

Council

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***Report on the Activities of
the North Atlantic Salmon Conservation Organization
in 2003***

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Note: This Report is not intended for publication but is submitted to the Council under Article 5, paragraph 6 of the Convention which requires the submission of an annual report to the Parties. The report is a summary of the activities of the Organization in 2003. Full details of the work of the Organization are contained in the reports of the Twentieth Annual Meeting of the Council and regional Commissions and in the report of the Finance and Administration Committee.

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1. Introduction

- 1.1 At the invitation of the Scottish Executive, on behalf of the European Union, NASCO held its Twentieth Annual Meeting in Edinburgh. There were also inter-sessional meetings of the Standing Committee on the Precautionary Approach (SCPA) and of the Liaison Group with the salmon farming industry, and a Technical Workshop on social and economic aspects of the Atlantic salmon.

2. Council

- 2.1 The Twentieth Annual Meeting of the Council was held in Edinburgh during the period 2-6 June 2003 under the Presidency of Mr Jacque Robichaud (Canada) and Vice-Presidency of Mr Ole Tougaard (European Union). Representatives of all the Contracting Parties, and observers from the Government of Ukraine, two inter-government organizations, fifteen non-government organizations, and from the Liaison Group with the North Atlantic salmon farming industry attended the meetings.

The Precautionary Approach to Salmon Management

Management of North Atlantic Salmon Fisheries

- 2.2 To assist NASCO's Contracting Parties and the relevant authorities in applying the Precautionary Approach to the management of North Atlantic salmon fisheries, the Council had adopted a Decision Structure in 2002 and had requested that this be widely applied by managers in cooperation with stakeholders on salmon rivers. Reports on progress in implementing the Decision Structure, based on the returns by the Parties, were presented. These returns indicated that initial progress had been made in implementing the Decision Structure, in monitoring the effects of management measures and in introducing measures to address failures in abundance. The Decision Structure is being used both to provide a record of management decisions taken and to provide guidance to managers on how to reach management decisions. The Council agreed a revised format for the annual return of information by the Parties on the application of the Decision Structure.

Habitat Protection and Restoration

- 2.3 The NASCO Plan of Action for Application of the Precautionary Approach to the Protection and Restoration of Atlantic Salmon Habitat, adopted by the Council in 2001, aims to maintain and where possible increase the current productive capacity of Atlantic salmon through the establishment and implementation, by the Contracting Parties and their relevant jurisdictions, of comprehensive habitat protection and restoration plans. In order to measure and improve progress in meeting this objective

the Plan of Action proposes the establishment by the Parties of inventories of salmon rivers. The Parties reported on progress in implementing their habitat plans and on the establishment of inventories. The Council welcomed the progress made and agreed a reporting format for use by the Parties in subsequent returns.

- 2.4 The Council established a Working Group to work by correspondence to further develop a database, initiated by the US, to hold the information from the inventories of salmon rivers.
- 2.5 A report of the Special Session on Habitat Protection and Restoration held in 2002 was tabled.

Aquaculture, Introduction and Transfers and Transgenics

- 2.6 The Council reviewed the report of its SCPA on application of the Precautionary Approach to introductions and transfers, aquaculture and transgenics. In response to concerns about the risks to the wild stocks from aquaculture, introductions and transfers and transgenics the Council and Commissions of NASCO had previously developed five agreements designed to minimise impacts. All but one of these agreements had been developed prior to the adoption by NASCO and its Contracting Parties of the Precautionary Approach. The SCPA had proposed to the Council that these existing agreements should be restructured into one new “umbrella” Resolution (the “Williamsburg Resolution”) amended so as to include elements on burden of proof, risk assessment, mitigation and corrective measures, implementation and reporting. A new annex with guidelines on stocking had also been included.
- 2.7 The Council had previously agreed that there would be a need for consultations with stakeholders on the SCPA’s recommendations. Accordingly the draft Resolution had immediately been made available to the salmon farming industry through the Liaison Group and the comments from the International Salmon Farmers’ Association (ISFA) were tabled. The Secretary was asked to reply to the comments from ISFA.
- 2.8 The Council adopted the Williamsburg Resolution but recognised that it would evolve in future in the light of experience with its implementation, consultations, improved scientific understanding of the impacts of aquaculture, introductions and transfers and transgenics on the wild stocks and of developments in measure to minimise them.

