

NPFC-2025-FAC07-Final Report (track changes)

Abstract: FAC07 Final Report as adopted on the screen is attached for COM09 consideration. The intern policy (FAC07-WP03 Rev.2) has also been posted with the addition of the confidentiality requirement to the secondees role.



North Pacific Fisheries Commission

NPFC-2025-FAC07-~~Final~~ Report

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**North Pacific Fisheries Commission
7th Meeting of the Finance and Administration Committee**

Osaka, Japan (hybrid)

DRAFT REPORT ADOPTED

Agenda Item 1. Opening of the Meeting

1. The 7th Meeting of the Finance and Administration Committee (FAC) was held in a hybrid format, with participants attending in-person in Osaka, Japan, or online via WebEx, on 22 March 2025, and was attended by Members from Canada, China, the European Union (EU), Japan, the Republic of Korea, the Russian Federation, Chinese Taipei, the United States of America (USA), and Vanuatu. Pew Charitable Trusts (Pew) attended as an observer. The meeting was opened by Mr. Dan Hull (USA), who served as the FAC Chair.

Agenda Item 2. Appointment of Rapporteur

2. Mr. Jacques Chaumont was appointed as the Rapporteur.

Agenda Item 3. Adoption of Agenda

3. The FAC Chair proposed minor changes to the ordering of discussion on subitems within Agenda Item 5, due to the confidential nature of personnel matters.
4. The agenda was adopted (Annex A) as amended. The List of Documents and List of Participants are attached (Annexes B, C).
5. The Executive Secretary, Dr. Robert Day, outlined the logistical arrangements for the meeting.

Agenda Item 4. Financial Statement

4a. Audit Report for 2023/2024 fiscal year

6. The NPFC Auditor's Report for the 2023/2024 Financial Year (NPFC-2025-FAC07-IP01) was taken as read, with supplementary comments from the Executive Secretary regarding the transition to commercial financial software, a transfer to the General Fund from the Special Projects Fund, and the General Fund surplus being transferred to the Working Capital Fund [as well as acknowledging the delay in the audit](#).

Recommendation: That the Commission adopt the NPFC Auditor's Report for the 2023/2024

Financial Year

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6bis. One Member noted that following paragraph 22 of the Financial Regulations, the Executive Secretary shall require, as part of observations of the external auditors, that the external auditors provide specific recommendations for the cap of the Working Capital Fund at the amount equivalent to the funds required to sustain the Commission's operations for set number of months. That Member stated that the information related to this cap should be included in the next external audit.

4b. Status of Member Contributions

7. The Executive Secretary reported on the status of Member contributions for 2024/2025 (NPFC-2025-FAC07-WP01 Rev.1). As of 5 March 2025, payments of 170,463,481 (JPY) had been received with 116,241 (JPY) outstanding as accounts receivable from Russia. The Executive Secretary noted that Russia was expected to make the final remaining contribution during the meeting.

8. The Executive Secretary notified the FAC prior to the end of the meeting that all Member contributions for 2024/2025 were fully paid.

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9. The FAC accepted the report from the Secretariat on Member contributions.

4c. Secretariat financial update to 31 January 2025

i. for 2024/2025 fiscal year (General Fund)

10. The Executive Secretary presented the Statement of Income and Expenditure for the year ending 31 March 2024 (2023/2024 fiscal year) and unaudited values for 2024/2025 (NPFC-2025-FAC07-WP01 Rev.1). He noted that expenditures as of 31 December 2024 were 55,382,669 (JPY), with significant expenses still pending for the SC09 related meetings, database projects, and COM09 related meetings. Projected expenditures were expected to reach approximately 91% of the appropriated funds.

Recommendation: That the Commission adopt the financial update to 31 January 2025 for the 2024/2025 fiscal year, including the statement of income and expenditures for the year ending 31 March 2024 (2023/2024 fiscal year) and unaudited values for 2024/2025.

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11. One Member requested that, considering some discrepancies between the information received prior to the meeting and presented during the meeting, revised versions of working papers be provided when updates occur, to ensure members have clarity on expenditures relative to the budget.

12. Some Members recalled that at FAC06, the Secretariat was requested to report on what kinds of contractual services it engaged in the previous year and what outputs it received from those services. The Executive Secretary acknowledged this oversight and committed to providing this information in the future.

