

CNL(01)6

*Report of the Eighteenth Annual Meeting of
the Finance and Administration Committee of
the North Atlantic Salmon Conservation Organization
4 June 2001
Hotel Tryp, Mondariz, Galicia, Spain*

1. Opening of the Meeting

- 1.1 In the absence of the Chairman, the Vice-Chairman of the Committee, Mr Steinar Hermansen (Norway), opened the meeting and welcomed delegates from all Contracting Parties to Mondariz.

2. Adoption of the Agenda

- 2.1 The Committee adopted its agenda, FAC(01)9 (Annex 1).

3. Election of Officers

- 3.1 The Secretary advised the Committee that the Chairman, Dr Jean-Pierre Plé (USA), had been given new responsibilities within the State Department and was not, therefore, able to continue to serve as Chairman of the Committee. The Committee elected Mr Steinar Hermansen (Norway) to serve as Chairman.

- 3.2 The Committee elected Mr Andrew Thomson (European Union) as Vice-Chairman.

4. 2000 Audited Accounts

- 4.1 The Secretary introduced the audited accounts for 2000, FAC(01)2. During the year a small surplus had been recorded which, in accordance with the Financial Rules, had been credited to the Stabilisation Fund. The Committee considered the 2000 audited accounts and recommended that they be adopted by the Council.

5. NASCO Staff Fund

- 5.1 The Secretary introduced paper FAC(01)3 detailing the reasons why, following consultation with the Acting Chairman of the Committee and the auditors, a NASCO Staff Fund had been established. This had been necessary because Equitable Life, the company with which NASCO Secretariat Staff have their pension funds, had run into financial difficulties and the auditors had recommended that for the time being no more contributions should be paid into these funds until the situation becomes clearer. A further problem had arisen in that it was thought that the funds at Equitable Life would grow in a tax-free environment, as do other pension funds, and that they would not be subject to UK Capital Gains Tax. This does not now appear to be the case and could significantly reduce the value of the funds of all three existing Secretariat members. The Committee expressed concern about the situation with Equitable Life and asked if legal advice had been taken. The Secretary indicated that he had not

taken legal advice and that many people other than the Secretariat staff had been affected by the problems facing Equitable Life so the facts were quite well known. PricewaterhouseCoopers were providing advice in order to try to minimize the impacts on the funds, but then the initial advice had been poor. It was agreed that the Secretary, in consultation with the Chairman of the Committee, should assess the need to take legal advice as the situation with Equitable Life becomes clearer. If this is considered to be necessary, the Secretary would come back to the Committee to make budgetary provisions.

- 5.2 In order to regularise the arrangement, the Committee agreed to recommend to the Council the adoption of a decision on the establishment of a NASCO Staff Fund (FAC(01)10 (Annex 2). There are no costs to the Organization from this.
- 5.3 The Committee suggested that the Secretary might wish to examine the possibilities of joining a pension fund operated by other international organizations such as those of the North-East Atlantic Fisheries Organization, the International Coffee Organization, or the International Fisheries Commissions in North America.

6. Review of the Annual Payment to ICES

- 6.1 At its Sixteenth Annual Meeting the Council had adopted a Memorandum of Understanding (MoU) with ICES detailing the services that NASCO can expect from ICES and the financial arrangements. A payment schedule for 1999-2002 was agreed. In signing the MoU the Council had stressed that there was a need for long-term stability at the end of the transition period covered by the present MoU through continuation of a fixed rate payment adjusted only to take account of inflation in Denmark. The Council had also stressed the urgent need to address the issue of timeliness of the advice. Last year the Committee had acknowledged the good progress made by ICES in relation to timeliness of the advice.
- 6.2 The Committee had anticipated that, as a result of the advice being developed by correspondence, there would be a reduction in the costs of providing the advice. However, on the basis of the latest costings provided by ICES there had actually been a 45% increase in the cost of providing the advice between 1998/99 and 1999/2000. These increases, while a real concern to the Committee, do not have any impact on the actual contribution by NASCO for 2002 which, in accordance with the MoU, is based on a fixed contribution adjusted only for inflation in Denmark.
- 6.3 The Committee asked the Secretary to liaise with ICES and the other fishery Commissions in the development of a new MoU to apply from 23 June 2002. The Committee reaffirmed the need for:
 - stability in NASCO payments to ICES through continuation of a fixed rate payment adjusted only to take account of inflation in Denmark;
 - improved consultation with the NASCO Secretariat before additional costs are incurred by ICES and attributed to NASCO;
 - the new arrangements for providing the advice on a timely basis to be continued and to be made more cost-effective.