Social and Economic Values Related to Atlantic Salmon

- 2.9 The Council had previously recognised that there is a need to consider how social and economic aspects can be incorporated into the Precautionary Approach without undermining its effectiveness. It was agreed that as an initial step a Technical Workshop would be held to develop an internationally agreed framework or template for assessing the social and economic values of the Atlantic salmon. The Council received the report of this Technical Workshop. The wild Atlantic salmon has many aspects to its value, including those associated with the recreational, commercial and subsistence fisheries. In addition, however, there are values associated with the existence of the salmon itself. These values are difficult to assess but so widespread that they may greatly exceed the values associated with the fisheries. The Workshop attempted to explore all of these values and to give some guidance on how each might be assessed. A framework or template for assessing these values had been developed.

The Council agreed that as the next step the Contracting Parties should ensure that the information provided in Table 2 of the Technical Workshop report is complete. Case studies should then be provided to the Secretariat on how social and economic factors have been incorporated into decisions in relation to management of: fisheries; habitat; aquaculture, introductions and transfers and transgenics; and by-catch. These case studies will form the basis of a desk study to develop standard methodologies which would be reviewed at a further Technical Workshop to be held in March 2004 which would also develop a Decision Structure for incorporating social and economic factors into management decisions under a Precautionary Approach.

Stock Rebuilding Programmes

- 2.10 A stock rebuilding programme has been defined by the Council as an array of management measures, including habitat improvement, exploitation control and stocking designed to restore a stock above its conservation limit. These management measures are being addressed by the Council in application of the Precautionary Approach but it was agreed that it would be useful to develop guidelines for stock rebuilding programmes. The Council adopted preliminary guidelines and agreed that these be further refined so that revised guidelines would be available to the Parties well in advance of the Twenty-First Annual Meeting.

Unreported Catches

- 2.11 A report was made on information provided by the Parties in relation to unreported catches. These returns indicate that in 2002 unreported catches were estimated to be between 838 and 1,158 tonnes. The Council noted the continuing efforts of the Parties to reduce the level of unreported catch and emphasised the need to take further measures to minimise the level of unreported catches. The reporting of information on unreported catches in a transparent manner and the introduction of additional measures to minimise unreported catches are consistent with the Precautionary Approach.

International Atlantic Salmon Research Board (IASRB)

- 2.12 The IASRB was established by the Council in 2001 to direct and coordinate a programme of research to identify and explain the causes of marine mortality of Atlantic salmon and the possibility to counteract this mortality. The inaugural meeting of the Board was held in 2001. Reports were made on the first and second meetings of the Board. The Council noted the progress made by the Board in developing its administrative procedures, in establishing and maintaining an inventory of research, in identifying research gaps and priorities, in identifying opportunities to enhance coordination of research, and in developing an initial pilot approach to raising funds from the private sector. Since 2002 six new projects had been initiated by the Parties and included in the inventory of research, two of which are concerned with assessment of by-catch, a topic previously identified as a high priority for research. Total expenditure by the Parties on research on salmon at sea amounts to approximately £4.2 million and new commitments of contributions to the Fund amounting to more than £100,000 were made by the Parties. The President stressed that successful fund-raising would be highly dependent on the level of support from the Parties in identifying sources of funding and making the necessary introductions.

