deliverables and Timing

- 1) The deliverables will be a draft report to the Steering Committee and a final report to be provided to the Commission on the review findings.
- 2) The contractor will be identified as soon as practicable and if possible, begin work on the project including attending the following meetings of the Commission: Oct 14-18, 2011 in Warm Springs, Oregon; Jan 9-13, 2012 in Portland, Oregon and Feb 13-17, 2012 in Vancouver, British Columbia. If this schedule is not practical, the Steering Committee shall revise it as appropriate.
- 3) Discussion with the Steering Committee will identify additional meetings that the contractor should attend, for example, meetings of the Fraser Panel, and the Chinook Technical Committee. This schedule will be subject to change depending on the start date of the contract and will be determined by the Steering Committee.
- 4) The Steering Committee will provide the contractor with the schedule of meetings in writing as well as corresponding dates for delivery of the draft and final reports.
- 5) After receipt of the draft report, the Steering Committee will provide comments to the contractor for consideration before the final report is submitted to the Commission.
- 6) The contractor will submit the final report as early as possible in advance of the October 2012 Commission Executive Meeting or by an alternate date as directed by the Steering Committee. At the time that the report is tabled with the Commission, the contractor will present its findings to the Commission for discussion.
- 7) The final report with the relevant record of discussion from the Commission meeting at which time the report was presented by the contractor will subsequently be made public on the Commission website.

Modifications to Original Terms of Reference

The award of the contract did not occur in time for the contractor to attend the October 2011 meeting of the Commission in Warm Spring, Oregon. As a result, the contractor was only able to attend the 2011 Postseason Meeting in January 2012 in Portland, Oregon and the 2012 Annual Meeting in February 2012 in Vancouver, British Columbia.

The timelines for delivery of the report were accelerated to March 31, 2012 to allow any recommendations to be evaluated and possibly implemented in time for the next cycle of the Process.