



**SOUTH EAST ATLANTIC FISHERIES ORGANISATION**

**REPORT OF THE 5<sup>th</sup> ANNUAL MEETING OF THE STANDING COMMITTEE  
ON ADMINISTRATION AND FINANCE 2013**

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## **REPORT OF THE 5<sup>th</sup> ANNUAL MEETING OF THE STANDING COMMITTEE**

### **ON ADMINISTRATION AND FINANCE**

Swakopmund, Namibia 11 to 12 December 2013

#### **1. Opening of the meeting**

The Chairperson, Ms. D`Almeida, from Namibia, opened the meeting and welcomed all delegates.

#### **2. Appointment of Rapporteur**

Each Contracting Party was assigned specific parts of the agenda to take minutes and the Secretariat was tasked to collate all the parts into the final report.

#### **3. Adoption of agenda and meeting arrangements**

The agenda was adopted with an addition to item 9, any other matters, on rules of procedure concerning the election of a chairperson and the drafting of the report.

#### **4. Introduction of Parties Delegation**

The Heads of Delegations introduced their members.

- 4-1.1. Angola - Dr. Dielobaka Ndombele and Dr. Kumbi Kilongo,
- 4-1.2. Japan – Mr. Tsunehiko Motooka and Ms. Aya Murayama,
- 4-1.3. EU – Mr. Orlando Fachada and Mr. Jon Lansley,
- 4-1.4. Korea – Mr. Chungmo Jung and Ms. Jihyun Kim,
- 4-1.5. Namibia – Mr. Titus Iilende and Mr. Beau Tjizoo,
- 4-1.6. Norway – Mr. Odd Gunnar Skagestad and Mr. Kristoffer K Bjorklund, and
- 4-1.7. South Africa: Mr. Xolela Wellem.

#### **5. 2012 Audit Report**

The 2012 audit report was presented and it was explained that the Secretariat had prepared all that was required and in accordance with international standards. These reports have been validated as correct by registered accountants PricewaterhouseCoopers.

No questions were raised by the Committee.

#### **6. Executive Secretary's Report on Administration and Finance**

The Secretariat presented an overview of the Administration and Finance Report. Reflecting on the finances of the Commission, the Executive Secretary pointed out that all activities for the period under review were addressed. Furthermore, attention was called to an audit report of the budget by PricewaterhouseCoopers, which did not identify any irregularities nor any further matters to address.

The Executive Secretary reported that all Contracting Parties had made their contributions for the 2013 fiscal year, except for Korea. However, the Secretariat pointed out that there is still an outstanding amount owed by Angola from the 2012 contribution. Both Angola and Korea assured that their transfers to the SEAFO account are in process, and should be completed by the end of the year. All discussions and decisions taken by the SCAF on this point are reflected in the final budget recommended by this committee. The Executive Secretary reported that Secretariat staff performed exceptionally well and requested for a 5% compensatory salary increase and a further 10% increase in the salary of the Data Manager based on additional duties performed. The ES also requested that the salary of the Data Manager be paid in US dollars instead of Namibian dollars due to fluctuations in exchange rate and due to the fact that the Data Manager is expatriated. The Committee noted and deliberated on these requests but unfortunately due to the financial predicament faced by many Contracting Parties as well as the drastic increase in the 2014 Budget, the requests could not be considered favourably. The Committee has noted that according to Article 16 of the Staff Regulations staff salaries are to be paid in Namibian dollars.

## **7. Approval of the 2014 budget and 2015 forecast budget**

The Executive Secretary presented the budget 2014 and forecast for 2015. ES indicated that Employment benefit vote was the main contributor to the huge increase observed in 2014 budget. This vote was not budgeted for in the past but the costs under this vote would have to be paid in an event of new appointment, mortality or termination, as per staff rules. In 2013, with the recruitment of the Database and GIS Expert, reserve funds were depleted to pay recruitment process related cost and transfer to his duty station. Due to time constraints the Secretariat could not provide a breakdown of employee benefits as requested by SCAF. Therefore, SCAF decided that those breakdowns shall be presented by the Secretariat to the Contracting Parties by the end of January. Also, due to the same time constraints social security costs in the 2014 budget and 2015 forecast were not detailed in the Annex I, but these costs will be deducted from the PAYE allocations.

The Executive Secretary also indicated that all votes are adjusted with 10% from 2013 budget allocation, except where stated in the corresponding budget notes. One of the parties stated that the increase in its contribution for 2014 should not exceed 20% of its previous contribution, as the national budget for 2014 has already been set. SCAF, thus, requested the Secretariat to reduce the budget by dividing the cost of employee benefits over a number of years and adjusting some of the votes as may be necessary. SCAF agreed that staff salaries should be increased by a percentage equal to the Namibian inflation rate as provided by Bank of Namibia, currently at 6.4%.