By-catch of Atlantic Salmon

2.13 Concern had previously been raised within the Council about the possible by-catch of salmon post-smolts in fisheries for pelagic species of fish, particularly mackerel, in the North-East Atlantic. Estimates provided by ICES in 2002, although preliminary, suggested that the by-catch is potentially significant. New information provided by ICES in 2003 indicated a considerable discrepancy between the large number of post-smolts caught in the research fishery and the low by-catch observed in the commercial fishery. New information on by-catch of adult salmon in herring fisheries was presented by Iceland. The Council decided that consistent with the Precautionary Approach it will:

- (i) encourage and seek appropriate funding for research on the distribution of salmon at sea, on the spatial and temporal overlap between salmon at sea and pelagic fisheries, on the vertical distribution and behaviour of salmon in the feeding areas and on the by-catch of salmon in pelagic fisheries;
- (ii) encourage pilot studies on technical adjustments to the deployment of gear in pelagic fisheries so as to minimise by-catch of salmon;
- (iii) review the results of the research referred to in paragraphs (i) and (ii) at its 2005 Annual Meeting or a Special Session;
- (iv) in the light of the findings of the research referred to in (i) and (ii) above, request that, if appropriate, the Parties, non-Parties and other Fisheries Commissions make adjustments to fishing methods so as to minimise the by-catch of salmon;
- (v) continue to ask ICES to provide information on the by-catch of salmon in any existing and new fisheries for other species and of the by-catch of other species in salmon gear.

2.14 The Council also reiterated its recommendation to the International Atlantic Salmon Research Board that projects to assess by-catch should be afforded a high priority by the Board. The Council believes that agreement on the above constitutes adoption of a Precautionary Approach on by-catch.

Impacts of Aquaculture on Wild Salmon Stocks

Returns Made in Accordance with the Oslo Resolution

2.15 A report was presented on the returns made in accordance with Article 5 of the Oslo Resolution.

Liaison with the Salmon Farming Industry

2.16 The report of the fourth meeting of the Liaison Group between NASCO and the North Atlantic salmon farming industry was presented. At the meeting the first reports, according to an agreed format, had been made on progress in developing and implementing Action Plans on Containment of Farm Salmon. The Group had

welcomed the progress made. Furthermore, a report of the Salmon Cooperation Group's project (the SALCOOP project) to review existing cooperative ventures between wild and farmed salmon interests, to identify further areas for cooperation, and to examine options for securing funding for cooperative projects was presented. The Council supported a proposal from the Liaison Group to hold a Workshop in conjunction with the next Liaison Group Meeting in 2004, focusing on area management initiatives, restoration programmes and the pros and cons of using sterile salmon in farming and the possible opportunities for cooperative trials.

Transgenic Salmon

- 2.17 Under NASCO's Guidelines for Action on Transgenic Salmon the Parties agreed to advise the Council of any proposals to permit the rearing of transgenic salmonids. The representative of the US updated the Council on a pending application to the US Food and Drug Administration (FDA) for authorisation to sell and raise transgenic salmon in the US. It is understood that application materials are nearly complete with the exception of an environmental risk analysis. The company had indicated its intent to make reports, which serve as the basis of the application, available to the public. Once the human health and safety issues are fully addressed it is believed that the FDA may make a decision on marketing (as opposed to raising) transgenic salmon within the US. That decision could be made by the end of the calendar year or early in 2004. The FDA has entered into a consultation with the US Fish and Wildlife Service and the US National Marine Fisheries Service regarding the potential for impacts to wild salmon stocks. The environmental risk analysis is needed in order to conduct that consultation. The US agreed to make the environmental risk analysis available to NASCO Parties so there will be an opportunity for NASCO and its Contracting Parties to make their views known to the FDA.

Predator-Related Mortality

- 2.18 The Council agreed that as a first step in considering the issue of predator-related mortality, it would attempt to gather together all available information on this subject so that a compendium could be prepared for the 2004 meeting. Each Party was asked to name a coordinator for this work.

