



## **46<sup>th</sup> ANNUAL MEETING – SEPTEMBER 2024**

### **Creation of an Annual Meeting Funding Model** (Prepared by the NAFO Secretariat)

#### **Preamble**

For several years, STACFAD has strongly urged Contracting Parties to strive, whenever possible, to provide more than 12 months notice of the intention to extend an invitation to host a NAFO Annual Meeting.

September remains a very busy month for conferences in Halifax, and recent developments including the completion of the Halifax Convention Centre, have significantly increased the demand for convention space.

As a result, the limited availability of venues capable of hosting the NAFO Annual Meeting has been further restricted and the window for booking now well exceeds a calendar year. The successful booking of a Halifax venue for the 2025 NAFO Annual Meeting was only possible through a cancellation by another party. This advance notice from Contracting Parties to host is critical to avoid potential negative financial implications of NAFO having to make a non-refundable deposit to secure conference space, an amount that can be up to 50% of the venue cost.

Some Contracting Parties have stated that it is challenging to make budgetary commitments more than one year in advance. The establishment of an Annual Meeting fund as a set budget line expense item may better allow Contracting Parties to provide the required further advance notice of the intention to extend an invitation to host. It may also provide an opportunity for a greater number of Contracting Parties to consider extending an invitation to host.

As noted in the 2024 budget estimate, the 2024 Annual Meeting budget for hosting in Halifax has been set at 200,000 CAD while the costs for hosting the Annual Meeting for the past two years in Europe (post-pandemic) have been considerably higher, around 350,000–400,000 CAD.

To illustrate the cost comparison between Annual Meetings hosted by NAFO or by a Contracting Party, a summary of recent Annual Meeting expenses is provided in Table 1.

At the 2023 Annual Meeting, members of STACFAD supported exploring alternate funding approaches. It was agreed that:

- **The Secretariat work intersessionally, in consultation with STACFAD members, to identify options and develop a proposal for Alternative Funding Approaches for Annual Meetings for presentation at the 2024 Annual Meeting.**

This could include, as appropriate, a review of current practices employed by other RFMOs when funding an Annual Meeting.

### **Review of other Regional Fisheries Organizations**

As a first step in exploring alternate funding approaches, the NAFO Secretariat contacted other regional fisheries organizations, via the regional fishery body secretariats network (RSN), to inquire about Annual Meeting funding practices of other similar organizations.

The responses show that there are a variety of models used for the funding of Annual Meetings including:

- The meetings are fully paid for by the organization and included in its annual budget.
- The meetings are fully paid for by the host.
- The meetings are funded based on a predetermined amount and any costs over this agreed baseline are the responsibility of the host.

It was noted that similar discussions of funding models of annual meetings are happening in other finance and administration committees. This is likely driven by changing technical requirements and continuing inflation of costs.

### **NAFO Annual Meeting Funding Model**

The current funding methods for a NAFO Annual Meeting are as follows:

#### **a) Annual Meeting hosted by the NAFO Secretariat in Halifax.**

All costs for the hosting of the Annual Meeting are incurred by the NAFO Secretariat.

The costs of venue rental, audio-visual equipment, coffee, HoD dinner, reception, signage, security, etc. are included in the annual budget at a budgeted cost of **200,000 CAD**.

#### **b) Annual Meeting hosted by a NAFO Contracting Party.**

All costs for the hosting of the Annual Meeting are incurred by the host country.

The costs of Secretariat travel (airline tickets, hotel, per diem), shipment of meeting supplies, etc. are incurred by the NAFO Secretariat and included in the annual budget at a budgeted cost of **100,000 CAD**.

The cost of hosting an Annual Meeting continues to evolve as requirements change and ongoing inflation. The increased use of hybrid meeting formats has significantly increased the costs for audio/visual equipment and technical support. These costs can be as high as the cost of the venue. Furthermore, the current budget does not include providing lunch for participants although lunch has been provided in recent years in instances when it can improve meeting efficiency.

## Proposed Annual Meeting Funding Model

The NAFO Secretariat considered various funding models considering NAFO's financial practices and feedback received from similar organizations.

After careful consideration, the establishment of an alternative funding approach with a predetermined amount available to CPs, may work best for NAFO. These funds would be available to Contracting Parties when hosting an Annual Meeting and any costs over this agreed baseline would be the responsibility of the host.

The predetermined amount included in the Annual Meeting budget item would remain consistent from year to year, whether hosted by the Secretariat or by a Contracting Party, therefore minimizing fluctuations to the annual budget and Contracting Party billings.

There are two examples provided below of this model where NAFO Annual Meeting funding is set at a predetermined amount, either equal to or greater than the current budgeted cost of hosting meetings by the NAFO Secretariat in Halifax.

