



NAMMCO ANNUAL MEETING 28

22-25 March 2021

Online

MEETING OF THE COUNCIL

DOCUMENT 04	REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE
Submitted by	FAC
Action requested	Take note of the report Consider the recommendations of the FAC
Background	<p>At the Council-Heads of Delegations meeting on 26 March 2020, the Finance and Administration Committee were asked to:</p> <ul style="list-style-type: none"> - Further explore ways forward for funding the “Super-tag” project. - Supervise the Secretariat’s collation of the existing financial rules and practices in a single document to create consolidated financial rules for the Commission. - Deal with outstanding issues such as the revision of the staff rules, staff salary increments, budgetary implications of re-scheduling events and activities, and the proposal from the CIO for observation activities in 2021. - Prioritise the work of the Secretariat in relation to the discussion on capacity and staffing related to workload.

1. INTRODUCTION

The Finance and Administration Committee (FAC), chaired by Amalie Jessen (Greenland), has held two online meetings (due to COVID-19 travel restrictions) since the Council-Heads of Delegations meeting on 26 March 2020. These were held on 16 October 2020 and 22 March 2021. Participants at the meetings were Amalie Jessen (Greenland), Kate Sanderson (Chair of the Council), Páll Nolsøe (Faroe Islands), Ásta Einarsdóttir (Iceland), Ole David Stenseth (Norway), with Geneviève Desportes, Nicolai Scherdin (Intern), Mana Tugend (Scientific and Communication Assistant), Fern Wickson and Charlotte Winsnes from the Secretariat.

This consolidated report presents the issues dealt with by the FAC since March 2020 and their outcomes, including the recommendations that the FAC wishes to bring forward to Council.

2. COVID-19 PANDEMIC

The global coronavirus (COVID-19) pandemic impacted the operations of NAMMCO in 2020, with all meetings in the spring (including the 28th Annual Meeting) being postponed to the autumn and some to the winter. Multiple committee meetings were moved to online formats. The FAC monitored the financial implications of these changes, which proved to be advantageous for the organisation as they compensated for the cost of transferring the pension scheme and ultimately resulted in a slightly positive balance instead of the large deficit that was foreseen.

3. ADMINISTRATIVE ISSUES

3.1 SECRETARIAT'S WORKLOAD AND PRIORITIES

Following a Council/27 recommendation, the FAC engaged in a discussion with the Secretariat regarding workload and priorities.

The FAC Noted that it is the Council that generates the workload. FAC **recommends** that Council be conscious of the implications of its proposed priorities and that the focus should be on core issues for the organisation.

3.2 REVIEW OF THE STAFF RULES

At its October 2020 meeting, the FAC decided that it would hold a meeting dedicated to reviewing the staff rules at a later stage when face to face meetings become possible.

FAC **recommends** that Council task the FAC to progress with the revision and update of the Staff Rules, so they can be presented to the Council at its next meeting.

3.3 INTERNSHIP PROGRAM

To support continuity in the handover of the interns' duties, and reduce the workload of the Secretariat, the FAC **recommends** that intern periods be allowed to overlap in time.

3.4 NAMMCO PARTICIPATION IN RESEARCH PROJECTS

The Secretariat is regularly approached with invitations for NAMMCO to join or write letters of support for research project applications. The Secretariat sought guidelines for both the process of handling such requests and making decisions on NAMMCO's involvement.

The FAC agreed that NAMMCO should only join external research projects that are aligned with the core values of the organisation. Furthermore, participation should not place an undue financial burden on the organisation and needs to be considered in light of the workload of the Secretariat.

The FAC agreed that the Secretariat could assess invitations to join external projects on a case-by-case basis against these general principles and consult the Chair or HoDs on cases that are difficult to decide.

The FAC **recommends** that the Council endorse the principles and the process proposed by FAC for responding to requests regarding external research projects.

3.5 FINANCIAL RULES

3.5.1 FINANCIAL AGREEMENT ON LECTURES/PRESENTATIONS GIVEN BY THE SECRETARIAT

The FAC **recommends** to the Council that, as a principle, NAMMCO/the Secretariat staff should not receive any payment for lectures or presentations connected to the work of NAMMCO given at universities or other organisations. However, payments to cover travel and accommodation costs, and a per diem allowance, could be accepted.

3.5.2 Consolidated Financial Rules for the Commission

Unlike other organisations, NAMMCO does not currently have a single document collating established financial rules and practices. The Secretariat is developing such a document under the guidance of the FAC.

The FAC **recommends** that Council task the FAC to continue supervising the Secretariat's task of defining NAMMCO's financial rules, with a view to presenting a document to Council 29.

4. FINANCIAL ISSUES

4.1 SALARY INCREMENTS

FAC **recommends** that a one-step salary increment be attributed to Scientific Secretary from January 2021.