St Pierre and Miquelon Salmon Fishery

- 2.19 In recent years the North American Commission and Council have become increasingly concerned about catches of salmon at St Pierre and Miquelon which, although low, have been increasing at a time when there are serious worries about the abundance of North American stocks and when restrictions are being introduced all around the North-West Atlantic. Last year, recognising the need for additional scientific information concerning the mixed stocks exploited at St Pierre and Miquelon, the Council had adopted a Resolution calling on the Contracting Parties to encourage France (in respect of St Pierre and Miquelon) to cooperate with NASCO in initiating a scientific sampling programme for the fishery at St Pierre and Miquelon in 2003.
- 2.20 The President announced that he had very recently received a letter from France (in respect of St Pierre and Miquelon) which indicated France's intention to implement a sampling programme in 2003. The Council welcomed this development. The

Council agreed that the President and Secretary should respond, welcoming the sampling programme and, building on France's spirit of cooperation, offering to cooperate fully with the support of NASCO scientific representatives.

Scientific Advice

- 2.21 The report of the ICES Advisory Committee on Fishery Management (ACFM) was presented. The Council adopted a request for scientific advice from ICES to be presented in 2004

Catch Statistics and their Analysis

- 2.22 The official catch returns by the Parties for 2002, and historical data for the period 1960-2002, were presented.

Measures Taken in Accordance with Articles 14 and 15 of the Convention

- 2.23 A report was presented on the returns made under Articles 14 and 15 of the Convention.

Other Issues

- 2.24 The Council received a report from each of the three regional Commissions on its activities (see sections 3, 4 and 5 below)
- 2.25 The Council adopted the report of the Finance and Administration Committee. The Council agreed to increase its payment to ICES to contribute to a stipend for the Chairman of ACFM and amended the 2004 budget and schedule of contributions accordingly. The Council asked the Secretary to commence negotiations with ICES on a new Memorandum of Understanding in accordance with the mandate from the Finance and Administration Committee.
- 2.26 Since the last Annual Meeting the Fondation Saumon (France) had been granted observer status to NASCO.
- 2.27 The Council had previously recognised that there could be benefits from joint meetings of all the North Atlantic Fisheries Commissions (i.e. NASCO, ICCAT, IBSFC, NEAFC and NAFO) to discuss issues of mutual interest. The Secretary reported that representatives from the IBSFC, ICCAT, NAFO, NEAFC, and NASCO Secretariats had attended the second meeting of the group which had been held at FAO Headquarters in Rome on 4-5 March 2003 following the meeting of Regional Fishery Bodies. A number of points arose from the meeting and information had been shared and exchanged in relation to developments in marine governance, illegal, unregulated and unreported fishing and the roles of organizations such as OSPAR and HELCOM. It was noted, for example, that OSPAR had adopted a Protocol on Biodiversity which required it to communicate any concerns it had identified about conservation of fishery resources to the appropriate regional fishery management organizations. Meetings of the fishery Commission Secretariats are a cost-effective method of communication and the Council agreed that the NASCO Secretariat should continue to participate in future meetings of the group.

- 2.28 The Council agreed to co-convene with ICES a Symposium in 2005 on the scientific and management aspects of interactions between cultured and wild salmon and agreed on the need to involve the salmon farming industry in planning the meeting. The Secretary was asked to liaise with ICES on the arrangements.
- 2.29 The Council took note of a report on initiatives within FAO of relevance to NASCO.
- 2.30 The winner of the \$2,500 Grand Prize in the Tag Return Incentive Scheme was Mr Steven T Henderson, Steamboat Springs, USA.
- 2.31 The Council adopted a report to the Parties on the activities of the Organization in 2002.
- 2.32 The Council accepted an invitation from Iceland to hold its Twenty-First Annual Meeting in Reykjavik, during 7-11 June 2004. The Council agreed to hold its Twenty-Second Annual Meeting from 6-10 June 2005, either in Edinburgh or elsewhere at the invitation of a Party.