The Committee asked the Secretary to take up these issues with ICES during consultations on a new MoU.

7. Donations to NASCO

- 7.1 Prior to the Committee's last annual meeting the Secretary had been contacted by a number of organizations wishing to make voluntary donations to NASCO. The Committee had recognized that the issue of donations raised complicated issues about, for example, the independence of the organization, how those offering the donations might use NASCO's name, and how they might wish to intervene in NASCO's work. The Committee had asked that the Secretary prepare draft guidelines detailing the conditions under which such donations might be accepted and to identify possible projects which might be funded by donations.
- 7.2 The Secretary introduced document FAC(01)5, which included draft guidelines to apply to voluntary contributions offered by non-members. The Committee recognized that it would be for the Council to decide if it wished to accept voluntary contributions but agreed that there should be guidelines to ensure that if the Council did decide to accept donations this did not compromise the Organization's independence. The Committee agreed to recommend to the Council that the guidelines contained Annex 3 should apply to voluntary contributions by non-members.
- 7.3 The Committee asked that if the Secretary receives other offers of donations in future, he should seek clarification from those offering the donation of any conditions attached to the offer and advise the Committee.

8. Protection of NASCO's Name and Logo

- 8.1 At its last meeting the Committee had noted that there are other companies and organizations which share the acronym 'NASCO' and had asked that the Secretary examine the opportunities to protect the use of the acronym and logo together.
- 8.2 The Secretary reported, FAC(01)6, that the advice from a firm of Chartered Patent Agents was that it may be possible to register the acronym and logo together under the Paris Convention which deals within Intellectual Property and to which most countries in the world are signatories. The cost of this would be between £1,000-£2,000. The Committee recognized that the Organization's logo was a good one and that it would be worth protecting, particularly to protect its use if the Council decided to accept voluntary contributions at some stage in the future. The Secretary was asked to proceed with registering the logo (which includes the acronym 'NASCO') under the Paris Convention and the Committee agreed to include an additional sum of £1,500 in Section 10 of the draft 2002 budget.

9. Consideration of the 2002 Draft Budget, Schedule of Contributions and 2003 Forecast Budget

- 9.1 The Secretary referred to the fact that the draft 2002 budget represented a return to the trend of budget reductions in real terms while building the Stabilisation Fund to ensure that the Organisation can meet its obligations to its staff and tenants. He introduced the draft 2002 Budget, FAC(01)7, which represents reduction in real terms of 0.3% compared to 2001. However, if the payment to the Stabilisation Fund, which does not represent current expenditure, is excluded the budget represents a reduction of more than 5% in real terms. Reductions in real terms were proposed in

seven of the eleven budget headings. The Secretary referred to the reasons for the increases in the other sections.

- 9.2 The Committee agreed to recommend to the Council the adoption of the annexed Draft Budget and Schedule of Contributions (Annex 4). The Committee recognized that the Council may need to amend Section 3.2 of the budget in the light of its decisions on the proposed International Cooperative Research Programme and the possible commissioning of studies on socio-economic issues.

10. Appointment of Auditors

- 10.1 The Secretary reported on consultations with the auditors with regard to possible cost savings. The Committee recognised that, as most of the Organization's expenditure was at a local level, there may be opportunities for cost savings by using a local firm of accountants as auditors. The Committee recommended to the Council the appointment of PricewaterhouseCoopers of Queen Street, Edinburgh as auditors for the 2001 accounts or such other company as may be agreed by the Secretary in consultation with the Chairman of the Finance and Administration Committee.

11. Any Other Business

- 11.1 There was no other business.