SCAF also agreed that the VMS related costs should be removed from the budget as this service can be delivered at no cost. The Committee agreed to spread the contributions for employee benefits into four years starting with a total amount of N\$ 750 000 in 2014. The Scientific Committee recommendation regarding consultancy fees for 2014 was not considered by SCAF as it was not approved by the Commission. A total budget of N\$ 4,262,039.00 for 2014 was adopted and noted the provisional forecast for 2015 (Annex I).

## **8. Contributions by Parties**

Contributions by parties were calculated based on the formula adopted in the 2009 Commission meeting. All parties agreed to the amounts as it matched all Contracting Parties budgetary provisions (Annex II).

## **9. Any other matters**

#### 9-1. Rules of Procedures

The Committee agreed to change the Rules of Procedures regarding the election of the chairperson and vice-chairperson to be consistent with those used by the Commission, that is, an alphabetic rotation. However, should a Contracting Party, due to force majeure circumstances, not be able to fulfill the chairmanship, the Contracting Party that follows the current Contracting Party alphabetically shall assume the role of chairperson. The party who has missed its term shall not be absolved of its duties.

SCAF agreed that the rapporteur duties of its proceedings shall be vested with the Secretariat.

#### **10. Adoption of the SCAF report**

The Committee reviewed and adopted the report.

#### **11. Venue and date of next meeting**

The Committee noted that the venue and date of the next meeting will be decided by the Commission.

#### **12. Closure of meeting**

## Annex I

**REVIEW 2013 BUDGET AND PROVISIONAL BUDGET FORECAST 2014 AND  
2015  
Cost of  
living** **0.064**

Budgetline	Activity description	Allocation 2013	Approved Budget 2013	Expenditure 31st July 2013	%	Allocation 2013 Revision	Allocation 2014	Allocation 2015
					Expenditure			
<b>Staff Costs</b>								
4400/001	Salaries Paid Cash	2,126,025	1,767,000	1,291,452		0	1,880,088	2,000,414
4400/002	<b>P.A.Y.E.</b>	0	354,305	<b>0</b>		0	321,299	341,862
4400/003	<b>Social Security</b>	0	4,720	<b>0</b>		<b>0</b>	5,022	5,343
	<b>Sub Total</b>		<b>2,126,025</b>	<b>1,291,452</b>			<b>2,206,409</b>	<b>2,347,619</b>
4410/004	Car Allowance	23,900	23,900	13,639		0	26,300	27,983
	<b>Total</b>		<b>2,149,925</b>	<b>1,305,091</b>	<b>61</b>	<b>0</b>	<b>2,232,709</b>	<b>2,375,602</b>
<b>Temporary Staffing</b>								
3100/000	Consultant	310,000	310,000	37,348		0	0	0
4700/000	Wages - Casual	23,100	23,100	30,207		23615	46,000	50,000
	<b>Sub Total</b>		<b>333,100</b>	<b>67,555</b>	<b>20</b>	<b>23615</b>	<b>46,000</b>	<b>50,000</b>
<b>Employee Benefits</b>								

9400/001	Installation Grant	0	0	0	0	61,119	61,119
9400/002	Removal Expenses	0	0	0	0	29,134	29,134
9400/003	Repatriation Removal Expenses		-	0	0	91,430	91,430
9400/004	Home Leave - Travel		0	0	0	35,766	35,766
9400/005	External Travel		0	0	0	15,652	15,652
9400/006	Leave Pay Provision	80	80,847	0	0	86,161	86,161
9400/007	Severance Pay Provision	68,781	68,781	0	0	211,928	211,928
9400/008	Mortality Allowance	68,781	0	0	0	218,812	218,812
	<b>Total</b>		<b>149,628</b>	<b>0</b>	<b>0</b>	<b>750,000</b>	<b>750,000</b>

#### Operational Expenses

3000/000	Accounting Fees	56,400	56,400	667	0	62,000	65,968
3050/000	Advertising & Promotions	12,100	12,100	9,312	0	13,000	13,832
3200/000	Bank Charges	18,200	18,200	5,745	-6000	13,200	14,045
3330/000	Overtime	18,200	18,200	0	-18200	5,000	5,320
3355/000	Contingency	8,100	8,100	12,721	12000	8,900	8,900
3400/000	Courier & Postage	1,900	1,900	1,550	3000	2,000	2,128
3700/000	Entertainment	3,900	3,900	6,221	6000	6,500	6,916
3850/000	Insurance	12,100	12,100	8,061	4000	17,700	18,833
4200/000	Stationary		23,100	3,814	-15000	8,900	9,470
4500/000	Office expenses	5,300	5,300	9,496	5000	5,830	6,203
6300/000	Office Equipment	0	0	800	800	1,000	1,000