3. North American Commission

- 3.1 The Twentieth Annual Meeting of the North American Commission was held in Edinburgh during the period 2-6 June 2003 under the Chairmanship of Mr Pierre Tremblay (Canada).

Review of the 2002 Fishery and Scientific Advice from ICES

- 3.2 The Commission reviewed the 2002 fishery and considered the scientific advice from ICES.

Review of the 2003 Salmon Management Measures

- 3.3 The United States presented a report on US Atlantic salmon management and research activities in 2002. A review of the Canadian Atlantic salmon management measures for 2003 was presented.

St Pierre and Miquelon Salmon Fishery

- 3.4 The catch statistics for the 2002 salmon fishery at St Pierre and Miquelon were presented. A significant discrepancy was noted in the catch data provided by the French authorities to NASCO (approximately 2t) and the data provided by ICES for the same year (3.6t). The Commission welcomed a response from France (in respect of St Pierre and Miquelon) indicating that a sampling programme would be carried out during 2003 but recalled past experience on this programme which had been somewhat frustrating. The Commission proposed that the Council ask the President and Secretary to write to France (in respect of St Pierre and Miquelon) stating NASCO's view that the sampling programme should be instituted in 2003 (including the genetic element of the programme), seeking clarification on elements of the French proposal and specifying elements that appear to be missing from the French proposal, and indicating that NASCO members are prepared to assist in developing and implementing the sampling programme. The US and Canada agreed to consult so as to coordinate their involvement in the sampling programme.

Salmonid Introductions and Transfers

- 3.5 A report on the activities of the Scientific Working Group on Introductions and Transfers in 2002/03 was presented. Concerns had been raised by the Working Group about shipments of mixed-sex diploid Gaspé strain Atlantic salmon into Newfoundland and the continued use of mixed-sex rainbow trout in marine cage rearing in Atlantic Canada. The United States has initiated a process to eliminate European strains of Atlantic salmon from Maine cage rearing by 31 July 2004. The Working Group reported that two juvenile salmon of European ancestry had been detected in the Upper Salmon river. The Commission established a Working Group to work inter-sessionally on the review of the Protocols on Salmonid Introductions and Transfers so that a decision on the disposition of revised protocols could be taken at the Commission's 2004 Annual Meeting.

Acid Rain

- 3.6 The United States presented a report on US activities regarding acid rain, the focus of which is mitigation measures. In this regard the US is eager to cooperate with other countries such as Canada and Norway with expertise in mitigation measures. A pilot liming project is being planned for 2004 or 2005 and the US encouraged Canada to become involved in the work of an acid rain task force created to research, coordinate and steer the development of the pilot liming project and longer-term actions. Canada pointed out that it had ratified the Kyoto Accord and indicated its intention to work with the United States to develop a work plan on acid rain including possible areas for cooperation.

Sampling in the Labrador Fishery

- 3.7 Canada reported that in 2002 two major river systems and two small rivers had been monitored in Labrador. This monitoring will be continued in 2003 so as to provide important information on stock status and trends and Canada is considering expanding the programme to southern Labrador.

Other Issues

- 3.8 The winner of the Commission's \$1,500 prize in the Tag Return Incentive Scheme was Mr Colin Gilks, Storytown, New Brunswick.

4. North-East Atlantic Commission

- 4.1 The Twentieth Annual Meeting of the North-East Atlantic Commission was held in Edinburgh during the period 2-6 June 2003 under the Chairmanship of Mr Arni Olafsson (Denmark (in respect of the Faroe Islands and Greenland)).

Review of the 2002 Fishery and Scientific Advice from ICES

- 4.2 The Commission reviewed the 2002 fishery and considered the scientific advice from ICES.

