



North Pacific Fisheries Commission

## **ESTABLISHMENT OF A SPECIAL PROJECTS FUND OR USE OF ARTICLE 24 OF THE NPFC FINANCIAL REGULATIONS**

### **INTRODUCTION:**

The Scientific Committee has identified several special projects proposed to move the scientific component forward in its duties for stock assessments, joint scientific ventures with other RFMOs, development of VME identification guides for Members in 2017 and also for stock assessment review and training of at-sea observers in the following years. It is also expected that a similar situation will soon exist in the Technical and Compliance Committee with the development of the NPFC compliance program including for example: at-sea and port observer program, transshipment monitoring, implementation of a regional VMS, special training seminars for implementation of new international legal instruments and others. SC and TCC are looking at appropriate mechanisms to facilitate the implementation of these special projects.

Paragraphs 18,21 and 24 of the NPFC Financial Regulations note the financial set up and flow of funds for the Commission. Contributions and other income received by the Commission shall be placed in the General Fund. Any surplus funds at the end of each fiscal year of the Commission (1 April-31 March of the following year), shall be transferred to the Working Capital Fund, “or designated for a specific purpose as determined by the Commission”, (paragraph 18), or alternately divided into special reserve funds as determined by the Commission (paragraph 21). Further, under paragraph 24, ‘The Commission may transfer amounts of the Working Capital Fund to the General Fund from time to time as it deems necessary in order to offset expenditures in any financial year or to finance unforeseen and extraordinary expenses.’

**OBJECTIVE:** To establish a mechanism to accommodate the specific purpose of addressing such special science and compliance initiatives as identified above or will be proposed in future, especially such costly non-recurring projects as the establishment of key tools for science, compliance and management, such as Database Management System or Observer Program.

### **SOURCE OF THE FUND AND MANAGEMENT**

Monies for these special non-recurring initiatives can be addressed by the establishment of a Special Projects Fund under paragraph 18; the establishment of a focused special reserve fund under paragraph 21; or through a transfer of funds from the Working Capital Fund from time

to time for identified special projects. The proposal was for the establishment of a Special Projects fund which would be funded from General Funds surplus to expenditures and the cap set for the Working Capital Fund.

*Alternatively*, the Commission could utilize Paragraph 21 of the financial regulations to establish a special reserve fund for Special Projects under the Working Capital Fund, with access to funds from the mother fund, Working Capital, or as noted above under paragraph 24 through a transfer from the Working Capital Fund on an event-based/individual special project approved by the Commission.

It is proposed that this ‘Special Project Fund’, funding mechanism to be identified by the Commission, would be considered and maintained as distinct financial and accounting entity. Therefore, a separate bank account in the name of the Commission shall be held and different sets of financial statements shall be prepared which are not included in the general account fund statements.

**CRITERIA FOR ACCESS TO THE SPECIAL PROJECTS FUND:**

1. In general, projects for management, science and compliance are expected to be addressed through the Commission under their sectoral budgets, however there may be required activities/projects that exceed these regular budget levels, in such case, they may be considered for funding from the Special Projects Fund based on the additional criteria noted below.
2. Similar to the Special Purpose Fund (paragraph 26), the ‘Special Projects Fund’ would be for non-recurring initiatives or the initial development and set up of key tools for management, science or compliance, such as: database development and set-up; observer program set up and initial training; regional VMS set up.  
*Note:* Normal operational costs of such programs or other recurring programs are expected to be addressed through the regular budget of the Commission.
3. Projects noted in Item 1 for the Special Projects Fund are time limited to a two/three year period.

**SPECIAL PROJECT’S FORMAT:**

Project proposal should address, as a minimum the following issues:

<b>Part A. Administrative Summary</b>	<b>Part B. Project Proposal Description</b>
1) Project Title 2) Organization 3) Administrative Contact 4) Project Lead and CV 5) Commencement and Completion Date 6) Project Budget Summary – Salaries, Travel, Operating and Other 7) Expected Outputs/Benefits to the Commission	1) Background and Need (also identify which point on the sectoral work plan [Management, Science, Compliance] the proposal will address) 2) Objectives 3) Expected Project Outputs 4) Risks of project not achieving its objectives 5) Methodology/Steps with milestones 6) Schedule of Milestones 7) Detailed costs against milestones 8) Other Related Projects 9) Project Staff and CV’s

**PROJECT SUBMISSION:**

Projects for the special projects fund must be submitted by SC, TCC and Management/FAC at least one month prior to the FAC meeting for preliminary assessment and endorsement to the Commission. In the case of TCC and Management/FAC initiatives, these must be addressed intersessionally prior to the annual TCC and FAC meetings to meet the timeline for consideration.

**\*Processes for Sectoral Actions prior to submission to the FAC SWG-Special Projects, and actions post-approval by the Commission are addressed in a separate paper.\***

**METHODOLOGY FOR EVALUATION OF PROPOSALS:**

***Principles:***

1. A Special Working Group (SWG) – Special Projects be formed under the FAC with its purpose being to review, assess and endorse projects for funding from the Special Projects Fund to the Commission on an annual basis.
2. The SWG-Special Projects would be comprised of: Chair of FAC who would be de facto

Chair of the SWG-Special projects; Executive Secretary; Chair of SC, Chair of TCC, one representative from each Member, and other staff of the Secretariat and Members as requested by the SWG Chair.

3. The SWG-Special Projects would only be permitted to allocate 80% of the total uncommitted funds in the Special Projects Fund each year, thus leaving 20% for future building of the Fund.

***Actions of the SWG-Special Projects:***

1. Annually, the SWG-Special Projects would set overall Commission priorities from the Secretariat and Sectoral Work Plans and identify the funding available for special projects funding.
2. The SWG-Special Projects would review submitted proposals and identify those that meet the criteria for evaluation.
3. The SWG-Special Projects would establish the projects to be endorsed according to the priorities established under Item 1.
4. The SWG-Special Projects Chair would note the available Special Projects funds and provide the list of endorsed projects by priority to the Commission for approval.