



TWENTY SEVENTH MEETING OF THE COUNCIL
3 - 4 April 2019, Tórshavn, Faroe Islands

DOCUMENT 05	REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE
Submitted by	FAC
Action requested	Note report and endorse recommendations
Background	

REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

1. INTRODUCTION

The Finance and Administration Committee met in Tórshavn on 1 April 2019, chaired by Kate Sanderson (Faroe Islands). Since NAMMCO/26, the FAC had held one intersessional meeting, at the Representation of the Faroe Islands in Copenhagen on 26 November 2018, chaired by Jóannes V. Hansen (Faroe Islands). The meeting on 1 April continued the consideration of items addressed at the November meeting, as well as some additional matters, with the aim of providing a consolidated report with recommendations to the Council at NAMMCO/27.

Participants at the meeting were Amalie Jessen and Nette Levermann (Greenland), Páll Nolsøe (Faroe Islands), Ásta Einarsdóttir (Iceland), Ole David Stenseth (Norway), with Geneviève Desportes, Fern Wickson and Charlotte Winsnes from the Secretariat.

2. ADMINISTRATIVE ISSUES

2.1 Review of salaries and pension scheme costs

The Committee considered a review of staff costs prepared by the Secretariat (FAC/2019-01/02) with particular attention to the relative costs of the two pension schemes which apply to different members of the staff. The cost of one scheme, which applies to only one member of staff, has become excessive, both in the level of pension premium in relation to the gross salary, and in the associated administrative fee. The Committee agreed that in principle all members of the Secretariat staff should be covered by the same pension scheme. The Committee noted an earlier recommendation to the Council in 1998 (as quoted in the document prepared by the Secretariat), that total pension payments should not exceed 10% of agreed gross salaries, of which NAMMCO should cover 8% and the employee 2%. This was suggested before the first pension scheme was adopted for Secretariat staff.

The Committee agreed to recommend to the Council that steps be taken on an urgent basis to explore how best to rectify the matter. It was noted that expert advice would be required in this regard, in order to ensure a fair and efficient process, with an expected associated cost to NAMMCO for external assistance, which could hopefully be offset by a reduction in pension costs already in this financial year. Norway offered to find suitable expertise with the appropriate in-depth knowledge of pension schemes in the Norwegian context.

2.2 Capacity and Secretariat staffing situation in relation to workload

The Committee considered a review of Secretariat staffing and workload as prepared and presented by the General Secretary (Doc FAC/2019-01/03). She drew attention to challenges for the Secretariat in dealing sufficiently with all priority areas, and the relationship between staff qualifications and the nature of the tasks requiring particular attention. These include the updating of the marine mammal species/stock information on the NAMMCO website, and the need to establish an efficient archiving system to ensure systematic access to the organisation's key decisions and other reference material over time. The lack of these resources had also come to light, and been partially addressed, during the work of the Performance Review Panel, with their many requests for various historical documentation of NAMMCO's activities over the years.

In the discussion, members of the Committee noted that the concerns raised by the General Secretary should be given serious consideration. This would provide an opportunity to assess the core tasks and other initiatives of the Commission, with a view to better defining priorities, both in the short term and in the long term, in relation to the ability of the Secretariat to complete the work required. It was noted that there was no support at this stage to expand the budget of NAMMCO to hire additional staff.

Noting the urgency of some issues raised by the Secretariat, the Committee agreed to recommend to the Council that a more focused intersessional discussion be undertaken among member countries and the Secretariat on the priorities of the Commission and the ability and capacity of the Secretariat to fulfill the tasks assigned.

2.3 SWOTs – follow up

The Committee considered briefly the outcome of the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis done in 2017-18 in the different bodies of the Commission. The Committee agreed that this had been a useful exercise and that the results should remain an internal document, which would provide input and inspiration in subsequent discussions among members on the structure and priorities of the Commission's work

3. FINANCES

3.1 Accounts 2018

The Committee reviewed the audited accounts for 2018 (FAC/2019-01/05) and agreed to recommend their approval by the Council. The Secretariat was requested to provide clearer annotations in future presentation of the accounts.

3.2 Committees' Work Plan and budget implications

The financial implications for the 2019 and 2020 budgets of the work plans proposed by the Scientific Committee and the Committees on Hunting Methods and Inspection and Observation (FAC/2019-01/06) were taken into consideration by the Committee in its review of the budget under agenda item 3.4.

3.3 Super tag project

The Committee discussed avenues for the financing of the collaborative "Super Tag" project proposed by the Scientific Committee to develop a tag for satellite tracking of large cetaceans in the North Atlantic, for which the Council had expressed its support in principle at NAMMCO 26. To aid discussion the Secretariat had prepared a document outlining possible options for funding. It was noted that the list of possible external sources of national and international funding was not exhaustive. The document (FAC/2019-01/07) is annexed to the report for reference in further discussions.

While the Committee noted the potential of the project to become a flagship initiative of NAMMCO, coordinated through the NAMMCO Scientific Committee, some members underlined their difficulties in providing dedicated additional funding from existing national research budgets. They were however willing to provide in-kind contributions in the form of assistance in planning and in the preparation of funding applications. Questions were raised about the ultimate ownership of the technology to be developed. It was also suggested that there may be potential to investigate sources of private investment funding for a technology that could ultimately have a wider commercial interest.

The Committee welcomed the consolidated information now compiled regarding the project and possible funding avenues and agreed to recommend to the Council to encourage further progress on advancing the project.

3.4 Budget 2019 and forecast budget 2020 & 2021

The Committee considered the draft budgets for 2019 and 2020, noting that the level of membership contributions for 2019 had been approved at NAMMCO/26. In line with previous years, a 2% increase in membership contributions was proposed in the draft budget for 2020. Adjustments would be made to the itemization of expenditure under the different budget lines in relation to decisions made during the Council meeting, and the final draft budgets would be presented to the Council under the separate Council agenda item for adoption of the budget.

4. OTHER MATTERS

- Status of the Committee's annual report to the Council

The Committee agreed to recommend to the Council that its general report to the annual Council meeting should be publically available as a meeting document in the same way as reports from other Committees are contained in NAMMCO's online reference material. Sensitive and confidential matters considered by the Committee should be recorded, as appropriate, in internal documents only.

- Deadlines for meeting documents

The Committee agreed to recommend to the Council that clear deadlines be developed for the submission of documents and reports in advance of meetings of the Council and its Committees and Working Groups, with the view to incorporating these deadlines into the relevant Rules of Procedure.

- Recruitment of new expertise

Noting generational challenges in the limited pool of expertise used to generate scientific and other specialist advice requested by NAMMCO, the Committee agreed to draw to the attention of the Council the need to encourage the recruitment of new scientists and other experts to ensure the continued high quality of NAMMCO's work in the future and continuity in the work of the organisation. In this process, gender balance should also be kept in mind.