FAC(01)9

**Meeting of the Finance and Administration Committee
Hotel Tryp Mondariz, Mondariz, Galicia, Spain
Monday 4 June 2001**

Agenda

	Paper No.
1. Opening of the Meeting	
2. Adoption of the Agenda	FAC(01)1
3. Election of Officers	
4. 2000 Audited Accounts	FAC(01)2
5. NASCO Staff Fund	FAC(01)3
6. Review of the Annual Payment to ICES	FAC(01)4
7. Donations to NASCO	FAC(01)5
8. Protection of NASCO's Name and Logo	FAC(01)6
9. Consideration of the 2002 Draft Budget, Schedule of Contributions and 2003 Forecast Budget	FAC(01)7
10. Appointment of Auditors	
11. Any Other Business	

FAC(01)10

Draft Decision by the Council of NASCO Concerning a NASCO Staff Fund

Having regard to present issues and potential future difficulties of the investment of existing Secretariat members' funds in Equitable Life, paid by the Organization and the Secretariat Members under Staff Rule 8.2, and set aside for the future provision of NASCO Secretariat members, the Council decides:

To establish a Special Fund under NASCO Financial Rule 6.1, called "NASCO Staff Fund", to be used wholly for the benefit of Secretariat members.

The Council further agrees that:

1. Contributions by NASCO and contributions by the Secretariat members may be held in this Fund, which shall be subdivided into a separate fund for each Secretariat member;
2. The funds may be held on deposit or, should the Secretariat member concerned so decide, be placed under the management of a competent fund manager;
3. NASCO shall have neither any claim on, nor any responsibility for, the Fund other than its existing obligations to contribute under Staff Rule 8, and the Fund shall not form part of the NASCO Accounts except that the annual payments made by NASCO and the staff member as provided for under Section 1 of the budget should be detailed in the audited accounts;
4. The funds may be transferred in and out by existing and past Secretariat members, and considered as tax-paid deferred salary payments.

FAC(01)11

Draft Guidelines on Acceptance of Voluntary Contributions

In the event that the Council decides to accept voluntary contributions offered by non-members in accordance with Financial Rule 7.2, such contributions may be accepted provided:

- (1) that the Council shall decide if the purpose of the contribution is consistent with the policies, aims and activities of the Organization;
- (2) that voluntary contributions from non-members shall not be used to fund the general work of the Organization but may be accepted for Special Projects of relevance to the conservation, restoration, enhancement and rational management of salmon identified by the Council;
- (3) that those offering the voluntary contribution recognize that acceptance of the contribution does not signify that NASCO endorses the products, aims or objectives of those making the donations;
- (4) that those offering the voluntary contributions may not attach conditions to the contribution other than possibly specifying a Special Project previously identified by the Council for which the contributions are to be used;
- (5) that voluntary contributions do not confer any rights to participate in or influence the work of the Organization;
- (6) that those offering voluntary contributions may not use NASCO's name and/or logo to signify an association with the Organization without prior approval from the Secretary; they may, however, indicate their general support for the objectives of NASCO;
- (7) that those offering voluntary contributions accept these conditions in writing prior to the contribution being accepted.

**North Atlantic Salmon Conservation Organization
2002 Draft Budget And 2003 Forecast Budget (Pounds Sterling)**

Section	Description	Expenditure	
		Budget 2002	Forecast 2003
1	Staff-related costs	250,270	257,760
2	Travel and subsistence	34,350	30,120
3	Research and advice	29,720	30,612
4	Contribution to Working Capital Fund	0	0
5	Meetings	7,500	15,630
6	Office supplies, printing and translation	23,850	31,090
7	Communications	14,300	14,720
8	Headquarters Property	-28,270	-27,490
9	Office furniture and equipment	7,250	7,460
10	Audit and other expenses	9,600	8,330
11	Tag Return Incentive Scheme	4,700	4,550
	Total	353,270	372,782

		Revenue	
		Budget 2002	Forecast 2003
12	Contributions - Contracting Parties	363,270	381,782
13	Miscellaneous Income - Interest	8,000	8,000
14	Stabilisation	-18,000	-17,000
15	Surplus or Deficit (-) From 2000	0	0
	Total	353,270	372,782

Section 1	Staff-related costs	Budget 2002	Forecast 2003
1.1	Secretariat members	168,270	173,310
1.2	Temporary and support staff	13,900	14,310
1.3	Pensions, allowances, public liability, insurances and other staff-related costs	68,100	70,140
	Total	250,270	257,760

Section 2	Travel and subsistence	Budget 2002	Forecast 2003
2.1	Travel to post and annual meeting	5,100	0
2.2	Official travel and subsistence	28,250	29,090
2.3	President's travel to represent NASCO	1,000	1,030
	Total	34,350	30,120