<p><b>Example 1.</b></p>	<p><b>In this example, NAFO Annual Meeting funding would be set at a predetermined amount, <u>equal</u> to the cost of hosting meetings by the NAFO Secretariat in Halifax, which is currently budgeted at 200,000 CAD.</b></p> <p>If the Annual Meeting is hosted by the NAFO Secretariat in Halifax, the predetermined amount would be allocated as follows:</p> <p style="padding-left: 40px;">200,000 CAD would be allocated for venue rental, audio-visual equipment, coffee, HoD dinner, reception, signage, security, etc.</p> <p>If the Annual Meeting is hosted by a Contracting Party, the predetermined amount would be allocated as follows:</p> <p style="padding-left: 40px;">100,000 CAD would be allocated for secretariat travel (airline tickets, hotel, per diem), shipment of meeting supplies, etc.</p> <p style="padding-left: 40px;">The remaining funds of 100,000 CAD would be available to the hosting Contracting Party to help offset the costs of hosting an Annual Meeting. Any costs above this amount would be the responsibility of the host.</p> <p><b>Implications to NAFO Billings</b></p> <p>If the above example is adopted and the predetermined amount is set to the equivalent of the cost of hosting meetings at Headquarters, which is currently budgeted at 200,000 CAD, there would be no increase to the budgeted line item.</p> <p>It should be noted that NAFO billings would be impacted. When meetings are hosted outside Halifax, there would be an increase to the NAFO billings as traditionally the remaining 100,000 CAD, would have been returned to the accumulated surplus.</p>
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<p><b>Example 2.</b></p>	<p><b>In this example, NAFO Annual Meeting funding would be set at a predetermined amount <u>greater</u> than the cost of hosting meetings by the NAFO Secretariat in Halifax. For illustration purposes, we have used 300,000 CAD as the predetermined amount.</b></p> <p>If the Annual Meeting is hosted by the NAFO Secretariat in Halifax, the predetermined amount would be allocated as follows:</p> <p style="padding-left: 40px;">200,000 CAD would be allocated for venue rental, audio-visual equipment, coffee, HoD dinner, reception, signage, security, etc.</p> <p style="padding-left: 40px;">The remaining funds of 100,000 CAD would be returned to the accumulated surplus.</p> <p>If the Annual Meeting is hosted by a Contracting Party, the predetermined amount would be allocated as follows:</p> <p style="padding-left: 40px;">100,000 CAD would be allocated for secretariat travel (airline tickets, hotel, per diem), shipment of meeting supplies, etc.</p> <p style="padding-left: 40px;">The remaining funds of 200,000 CAD would be available to the hosting Contracting Party to help offset the costs of hosting an Annual Meeting. Any costs above this amount would be the responsibility of the host.</p> <p><b>Implications to NAFO Billings</b></p> <p>If the predetermined amount is set to <u>greater</u> than the cost of hosting meetings at Headquarters, there would be a one-time increase to the budget resulting in a one-time increase to the NAFO billings.</p> <p>The increased cost would only be fully incurred in the years the meeting is hosted outside Halifax. During the years that the meeting is hosted in Halifax, the remaining funds of 200,000 CAD from the predetermined amount would be returned to the accumulated surplus reducing NAFO billings for the following year.</p>
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## Summary

The cost of hosting the Annual Meeting for the past two years in Europe (post-pandemic) was 350,000–400,000 CAD.

Using these recent costs and these examples above:

- Example one allocates 100,000 CAD to the host Contracting Party representing approximately 25–30% of the overall costs.
- Example two allocates 200,000 CAD to the host Contracting Party, representing approximately 50–60% of the overall costs.

If an alternative funding approach is established with a predetermined amount available to Contracting Parties to offset Annual Meeting costs, the predetermined amount should be set at a level substantial enough so that it provides a sufficient incentive for Contracting Parties to extend an invitation to host.

**Table 1.** Summary of Annual Meeting Expenses from STACFAD WP 23-16 (Revised) presented at the 45<sup>th</sup> Annual Meeting – September 2023

A summary of the total budgeted costs associated with the hosting of NAFO Annual Meeting incurred by the NAFO Secretariat are noted below.

	<b>Costs incurred by NAFO Secretariat (CDN)</b>
Annual Meeting hosted by NAFO Secretariat – Halifax <ul style="list-style-type: none"> <li>Venue rental, audio visual equipment, coffee, HOD dinner, reception, signage, security, etc.</li> </ul>	200,000 CAD
Annual Meeting hosted by NAFO CP <ul style="list-style-type: none"> <li>Venue rental, audio visual equipment, coffee, HOD dinner, reception, signage, security, etc.</li> <li>Secretariat travel (airline tickets, hotel, per diem), shipment of meeting supplies, etc.</li> </ul>	0 100,000 CAD

Below is a summary of costs incurred by CPs for the hosting of recent NAFO Annual Meetings. It should be noted that these are estimates only and that the Secretariat may not have access to all expenditures incurred by the host CP.

	<b>Costs incurred by Host CP</b>
2023 Annual Meeting – Vigo, Spain <ul style="list-style-type: none"> <li>Co-funded by the European Union - Spain</li> <li>Venue rental, audio visual equipment, coffee, HOD dinner, reception, signage, security, event planning company, lunch etc.</li> </ul>	239,000 EUR (349,000 CAD)
2022 Annual Meeting – Porto, Portugal <ul style="list-style-type: none"> <li>Co-funded by the European Union – Portugal</li> <li>Venue rental, audio visual equipment, coffee, HOD dinner, reception, signage, security, event planning company, lunch, etc.</li> </ul>	286,000 EUR (392,000 CAD)
2019 Annual Meeting – Bordeaux, France <ul style="list-style-type: none"> <li>Co-funded by the European Union - France</li> <li>Venue rental, audio visual equipment, coffee, Co-funded HOD dinner, reception, signage, security, event planning company, limited lunch provided, etc.</li> </ul>	210,000 EUR (312,000 CAD)
2018 Annual Meeting – Tallinn, Estonia <ul style="list-style-type: none"> <li>Co-funded by the European Union – Estonia</li> <li>Venue rental, audio visual equipment, coffee, HOD dinner, reception, signage, security, event planning company, etc.</li> </ul>	60,000 EUR (92,000 CAD)