Recommendation: That the Commission direct the Secretariat to provide a report on contractual services engaged and outputs received, as requested in paragraph 33 of the FAC06 Final Report.

ii. *Working Capital Fund*

iii. *Voluntary Contribution*

iv. *Special Project Fund*

v. *Repatriation Fund*

13. The Executive Secretary reported on the status of the other funds, including the Working Capital Fund, the Voluntary Contribution, the Special Project Fund, and the Repatriation Fund (NPFC-2025-FAC07-WP01 Rev.1).

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14. Several Members raised questions about the Working Capital Fund cap referenced in paragraph 22 of the Financial Regulations, which states that “Transfers to the Working Capital Fund shall be capped at an amount equivalent to the funds required to sustain the Commission’s operations for a set number of months.”

15. The Executive Secretary noted that while the practice has been to maintain approximately one year of operating funds, this had not been formally established. Several Members inquired whether the Working Capital Fund cap should be increased or more formally decided.

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16. Regarding the Working Capital Fund, one Member requested that information about the Working Capital Fund cap be included in future audit reports, as required by the Financial Regulations paragraph 22. Another Member suggested reviewing practices of other RFMOs with similar size and mandate to inform the determination of an appropriate cap.

Recommendation: That the Commission direct the Secretariat to analyze past discussion by the FAC and options for the Working Capital Fund cap consistent with the Financial Regulations, examine past history of how that number of months has been determined, and present options to FAC08 for determining the optimal number of months of operating funds to be available in the Working Capital Fund for the Commission.

17. The FAC thanked Canada, China, the United States, and Panama for their voluntary contributions.

18. The EU announced its intention to provide a voluntary contribution of approximately 50,000 (EUR) to support the Secretariat in data collection and processing, particularly for SC- and TCC-related activities.

19. The FAC noted the status of other funds.

Agenda Item 5. Administration Matters

5a. Staffing considerations

20. The Executive Secretary presented a report assessing the NPFC's staffing, capabilities and needs (NPFC-2025-FAC07-WP04) highlighting the increased activities requiring support from the Secretariat. The report noted that despite the expansion of operations, including the regional Vessel Monitoring Scheme, transshipment reporting, and stock assessment methodologies, the Secretariat has maintained its original complement of staff while investing in contract and technological solutions to manage the increased workload. The Executive Secretary also noted the support and additional capacity provided to the Secretariat through the role of secondees and interns.

21. The FAC expressed appreciation for the hard work of the Secretariat staff in handling a wide range of work with limited resources.

22. One Member expressed the view that they did not see benefits in expanding the level of Secretariat staff at this time and supported continuing the practice of using contractors.

22 bis. The Executive Secretary requested that Members consider the resource implications for the Secretariat when proposing new CMMs. He noted that while there is no formal process requiring cost assessments for new measures, Members should be mindful of the costs of technology development and potential staffing cost implications.

23. One Member suggested that NPFC consider implementing a requirement for Members to attach a cover sheet when submitting proposals for new measures, indicating potential additional costs or workload for the Secretariat. Another Member noted that while they agreed on the importance of considering the financial implications of new measures, they had reservations about implementing requirements that could deter the development and submission of proposals to the Commission, as well as their adoption.

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5b. Pay and benefits system

25. Discussions under Agenda Item 5b were carried out in a closed session due to the confidential nature of personnel matters.

i. General Service Staff

26. The Executive Secretary provided a progress report and proposal on issues related to General Service staff pay in response to the tasking from FAC06 and COM08 (NPFC-2025-FAC07-WP05).

27. The FAC thanked the Executive Secretary for providing the progress report. The FAC acknowledged the complexities of addressing these issues, as outlined in the Executive Secretary's report. The FAC recognized the importance of the Secretariat having competitive and equitable pay scales and remuneration to support the work of the Commission, but noted that additional information and clarification were needed before making specific recommendations.

Recommendation: That the Commission direct the Secretariat and an ad hoc intersessional correspondence group of the FAC to develop clearer options and recommendations on staff pay scales for both General Service and Professional/Director level positions for consideration at FAC08, [with a view to making](#) recommendations to the Commission at COM10.

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ii. Manager and Executive Secretary Staff

28. The Executive Secretary provided a progress report and proposal on issues related to Manager and Executive Secretary staff pay (NPFC-2025-FAC07-WP09).