	<b>Total</b>		<b>159,300</b>	<b>58,387</b>	<b>37</b>	<b>-8400</b>	<b>144,030</b>	<b>152,614</b>
<b>Computer Services</b>								
3300/000	Computer Expenses	3,000	3,000	1,507		0	3,300	3,511
3301/000	Software	42,500	42,500	4,634		-32000	30,000	31,920
3302/000	Internet lease Line	70,200	70,200	19,550		-30000	50,000	53,200
3303/000	Rent - Internet	6,600	6,600	1,862		-2800	4,300	4,300
6250/010	Hardware	0	0	67,385		67385	70,000	74,480
	<b>Total</b>		<b>122,300</b>	<b>94,938</b>	<b>78</b>	<b>2585</b>	<b>157,600</b>	<b>167,411</b>
<b>Fisheries Monitoring</b>								
3304/000	VMS - Related Costs	94,000	94,000	63,416		30000	0	0
	<b>Total</b>		<b>94,000</b>	<b>63,416</b>	<b>67</b>	<b>30000</b>	<b>0</b>	<b>0</b>
<b>Training Secretariat Support</b>								
3320/000	Training	11,000	11,000	22,992		12000	25,300	26,919
	<b>Total</b>		<b>11,000</b>	<b>22,992</b>	<b>209</b>	<b>12000</b>	<b>25,300</b>	<b>26,919</b>
<b>Printing</b>								
4051/000	Reports and Translation	52,800	52,800	0		-52800	54,000	57,456
4052/000	Printing	23,100		0		0	15,200	16,173
	<b>Total</b>		<b>52,800</b>	<b>0</b>	<b>0</b>	<b>-52800</b>	<b>69,200</b>	<b>73,629</b>

**Communication**

4310/000	Maintenance Switchboard	12,000	12,000	4,846		-2000	13,200	14,045
4315/000	Maintenance Copier/Fax	9,350	9,350	1,980		-5000	10,300	10,959
4600/000	Telephone and Fax	61,400	61,400	26,716		0	67,600	71,926
	<b>Total</b>		<b>82,750</b>	<b>33,542</b>	<b>41</b>	<b>-7000</b>	<b>91,100</b>	<b>96,930</b>

**Meetings**

4070/000	Meetings & Conferences	285,000	285,000	391		0	313,500	333,564
4070/001	Travel Flights	100,000	100,000	49,416		0	0	0
4070/002	Travel Accommodation	170,000	170,000	118,471		0	110,000	117,040
4070/003	Travel Road	24,300	24,300	29,415		0	20,000	21,280
	<b>Total</b>		<b>579,300</b>	<b>197,693</b>	<b>34</b>	<b>0</b>	<b>443,500</b>	<b>471,884</b>

**Other Travel**

4650/000	Travel Flights	100,000	0	0		0	155,500	165,452
4651/000	Travel Accommodation	170,000	0	0		0	90,000	90,000
4652/000	Travel Road	24,300	0	0		0	48,800	51,923
	<b>Total</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>294,300</b>	<b>307,375</b>

**Petty Cash**

8300/000	Petty cash	0	7,500	0		0	8,300	8,831
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>8,300</b>	<b>8,831</b>





Annex II

**Budget**

**4262039**

30% Countries sharing equal  
\$  
182,658.81

60% shared on GDP  
\$  
2,557,223.40

75% Developed Countries (EU, Japan, Korea, Norway)  
\$  
479,479.39

25% Developing Countries (Angola, Namibia, South Africa)  
\$  
213,101.95

10% Active Fishing Countries (Japan, Korea, Namibia, South Africa)  
\$  
106,550.98

Angola	EU	Japan	Korea	Namibia	Norway	South Africa
\$	\$	\$	\$	\$	\$	\$
395,760.76	662,138.20	768,689.18	768,689.18	502,311.74	662,138.20	502,311.74

**Over (+), under payments (-) and arrears (-)**

Angola	EU	Japan	Korea	Namibia	Norway	South Africa
-231,679.26	372.34	99,368.93	-655,899.06	-0.11	176,247.98	-1,633.05

**Finale Contribution for 2014 after reconciliation of over and under payments and arrears.**

Angola	EU	Japan	Korea	Namibia	Norway	South Africa
627,440.02	661,765.86	669,320.25	1,424,588.24	502,311.85	485,890.22	503,944.79

**2013 Contribution**

<b>649,955.56</b>	<b>656,987.64</b>	<b>695,647.65</b>	<b>655,899.06</b>	<b>422,266.62</b>	<b>589,290.06</b>	<b>423,645.26</b>
-39%	1%	10%	17%	19%	12%	19%