FAC **recommends** that salary increments for the General and Deputy Secretaries be discussed at a later stage, in association with the revision of the Staff Rules when a face-to-face meeting becomes possible.

4.2 AUDITED ACCOUNTS 2020

The FAC reviewed the audited accounts for 2020 (NAMMCO/28/05).

The NAMMCO budget for 2020 was set at NOK 5,004,972 with expenditures projected to NOK 5,016,770, and an operating balance of NOK -11,798, as adopted at NAMMCO 27.

NAMMCO members decided at the Council-HoDs meeting on 13 March 2020 that observation activities in 2020 would be cancelled.

All planned in-person meetings hosted, supported and/or attended by the NAMMCO Secretariat were either cancelled or held virtually.

At its October meeting, the FAC agreed to recommend to the Council that there not be any salary increments in 2020.

The audited accounts for 2020 closed with a surplus of NOK 900, instead of the foreseen deficit of NOK 11,798. The general reserve increased to NOK 1,182,214 compared to the budgeted NOK 137,661. Although the cost of transferring the pension scheme was carried over from 2019 to 2020 and should have impacted the 2020 results, the savings due to COVID-19 balanced the cost of the transfer.

The FAC **recommends** that the Council approve the 2020 audited accounts.

4.3 BUDGET IMPLICATIONS OF THE CIO RECOMMENDATIONS

At its October meeting and following the CIO recommendation, the FAC agreed to recommend to the Council that no observation activities be conducted in 2021 due to uncertainty regarding travel possibilities linked to the COVID-19 pandemic.

The FAC **recommends** that the Council approve the cancellation of all observation activities in 2021.

The FAC **received** a proposal from the CIO for an increased effort in observation activities in 2022 (NAMMCO/28/17), with a budget of NOK 431,000, instead of the NOK 300,000 the Council-HoDs adopted for the 2021 activities in March 2020 - compared to the usual NOK 150,000 for strengthening the implementation of the revised observation scheme. The increased effort and budget for 2022 aims to compensate for the lack of observation activities in 2018–2021, due to: 1) the ongoing evaluation and revision of the observation scheme, and 2) the travel and association restrictions due to the COVID-19 pandemic.

The FAC recommends that Council decide on the principle of this increased allocation to the Observation Activities. If the Council is favorable to an increase in allocation above NOK 300,000, it should then task the FAC to discuss the amount that would be reasonable taking into consideration all the activities that the Commission would like to support in 2022.

The CIO recommended that the remuneration of observers, which has remained unchanged since 2008, be adjusted for the Norwegian inflation rate going back to 2008.

The FAC **recommends** that the Council follow the recommendation of the CIO and that the remuneration of observers be adjusted to the level proposed from the 2022 season.

4.4 FINANCING OF THE SUPER TAG PROJECT

The Council 27 (2019) tasked the FAC to continue looking at funding avenues for the Super Tag collaborative project, which is to develop a new satellite tag for use on the whales of most interest to NAMMCO.

The FAC followed up and, among others, requested the SC to provide a revised project description, timeline, and budget, including expected in-kind contributions from all Member Countries.

The FAC was satisfied with the revised report provided by the SC and saw it as providing a sound basis for decision-making.

The FAC **recommends** that the Council consider the revised project description provided by the SC and task the FAC to hold a dedicated meeting on this project to discuss financing of the project.

5. OVERVIEW OF FAC RECOMMENDATIONS TO COUNCIL 28

FAC recommends that Council 28

- Be conscious of the implications of its proposed priorities; the focus should be on core issues for the organisation.

Administrative issues

- Task the FAC to continue:
 - discussing Secretariat staffing and priorities
 - progressing with the revision and update of the Staff Rules.
- Allow for the possibility for overlapping internship periods.
- Adopt the proposed principles and process for engaging with external research projects.

Observation activities

- Approve the cancellation of observation activities in 2021.
- *Approve the increase in observer remuneration as proposed by the CIO from the 2022 season.*
- *If the Council is favourable to an increase in the allocation to Observation Activities, it task the FAC to determine the level of allocation which would be reasonable taking into consideration activities in other committees.*

Financial issues

2020

- Approve the 2020 audited accounts.

2021

- Endorse a one-step salary increment for the Scientific Secretary from January 2021.
- Task the FAC to discuss salary increments for the General and Deputy Secretaries, in association with the revision of the Staff Rules.
- Approve the 2021 final budget.

- Finalise the development of consolidated financial rules.
- Adopt the rule that the Secretariat staff should not receive payment for lectures, or presentations related to their work at NAMMCO.

Projects

- The FAC **recommends** that the Council consider the revised description of the Super Tag Project provided by the SC and that the FAC hold a dedicated meeting on this project. to discuss the financing of the project.
- Endorse the general principles and process proposed by FAC for responding to requests regarding support to external research projects.