29. The FAC thanked the Executive Secretary for his efforts, acknowledging the complexities of this issue, and recognizing that it is similar in nature to the General Service staff pay issue.

Recommendation: That the Commission maintain the current approach to Manager and Executive Secretary staff pay for fiscal year 2025/2026 [while additional work continues intersessionally to consider clear options and recommendations on Professional and General Service salaries.](#)

5c. Proposed revisions to the Staff Regulations

30. Discussions under Agenda Item 5c were carried out in a closed session due to the confidential nature of personnel matters.

31. The Executive Secretary presented proposed revisions to Staff Regulation 8.1 regarding social security benefits (NPFC-2025-FAC07-WP06). The proposal suggested modifications to address health insurance, workers accident insurance, and retirement fund provisions.
32. The FAC discussed and endorsed the proposal to update Staff Regulation 8.1 to better reflect current practices and improve benefits coverage, including the addition of workers' accident insurance for international staff.
- Recommendation:** That the Commission adopt the proposed revisions to Staff Regulation 8.1, with the removal of the phrase "as outlined in NPFC Policy" for clarity and to implement the Secretariat's approach to provide staff with social security benefits beginning in the 2025/2026 fiscal year.
- Recommendation:** That the Commission direct the Secretariat to develop an applicable NPFC Social Security Policy for consideration of FAC08.

5d. Potential revisions to the Financial Regulations (e.g., approach for the transshipment observer scheme)

33. The TCC Chair, Ms. Alisha Falberg (USA), briefed the FAC on the funding mechanism proposed for the transshipment observer scheme, as contained in the draft CMM for a transshipment observer program being forwarded by TCC to the Commission. The relevant paragraph in the draft CMM states that costs of implementing the program shall be financed by the flag member or CNCP of offloading vessels wishing to engage in transshipment operations, with the fee calculated based on the total costs of the program.
34. The FAC noted the information provided but did not make specific recommendations on revisions to the Financial Regulations at this time.

5e. 2024 Internship and Secondment programs

35. Discussions under Agenda Item 5e were carried out in a closed session due to the confidential nature of personnel matters.
36. The Executive Secretary reported on the outcomes of the 2024/2025 Intern and Secondment Program and noted there were no new applications for interns and there was one application for the secondment program for the 2025/2026 fiscal year (NPFC-2024-FAC06-WP02). The Executive Secretary noted the valuable contributions of all participants and indicated that Mr. Jumpei Hinata was applying to extend his secondment for an additional year. The FAC reviewed the application for renewal.

Recommendation: That the Commission accept the secondment application from Mr. Jumpei Hinata for a 12-month period commencing in June 2025.

5f. Proposed revisions to the Internship and Secondment Program

37. Discussions under Agenda Item 5f were carried out in a closed session due to the confidential nature of personnel matters.

38. The Executive Secretary outlined the proposed changes to the NPFC Internship and Secondment Program based on direction from COM08 and recent experience (NPFC-2025-FAC07-WP03). The proposal aimed to provide greater flexibility in the application process and engagement of interns and secondees.

39. The FAC endorsed the proposed revisions with minor amendments suggested by some Members, including clarifying the confidentiality agreement requirement for secondees and modifying the announcement process for successful interns.

Recommendation: That the Commission adopt the proposed revisions to the NPFC Intern and Secondment Program policies and provide the budgetary resources necessary for the Secretariat to engage qualified candidates for the internship program intersessionally beginning in fiscal year 2025/2026.

Agenda Item 6. Performance Review and items of relevance to FAC

40. The Executive Secretary presented the NPFC Performance Review recommendations that concern the FAC (NPFC-2025-COM09-IP02).

41. The FAC noted the ongoing work to address the recommendations from the Performance Review Panel.

42. On the recommendation related to the requirement for cost assessments to accompany new proposals, some Members expressed reservations, noting concerns that such requirements could potentially deter the development and submission of proposals, as well as their adoption at the Commission.

43. Some Members suggested that the FAC continue working on the Performance Review recommendations in the intersessional period, with involvement of Members to have a more Member-driven discussion on which recommendations to focus on and prioritize. One Member noted the intersessional process to solicit Member input as outlined at COM08 was not followed, and suggested that be pursued over the next year.