Salmonid Introductions and Transfers

- 4.3 The Commission reviewed the returns under the Resolution to Protect Wild Salmon Stocks from Introductions and Transfers. The Commission accepted that following adoption of the “Williamsburg Resolution” by the Council future returns by the Parties on measures taken to minimise the impacts of introductions and transfers on the wild stocks would be made to the Council.
- 4.4 Concern was expressed by Norway and Iceland that the exemptions from the provisions of EU Directive (91/67) had expired during 2002 and that they would now be obliged to allow the movement of live salmonids into their coastal waters and watercourses. Norway informed the Commission that as the Directive is currently under review two provisions might be considered:
- (a) the possibility of establishing protection zones for wild salmonids where introductions and transfers of salmonids would be forbidden or restricted;
 - (b) allowing the movement of salmonid eggs only since, in most cases, this posed less risk of introducing diseases and parasites than movements of live fish.
- 4.5 Norway believed that these provisions would be consistent with the Precautionary Approach in general and the measures in Annex 2 of the “Williamsburg Resolution”. The European Union agreed to convey these sentiments and concerns to the proper authorities but felt it was not appropriate that in NASCO there were discussions concerning one Party’s legislation. He noted that both Norway and Iceland had participated in the EEA discussions and had accepted the consequences. Norway disagreed with this view since the Directive is under review.

Risk of Transmission of *Gyrodactylus salaris* in the Commission Area

- 4.6 The Commission had previously recognised the very serious threat to wild salmon stocks posed by the parasite *Gyrodactylus salaris* and the need for close cooperation among members of the Commission to minimise the risk of its further transmission in the Commission area. Norway had been asked to coordinate an initial exchange of information through correspondence with other members of the Commission. The Directorate for Nature Management intends to host a workshop on the risk of transmission of *Gyrodactylus salaris* in the Commission area.

Regulatory Measures

- 4.7 The Commission adopted a decision regarding the salmon fishery in Faroese waters in 2004. Under this decision the Commission agreed not to set a quota for the Faroe Islands salmon fishery in 2004 on the basis that, in the event that there is a commercial fishery, management decisions will be taken with due consideration to the advice from ICES concerning the status of the stocks contributing to the fishery and the fishery will be limited in scope compared to the management measures agreed by NASCO in previous years and subject to close national surveillance and control.

Experimental Tagging Programme

- 4.8 The Commission supported a proposal from Norway for an experimental tagging programme for investigating the behaviour of escaped farmed salmon.

Other Issues

- 4.9 The winner of the Commission's \$1,500 prize in the Tag Return Incentive Scheme was Mr J L Brookes, Bridgemere, England.

5. West Greenland Commission

- 5.1 The Twentieth Annual Meeting of the West Greenland Commission was held during the period 2-6 June 2003 under the Chairmanship of Ms Patricia Kurkul (USA).

Review of the 2002 Fishery and Scientific Advice from ICES

- 5.2 The Commission reviewed the 2002 fishery at West Greenland and considered the scientific advice from ICES. In accordance with the 2002 *Ad hoc* Management Programme the quota available would have been between 20-55 tonnes of commercial landings to fishing plants during up to two harvest periods, depending on the observed commercial CPUE during the first harvest period. Shortly before the opening date of the 2002 fishing season, the Organisation for Fishermen and Hunters in Greenland (KNAPK) and the North Atlantic Salmon Fund (NASF) came to an agreement to suspend all commercial fishing for Atlantic salmon with the purpose of supplying fishing plants, factories, shops, grocers, smokehouses and marketing associations or export. The Greenland Home Rule Government decided to set a national quota for commercial landings of Atlantic salmon to fishing plants of 0 tonnes for 2002. Exports of Atlantic salmon from Greenland were prohibited. However, a fishery for local sales to the open markets, hospitals, restaurants, etc. and a fishery for private consumption (the subsistence fishery) were permitted. A catch of 2.6 tonnes was reported for private consumption and a catch of 6.4 tonnes was reported sold at local markets, hotels, institutions, etc. In total there was a reported and unreported catch of Atlantic salmon in the subsistence fishery of approximately 20 metric tonnes in 2002.

