

**The North Atlantic Salmon
Conservation Organization**

**Report of the Seventeenth Annual Meeting of
The Finance and Administration Committee
5 June 2000, Miramichi, Canada**

Chairman:	Dr Jean-Pierre Plé (United States of America)
Vice-Chairman:	Mr Steinar Hermansen (Norway)
Secretary:	Dr Malcolm Windsor

CNL(00)9

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***Report of the Seventeenth Annual Meeting of
the Finance and Administration Committee of
the North Atlantic Salmon Conservation Organization***

5 June 2000

Rodd Miramichi River Signature Hotel, Miramichi, Canada

1. Opening of the Meeting

- 1.1 The Chairman of the Committee, Dr Jean-Pierre Plé (USA), opened the meeting and welcomed delegates from all Contracting Parties to Miramichi. He expressed his appreciation to the Canadian hosts for the arrangements made for the meetings.

2. Adoption of the Agenda

- 2.1 The Committee adopted its agenda, FAC(00)9 (Annex 1).

3. Election of Officers

- 3.1 The Committee re-elected Dr Jean-Pierre Plé (USA) as its Chairman and Mr Steinar Hermansen (Norway) as its Vice-Chairman.

4. 1999 Audited Accounts

- 4.1 The Secretary introduced the audited accounts for 1999, FAC(00)3. During the year a surplus of £2,863 was recorded, which will be used to reduce the Parties' contributions to the 2001 budget.
- 4.2 The Committee considered the 1999 audited accounts and recommended that they be adopted by the Council.

5. Review of the Annual Payment to ICES

- 5.1 At its Sixteenth Annual Meeting the Council had adopted a Memorandum of Understanding (MoU) with ICES which details 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.
- 5.2 The Secretary reported on the continuing consultations with ICES, FAC(00)4. For the 2000 advice, ICES had made changes to the way that the ACFM worked, with the advice being developed by correspondence. As a result the ACFM report was

available to NASCO delegates about 2-3 weeks earlier than in recent years. The Committee acknowledged the good progress made in relation to timeliness of the advice and asked the Secretary to convey the Committee's appreciation to ICES. The Committee asked that the Secretary continue to liaise with ICES and to stress the need for long-term stability in the payments to ICES since a new basis for these payments will be needed for 2002 and beyond, to be considered by the Committee at its next meeting. The Secretary indicated that he would continue to cooperate with other fishery Commissions on the development of new MoUs with ICES. The Committee agreed that, as a result of the new arrangements for developing the advice by correspondence, a reduction in the costs might be expected, and asked the Secretary to raise this with ICES.

6. Donations to NASCO

- 6.1 The Secretary introduced document FAC(00)5. Over the last twelve months the Secretary had been contacted by a number of organizations wishing to make a donation to NASCO. Under NASCO's Financial Rule 7.2 it is stated that "voluntary contributions offered by non-members may be accepted, subject to agreement by the Council that the purposes of the contributions are consistent with the policies, aims and activities of the Organization". These voluntary contributions are treated as Trust or Special Funds. Similarly, "voluntary contributions above and beyond members' budget contributions may be accepted by the Secretary provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization".
- 6.2 However, the Secretary noted that the offer 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. He indicated that he believed it would be unwise to use donations to fund the main work of the Organization but that the Committee might consider if such funds might be accepted in relation to a specific project, for example in relation to education of young people on salmon conservation issues.
- 6.3 The Committee agreed that there was a need to carefully consider the issues raised by the offers of donations to NASCO and asked that the Secretary prepare a background paper including possible draft guidelines detailing the conditions under which such donations might be accepted and possible projects which may be funded by donations. As an interim measure the Committee asked that the Secretary respond to those who have already offered to donate funds thanking them for their interest in the Organization and indicating that NASCO is still developing its policy on this issue. In the meantime, if any donations are sent to NASCO, the Committee agreed that the Secretary should advise the Contacting Parties.

7. Stabilisation Fund

- 7.1 At its last meeting the Committee had asked that a note be prepared of the level to which the Stabilisation Fund would need to be built to have confidence that the Organization could meet its obligations to its Headquarters property, its tenants and its staff members. The Committee had previously recognised that it is difficult to quantify precisely the obligations, but the Council had agreed that sensible financial

planning would take these obligations into account and that the Stabilisation Fund should be built so that there would be stability in future budgets.