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Recommendation: That the Commission task the FAC and the Secretariat with continuing intersessional work to address the recommendations from the Performance Review Panel as a standing agenda item, with involvement of Members to effectively focus and prioritize work as outlined in paragraph 94 of the COM08 Final Report.

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Agenda Item 7. Secretariat's Work Plan: Budget Estimates for 2025/2026 to 2027/2028

7a. Secretariat Work Plan 2025/2026 including staffing

44. The Executive Secretary presented the Secretariat's Work Plan for the 2025/2026 fiscal year (NPFC-2025-FAC07-WP10).

45. One Member noted that while many of the planned travel items for cooperation with other organizations seemed appropriate, the Secretariat should consider which meetings required in-person attendance versus virtual participation, noting that MoUs with other organizations are not intended to have significant budgetary implications.

46. The FAC endorsed the work plan.

Recommendation: That the Commission adopt the Secretariat's Work Plan for 2025/2026 (Annex X), in addition to tasking the Secretariat with other necessary work identified by FAC07.

7b. Budget estimates for 2025/2026 and 2026/2027 and indicative budget estimates for 2027/2028 and 2028/2029

47. The Executive Secretary presented the proposed budget for 2025/2026 (NPFC-2025-FAC07-WP01 Rev.1) for the review of the FAC. He highlighted the financial pressures of the devaluation of the yen, inflation, and growing costs of database management and some contracts (e.g., Webex).

47 bis 1. Some Members expressed concern that the original proposed budget distributed to Members did not reflect the agreed exchange rate (124.36 JPY to 1 USD) for Secretariat staff whose pay in JPY is calculated from USD.

47 bis 2. The FAC was unable to conclude discussion on the budget on 22 March, and thus adjourned and reconvened on 24 March during the margins of the Commission meeting. As the FAC Chair, Mr. Dan Hull, was unable to attend, Mr. Haruo Tominaga (Japan) served as interim FAC Chair for the remainder of discussion on Agenda Item 7 and for the report adoption process.

47 bis 3. The Executive Secretary presented a revised version of the proposed budget, which

addressed issues involving personnel costs.

47 bis 4. Some Members requested that more information be provided in future budget proposals and presentations, such as more detailed breakdowns for MCS costs and the inflationary adjustment amounts to personnel costs.

48. The FAC endorsed the proposed budget for 2024/2025 as revised by the Executive Secretary. **Recommendation:** That the Commission adopt the proposed budget for 2025/2026 (Annex X).

Recommendation: That the Commission adopt the proposed Member contributions for 2025/2026 (Annex X).

Agenda Item 8. Other matters

49. The Science Manager, Dr. Aleksandr Zavolokin, presented a proposal for a special project to assist the SWG NPA-SA with stock assessments for Splendid Alfonsino and North Pacific Armorhead (NPFC-2025-FAC07-WP07). The proposal requested 2,142,700 (JPY) from the Special Project Fund for 2025/2026 to hire external experts to conduct an assessment of the North Pacific Armorhead stock and improve the assessment of the Splendid Alfonsino stock.

49 bis. One Member pointed out that it is not clear how budget is allocated among SC related projects. The Member also proposed that FAC, in consultation with SC, reviews what budget is allocated to which SC projects to consider appropriate budget allocation.

50. The FAC endorsed the proposal and recommended funding from the Special Project Fund. **Recommendation:** That the Commission approve the allocation of 2,142,700 (JPY) from the Special Project Fund for hiring external experts to assist with stock assessments for Splendid Alfonsino and North Pacific Armorhead in 2025/2026.

51. The Executive Secretary presented proposed revisions to the FAC Terms of Reference (NPFC-2025-FAC07-WP08), including extending the maximum number of consecutive terms for the Chair from two to three 2-year terms and updating the quorum requirements (to two-thirds).

52. The FAC endorsed the proposed revisions. **Recommendation:** That the Commission adopt the revised FAC Terms of Reference as proposed in NPFC-2025-FAC07-WP08.