Section 3	Research and advice	Budget 2002	Forecast 2003
3.1	Annual contribution to ICES	29,720	30,612
3.2	Other research and advice	0	0
	Total	29,720	30,612

Section 4	Contribution to Working Capital Fund	Budget 2002	Forecast 2003
4.1	Working capital	0	0

Section 5	Meetings	Budget 2002	Forecast 2003
5.1	Costs of annual meeting	3,000	11,000
5.2	Costs of other meetings	4,500	4,630
	Total	7,500	15,630

Section 6	Office supplies, printing and translation	Budget 2002	Forecast 2003
6.1	Office supplies	17,400	22,400
6.2	Printing	4,800	7,000
6.3	Translations	1,650	1,690
	Total	23,850	31,090

Section 7	Communications	Budget 2002	Forecast 2003
7.1	Telephone charges	6,800	7,000
7.2	Other telecommunications	1,500	1,540
7.3	Postal charges	6,000	6,180
	Total	14,300	14,720

Section 8	Headquarters Property	Budget 2002	Forecast 2003
8.1	Capital and interest payments	0	0
8.2	Maintenance, services and other building-related costs	26,030	26,810
8.3	LESS Income from property	54,300	54,300
	Total	-28,270	-27,490

Section 9	Office furniture and equipment	Budget 2002	Forecast 2003
9.1	Furniture	1,250	1,280
9.2	Equipment	6,000	6,180
	Total	7,250	7,460

Section 10	Audit and other expenses	Budget 2002	Forecast 2003
10.1	Audit and accountancy fees	4,600	4,730
10.2	Bank charges and insurances	500	510
10.3	Miscellaneous	4,500	3,090
	Total	9,600	8,330

Section 11	Tag Return Incentive Scheme	Budget 2002	Forecast 2003
11.1	Prize money	4,700	4,550

**Adjustments to 2001 contributions (Pounds Sterling)
to take into account confirmed 1999 Catch Statistics**

Party	1999 Provisional catch	1999 Confirmed catch	2001 Contribution based on provisional catch	2001 Contribution based on confirmed catch	Adjustment to 2001 contribution
Canada	143	152	30,999	31,760	+761
Denmark (Faroe Islands and Greenland)	19	19	17,203	17,173	-30
European Union	995	1,016	125,796	126,523	+727
Iceland	145	147	31,222	31,212	-10
Norway	811	811	105,324	104,038	-1,285
Russian Federation	102	102	26,438	26,276	-162
USA	0	0	15,089	15,089	0
TOTAL	2,215	2,247	352,070	352,070	0

Note: A positive adjustment represents an underpayment.

**NASCO Draft Budget Contributions for 2002 and Forecast
Budget Contributions for 2003 (Pounds Sterling)**

Party	2000 Provisional catch (tonnes)	Contribution for 2002	Adjustment from 2001	Adjusted contribution for 2002	Forecast contribution for 2003
Canada	150	29,124	+761	29,884	30,608
Denmark (Faroe Islands and Greenland)	29	18,189	-30	18,159	19,116
European Union	1,251	128,616	+727	129,343	135,170
Iceland	84	23,159	-10	23,149	24,340
Norway	1,176	121,839	-1,285	120,554	128,047
Russian Federation	124	26,774	-162	26,612	28,138
USA	0	15,569	0	15,569	16,362
TOTAL	2,813	363,270	0	363,270	381,782

Contributions are based on the Official Catch Returns supplied by the Parties
Column totals can be in error by a few pounds due to rounding.

List of Participants

Mr Ron Jasperse	Canada
Mr Lars Dyrlov Madsen	Denmark (in respect of the Faroe Islands and Greenland)
Mr Sofus Poulsen	Denmark (in respect of the Faroe Islands and Greenland)
Mr Andrew Thomson	European Union
Mr Arni Isaksson	Iceland
Mr Steinar Hermansen (Chairman)	Norway
Ms Svetlana Krylova	Russian Federation
Mr Boris Prischepa	Russian Federation
Ms Elena Samoylova	Russian Federation
Ms Kimberly Blankenbeker	USA
Ms Nikki Brajevich	USA
Dr Peter Hutchinson	Secretariat
Dr Malcolm Windsor	Secretariat