- 7.2 The Secretary introduced document FAC(00)6 which indicated that good progress has been made since the last review in 1996 and that the fund had grown faster than anticipated. The auditors were consulted and had recommended that it would be wise to build the fund to £250,000 by 2003/2004. The Committee agreed that the objective should be to achieve the target level proposed by the auditors by 2003/2004 and to include the sum of £21,000 in the draft 2001 budget. However, the amount to be budgeted in a given year would be agreed annually by the Committee.
- 7.3 In order to allow the fund to grow more rapidly than through budgetary provision alone, the Committee agreed that it would be desirable to allow any budget surplus at the end of the financial year to be credited to the Stabilisation Fund, rather than the present arrangement under which any surplus is credited to the Working Capital Fund or used to offset the contributions by the Parties in subsequent budgets. The Committee therefore agreed to recommend to the Council that the last sentence of Financial Rule 6.3 be modified to read as follows:

“Any surplus above 60,000 pounds sterling shall, unless the Council decides otherwise, be credited to the Stabilisation Fund until the fund has reached 250,000 pounds sterling”.

8. Consideration of the 2001 Draft Budget, Schedule of Contributions and 2002 Forecast Budget

- 8.1 The Chairman referred to the Organization's sound financial standing and to the fact that for at least the last ten years there had been annual reductions in real terms in the Organization's budgets. The Secretary introduced the Draft 2001 Budget, FAC(00)7, which represents an increase of about 3.9% in real terms compared to 2000. However, if the payment to the Stabilisation Fund and the increased costs to ICES are excluded the budget represents a reduction in real terms of about 3.3%. Reductions in real terms were proposed in six of the eleven budget heads. The Secretary referred to the reasons for the increases in the other sections. He indicated that some of the increases were beyond his control and others were related to the increasing work of the Organization on issues such as aquaculture.
- 8.2 The Chairman indicated that, in accordance with an earlier decision of the Council, an adjustment had been made to the 2000 contributions by the Parties to take account of differences in the provisional and confirmed 1998 catch statistics.
- 8.3 The Committee agreed to recommend to the Council the adoption of the annexed Draft Budget and Schedule of Contributions (Annex 2).

9. Appointment of Auditors

- 9.1 The Committee recommended to the Council the appointment of PricewaterhouseCoopers of Queen Street, Edinburgh as auditors for the 2000 accounts. The Committee noted the costs associated with the audit but recognised

that it was desirable to continue to use auditors of high international standing. The Committee asked the Secretary to examine the opportunities for cost savings by obtaining quotes from other international auditing companies based in Edinburgh and by discussion with the present auditors.

10. Any Other Business

- 10.1 The Chairman encouraged the Contracting Parties to make their contributions as early as possible for the next financial year.
- 10.2 The Committee noted that there are other companies and organizations which share the name of NASCO. While it might, therefore, not be possible to protect the use of the name NASCO, there might still be an opportunity to protect the use of the name and logo together. The Secretary was asked to investigate these opportunities under appropriate international laws such as trademark protection.
- 10.3 The Committee expressed appreciation to the Secretariat for the excellent preparations for the meeting and clarity of the documentation, and thanked the Chairman for his work.
- 10.4 A list of participants is given in Annex 3.

FAC(00)9

**Meeting of the Finance and Administration Committee
Rodd Miramichi River Signature Hotel, Miramichi, Canada
Monday 5 June**

Agenda

	Paper No.
1. Opening of the Meeting	
2. Adoption of the Agenda	FAC(00)1
3. Election of Officers	FAC(00)2
4. 1999 Audited Accounts	FAC(00)3
5. Review of the Annual Payment to ICES	FAC(00)4
6. Donations to NASCO	FAC(00)5
7. Stabilisation Fund	FAC(00)6
8. Consideration of the 2001 Draft Budget, Schedule of Contribution and 2002 Forecast Budget	FAC(00)7
9. Appointment of Auditors	
10. Any Other Business	

Annex 2**North Atlantic Salmon Conservation Organization
2001 Draft Budget And 2002 Forecast Budget (Pounds Sterling)**

SECTION	DESCRIPTION	EXPENDITURE	
		BUDGET 2001	FORECAST 2002
1	STAFF-RELATED COSTS	239,880	247,060
2	TRAVEL AND SUBSISTENCE	33,600	29,350
3	CONTRIBUTION TO ICES	28,030	29,350
4	CONTRIBUTION TO WORKING CAPITAL FUND	0	0
5	MEETINGS	7,500	15,630
6	OFFICE SUPPLIES, PRINTING AND TRANSLATION	27,150	25,680
7	COMMUNICATIONS	13,300	13,680
8	HEADQUARTERS PROPERTY	-25,550	-24,860
9	OFFICE FURNITURE AND EQUIPMENT	7,250	7,460
10	AUDIT AND OTHER EXPENSES	8,220	8,460
11	TAG RETURN INCENTIVE SCHEME	4,550	4,550
	TOTAL	343,930	356,360

		REVENUE	
		BUDGET 2001	FORECAST 2002
12	CONTRIBUTIONS - CONTRACTING PARTIES	352,070	363,360
13	MISCELLANEOUS INCOME - INTEREST	10,000	10,000
14	STABILISATION	-21,000	-17,000
15	SURPLUS OR DEFICIT (-) FROM 1999	2,860	0
	TOTAL	343,930	356,360