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8a. Consideration of Recommendations for FAC Chair/Vice Chair

53. The FAC noted that the terms of the current FAC Chair, Mr. Dan Hull (USA), and Vice Chair, Mr. Luoliang Xu (China), were ending at the conclusion of FAC07. The FAC thanked the Chair and Vice Chair for their excellent work. Following nominations from Members, the FAC recommended to the Commission that Mr. Haruo Tominaga (Japan) serve as the FAC Chair and Mr. Bernard Blazkiewicz (EU) serve as the FAC Vice Chair for a two-year term.
- Recommendation:** That the Commission appoint Mr. Haruo Tominaga (Japan) to serve as the FAC Chair and Mr. Bernard Blazkiewicz (EU) to serve as the FAC Vice Chair for a two-year term.

Agenda Item 9. Next Meeting

54. **Recommendation:** That the Commission consider holding the next FAC meeting in conjunction with the next Commission meeting.

Agenda Item 10. Recommendations to the Commission

55. The FAC recommended the following to the Commission:
- (Agenda Item 4)
- (a) That the Commission adopt the NPFC Auditor's Report for the 2023/2024 Financial Year.
 - (b) That the Commission adopt the financial update to 31 January 2025 for the 2024/2025 fiscal year, including the statement of income and expenditures for the year ending 31 March 2024 (2023/2024 fiscal year) and unaudited values for 2024/2025.
 - (c) That the Commission direct the Secretariat to provide a report on contractual services engaged and outputs received, as requested in paragraph 33 of the FAC06 Final Report.
 - (d) That the Commission direct the Secretariat to analyze past discussion by the FAC and options for the Working Capital Fund cap consistent with the Financial Regulations, examine past history of how that number of months has been determined, and present options to FAC08 for determining the optimal number of months of operating funds to be available in the Working Capital Fund for the Commission.
- (Agenda Item 5)
- (e) That the Commission direct the Secretariat and an ad hoc intersessional correspondence group of the FAC to develop clearer options and recommendations on staff pay scales for both General Service and Professional/Director level positions for consideration at FAC08, with a view to making recommendations to the Commission at COM10.
 - (f) That the Commission maintain the current approach to Manager and Executive Secretary staff pay for fiscal year 2025/2026 while additional work continues intersessionally to consider clear options and recommendations on Professional and General Service salaries.
 - (g) That the Commission adopt the proposed revisions to Staff Regulation 8.1, with the

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removal of the phrase “as outlined in NPFC Policy” for clarity and to implement the Secretariat’s approach to provide staff with social security benefits beginning in the 2025/2026 fiscal year.

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- (h) That the Commission direct the Secretariat to develop an applicable NPFC Social Security Policy for consideration of FAC08.
- (i) That the Commission accept the secondment application from Mr. Jumpei Hinata for a 12-month period commencing in June 2025.
- (j) That the Commission adopt the proposed revisions to the NPFC Intern and Secondment Program policies and provide the budgetary resources necessary for the Secretariat to engage qualified candidates for the internship program intersessionally beginning in fiscal year 2025/2026.

(Agenda Item 6)

- (k) That the Commission task the FAC and the Secretariat with continuing intersessional work to address the recommendations from the Performance Review Panel as a standing agenda item, with involvement of Members to effectively focus and prioritize work as outlined in paragraph 94 of the COM08 Final Report.

(Agenda Item 7)

- (l) That the Commission adopt the Secretariat’s Work Plan for 2025/2026 (Annex X), in addition to tasking the Secretariat with other necessary work identified by FAC07.
- (m) That the Commission adopt the proposed budget for 2025/2026 (Annex X).
- (n) That the Commission adopt the proposed Member contributions for 2025/2026 (Annex X).

(Agenda Item 8)

- (o) That the Commission approve the allocation of 2,142,700 (JPY) from the Special Project Fund for hiring external experts to assist with stock assessments for Splendid Alfonsino and North Pacific Armorhead in 2025/2026.
- (p) That the Commission adopt the revised FAC Terms of Reference as proposed in NPFC-2025-FAC07-WP08.
- (q) That the Commission appoint Mr. Haruo Tominaga (Japan) to serve as the FAC Chair and Mr. Bernard Blazkiewicz (EU) to serve as the FAC Vice Chair for a two-year term.

(Agenda Item 9)

- (r) That the Commission consider holding the next FAC meeting in conjunction with the next Commission meeting.

Agenda Item 11. Adoption of the Report

56. The report was adopted by consensus.

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Agenda Item 12. Close of the Meeting

57. The FAC meeting closed at 14:25 Osaka time, on 25 March 2025.

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