Regulatory Measures

- 5.3 The Commission adopted a Regulatory Measures for Fishing for Salmon at West Greenland for 2003. Under this measure the catch will be restricted to that amount used for internal subsistence consumption in Greenland, which in the past has been estimated at 20 tonnes. There will be no commercial export of salmon.

Sampling in the West Greenland Fishery

- 5.4 The United States presented a report on the North American/European Union sampling programme at West Greenland in 2002. All Parties agreed to participate in an international cooperative sampling programme for the West Greenland subsistence fishery in 2003.

Other Issues

- 5.5 No tags had been returned from the West Greenland Commission area in 2002 so there was no award in the Tag Return Incentive Scheme.

6. Finance and Administration Matters

- 6.1 The Finance and Administration Committee met prior to the Twentieth Annual Meeting of the Council under the Chairmanship of Mr Steinar Hermansen (Norway).

Review of the Annual Payment to ICES

- 6.2 A report was presented on the continuing discussions with ICES. An approach to the development of a new MoU for NASCO had been proposed to ICES and it had been suggested that, to allow time to resolve the outstanding issues, the present MoU be rolled over with an adjustment to the payment by NASCO to take account of inflation in Denmark. The Committee agreed to this proposal and asked the Secretary to continue to liaise with ICES and the other fishery Commissions in the development of a new MoU on the basis of the mandate agreed at the Committee's 2002 meeting. Concern was expressed by the Committee about an indication from ICES that they might admit NGO observers to the meetings of the Working Group on North Atlantic Salmon. However, the Committee agreed that before it could consider this further it would need additional information from ICES.

NASCO Staff Fund

- 6.3 In 2001, the Council agreed to establish a NASCO Staff Fund because of the financial difficulties experienced by Equitable Life. Concern had been expressed by the Committee about the quality of the advice received from NASCO's financial advisors, PricewaterhouseCoopers (PWC) which had resulted in substantial losses for Secretariat Members. A report was made on the on-going discussions with PWC which had failed to reach a satisfactory outcome. The Committee considered that although there was not a legal obligation on the part of NASCO to put right the losses suffered by the Secretariat Members in such a small organization there was a moral obligation to support the staff who had been placed in this situation. Accordingly the Committee recommended that the Council authorize the Secretary to use the Working Capital Fund to deal with this matter to the extent agreed by the Heads of Delegation. The Committee considered that, depending on the outcome of any further discussions with PWC further steps will also need to be considered, such as the ending of all business relationships with that company. The Committee expressed disappointment at having to contemplate such steps, given the long-term relationship between NASCO and PWC. In the event of a successful outcome with PWC, any legal costs recouped shall be returned to the Organization. The Committee recommended that the President of NASCO write a letter to PWC on this matter.

2004 Budget

- 6.4 The Committee agreed to recommend to the Council the adoption of a 2004 Budget and Schedule of Contributions. The Committee agreed to recommend to the Council that the ceiling level of the Working Capital Fund be increased to £80,000.

Audited Accounts

- 6.5 The Committee recommended to the Council the adoption of the audited account for 2002 and the appointment of PricewaterhouseCoopers of Queen Street, Edinburgh as auditors for the 2003 accounts or such other company as may be agreed by the Secretary in consultation with the Chairman of the Finance and Administration Committee.

Election of Officers

- 6.6 The Committee unanimously re-elected Mr Steinar Hermansen (Norway) as its Chairman and Mr Andrew Thomson (European Union) as its Vice-Chairman.

Other Matters

- 6.7 The Committee asked that documents for future Annual Meetings be made available on the Organization's website.
- 6.8 The Committee was advised that the registration of the Organization's logo under the Paris Convention would become effective on 23 September 2003.

Secretary
Edinburgh
8 April, 2004