Section 1	Staff-related costs	Budget 2001	Forecast 2002
1.1	Secretariat members	161,880	166,730
1.2	Temporary and support staff	13,200	13,590
1.3	Pensions, allowances, public liability, insurances and other staff-related costs	64,800	66,740
	TOTAL	239,880	247,060

Section 2	Travel and subsistence	Budget 2001	Forecast 2002
2.1	Travel to post and annual meeting	5,100	0
2.2	Official travel and subsistence	27,500	28,320
2.3	President's travel to represent NASCO	1,000	1,030
	TOTAL	33,600	29,350

Section 3	Contribution to ICES	Budget 2001	Forecast 2002
3.1	Annual contribution	28,030	29,350

Section 4	Contribution to Working Capital Fund	Budget 2001	Forecast 2002
4.1	Working capital	0	0

Section 5	Meetings	Budget 2001	Forecast 2002
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 2001	Forecast 2002
6.1	Office supplies	16,500	16,990
6.2	Printing	9,000	7,000
6.3	Translations	1,650	1,690
	TOTAL	27,150	25,680

Section 7	Communications	Budget 2001	Forecast 2002
7.1	Telephone charges	5,500	5,660
7.2	Other telecommunications	1,500	1,540
7.3	Postal charges	6,300	6,480
	TOTAL	13,300	13,680

Section 8	Headquarters property	Budget 2001	Forecast 2002
8.1	Capital and interest payments	0	0
8.2	Maintenance, services and other building related costs	23,250	23,940
8.3	LESS Income from property	48,800	48,800
	TOTAL	-25,550	-24,860

Section 9	Office furniture and equipment	Budget 2001	Forecast 2002
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 2001	Forecast 2002
10.1	Audit and accountancy fees	4,770	4,910
10.2	Bank charges and insurances	450	460
10.3	Miscellaneous	3,000	3,090
	TOTAL	8,220	8,460

Section 11	Tag Return Incentive Scheme	Budget 2001	Forecast 2002
11.1	Prize money	4,550	4,550

**Adjustments to 2000 contributions (Pounds Sterling)
to take into account confirmed 1998 Catch Statistics**

Party	1998 Provisional catch	1998 Confirmed catch	2000 Contribution based on provisional catch	2000 Contribution based on confirmed catch	Adjustment to 2000 contribution
Canada	149	157	28,505	29,246	+741
Denmark (Faroe Islands and Greenland)	17	17	15,754	15,750	-3
European Union	1,185	1,183	128,581	128,149	-432
Iceland	164	164	29,954	29,920	-33
Norway	740	740	85,595	85,445	-149
Russian Federation	131	130	26,766	26,643	-123
USA	0	0	14,111	14,111	0
TOTAL	2,386	2,391	329,265	329,265	0

Note: A positive adjustment represents an underpayment in 2000.

**NASCO Draft Budget Contributions for 2001 and Forecast
Budget Contributions for 2002 (Pounds Sterling)**

Party	1999 Provisional catch (tonnes)	Contribution for 2001	Adjustment from 2000	Adjusted contribution for 2001	Forecast contribution for 2002
Canada	143	30,999	+741	31,740	31,993
Denmark (Faroe Islands and Greenland)	19	17,203	-3	17,199	17,754
European Union	995	125,796	-432	125,364	129,830
Iceland	145	31,222	-33	31,189	32,223
Norway	811	105,324	-149	105,174	108,701
Russian Federation	102	26,438	-123	26,315	27,285
USA	0	15,089	0	15,089	15,573
TOTAL	2,215	352,070	0	352,070	363,360

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

List of Participants

Dr Jean-Pierre Plé (Chairman)	(USA)
Ms Edith Dussault	(Canada)
Ms Rikke Nielsen	(Denmark (in respect of the Faroe Islands and Greenland))
Mr Hedin Weihe	(Denmark (in respect of the Faroe Islands and Greenland))
Mr Andrew Thomson	(EU)
Mr Arni Isaksson	(Iceland)
Mr Steinar Hermansen	(Norway)
Mr Boris Prischepa	(Russian Federation)
Ms Elena Samoylova	(Russian Federation)
Ms Svetlana Krylova	(Russian Federation)
Ms Kim Blankenbeker	(USA)
Dr Peter Hutchinson	Assistant Secretary
Dr Malcolm Windsor	Secretary

List of Finance and Administration Committee Papers

FAC(00)1	Draft Agenda
FAC(00)2	Election of Officers
FAC(00)3	1999 Audited Accounts
FAC(00)4	Contribution to ICES
FAC(00)5	Donations to NASCO
FAC(00)6	Stabilisation Fund
FAC(00)7	2001 Draft Budget and 2002 Forecast Budget
FAC(00)8	Draft Report of the Meeting

NOTE: This list contains all papers submitted to the Committee prior to and at the meeting.

