

## Finance Committee

Finance Committee met 20 June 27 May. Bureau reviewed and commented on the report of the Finance Committee at their June meeting.

*Council is requested to:*

- ***Approve*** the final accounts 2015, including Audit Book; (This document)
- ***Vote*** on the proposed budget for 2017, noting that the national contributions have already been decided; (CM 2016 Del-3.1.2)
- ***Discuss*** a long-term strategy for achieving increases in the national contributions, including how to deal with the vote on the forecast budget for 2018. (CM 2016 Del-3.1.3)

This compilation includes:

- Final accounts 2015 including:
  - Letter of Representation
  - Statement on the Final Accounts for 2015
  - Final Accounts 2015
  - Audit Book Comments on the Final Accounts 2015
- Report of Finance Committee
- Status Report 30 April 2016
- Proposed Budget 2017 and Forecast Budget 2018
- Programme Budgets
- Projects
- Development of the Capital Reserve Fund
- CRF level
- Development of the Strategic Investment Fund
- Strategy for increases in national contributions
- Development of equity
- Proposed Science investments
- Proposed investments for implementation of the ICES Strategic Plan

## Accounts 2015, Audit book comments on the Final Accounts 2015, and report

The Final Accounts 2015 have been audited by Deloitte. The members of the Finance Committee are required to approve and sign the Final Accounts 2015 and the Audit book comments on the Final Accounts 2015.

In the following pages:

1. Letter of Representation (To be signed by Anne Christine Brusendorff and Kirsten Gudmansen)
2. Statement on the Final Accounts for 2015 (To be signed by Piotr Margonski)
3. Final Accounts 2015 (To be signed by Finance Committee)
4. Audit Book Comments on the Final Accounts 2015 (To be signed by Finance Committee)

Deloitte Statsautoriseret Revisionsaktieselskab  
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Denmark

## **Letter of representation on the Final Accounts for 2015**

We submit this letter of representation in connection with your audit of the Final Accounts 2015. The Final Accounts shows a loss of DKK 575k, total assets of DKK 48.791k, and equity of DKK 23.489k, and we confirm to the best of our knowledge:

1. That we are aware that Management is responsible for preparing the Final Accounts in accordance with Rule 18 of the Rules of Procedures, and for the Final Accounts giving a true and fair view of the organisation's financial position and the results of its activities, and for the General Secretary's review containing a fair review of the affairs and conditions referred to therein.
2. That the Organisation's capital resources, including its financial position, and its future prospects support the application of the principle of going concern.
3. That the management commentary contains all the required information, also for the purpose of evaluating the profit/loss for the year and the financial position.
4. That the General Secretary's review and the Final Accounts comprise the required disclosures about any unusual or uncertain circumstances.
5. That we are aware of Management's responsibility for the design and implementation of internal controls to prevent and detect fraud.
6. That we have disclosed the results of our assessment of the risk that the Final Accounts and the General Secretary's review may be materially misstated as a result of fraud.
7. That we are not aware of information on known, alleged or suspected fraud that may have involved Management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the annual report.
8. That the Final Accounts does not contain material misstatements.
9. That we have made available all accounting records and supporting documentation up to this date.
10. That the disclosures provided to Deloitte on related parties are correct and complete.

11. That we have provided information about all existing or possible violations of law or other regulations of relevance to the Final Accounts.
12. That the Organisation has complied with all aspects of contractual agreements that could have a material effect on the Final Accounts in the event of non-compliance.
13. That all assets have been recognised in the balance sheet, that these assets exist and belong to the Organisation, and that they have been measured reliably, and also that any impairment losses, etc are adequate to match the risk associated with the assets.
14. That there are no liens or encumbrances etc on the Organisation's assets other than what is disclosed in the Final Accounts.
15. That all existing liabilities and contingent liabilities incumbent on the Organisation have been recognised or disclosed in the Final Accounts, and that these items have been measured reliably.
16. That there are no pending or threatening claims for damages, lawsuits, tax cases, etc or contingent liabilities such as pension, recourse and non-recourse guarantee commitments or financial obligations, including currency exposure and lease commitments, other than those disclosed in the Final Accounts which could have a material influence on the evaluation of the Organisation's financial position.
17. That we have no plans or intentions that may materially alter the carrying value or classification of the assets and liabilities reflected in the Final Accounts.
18. That such insurance policies have been taken out as are considered sufficient in the Organisation's circumstances to cover any situations of loss which the Organisation might experience.
19. That all transactions carried out in the financial year under review have been carried out on an arm's length basis.
20. That no events have occurred after the balance sheet date to this date which influence the evaluation of the Final Accounts, and which require adjustment of or disclosure in the General Secretary's review or notes to the Final Accounts.

Copenhagen, 2 May 2016

International Council for the Exploration of the Sea



Anne Christine Brusendorff, General Secretary



Kirsten Gudmandsen, Finance Officer

ICES

Deloitte Statsautoriseret Revisionspartnerselskab  
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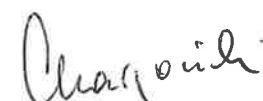
## Statement on the Final Accounts for 2015

This statement is given in connection with the audit of the Final Accounts for 2015. On behalf of the Finance Committee, I confirm the following to the best of my knowledge:

1. That the Finance Committee is aware of Management's responsibility for designing and implementing internal controls to mitigate and detect fraud.
2. That the Finance Committee does not consider a specific risk of fraud to exist and that the organisation has an efficient control environment mitigating the risk of material misstatement in the Final Accounts, including misstatements in the Final Accounts as a result of fraudulent financial reporting or misappropriation of the organisations assets.
3. That the Finance Committee has no knowledge of information about actual, presumed or alleged fraud which may have involved Management or staff and which may be material for the Final Accounts.

Copenhagen,

International Council for the Exploration of the Sea (ICES)



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Piotr Margonski  
Chairman of Finance Committee

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**International Council for the Exploration  
of the Sea**

**Final Accounts 2015**

## **International Council for the Exploration of the Sea**

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### **Contents**

	<b><u>Page</u></b>
Organisation details	1
General Secretary's and Finance Committee's statement	2
Independent auditor's report	3
General Secretary's review	5
Accounting policies	7
Income statement for 2015	9
Balance sheet at 31 December 2015	10
Notes	12

## **Organisation details**

### **Organisation**

International Council for the Exploration of the Sea

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### **General Secretary**

Anne Christine Brusendorff

### **Finance Committee**

Chair: Piotr Margonski, Poland

Current members: Alain Vezina, Canada; Fritz Köster, Denmark; Ari Leskelä, Finland; Tomas Zolubas, Lithuania.

### **Organisation auditors**

Deloitte Statsautoriseret Revisionspartnerselskab



## **General Secretary's and Finance Committee's statement**

The General Secretary and the Finance Committee have today considered and approved the Final Accounts of International Council for the Exploration of the Sea (hereafter “the Council” or “ICES”) for 2015.

The Final Accounts have been prepared in accordance with Rule 18 of the Rules of Procedures.

We consider the accounting policies applied appropriate and the accounting estimates made reasonable. Therefore, in our opinion, the Final Accounts give a true and fair view of the financial position at 31 December 2015 of the International Council for the Exploration of the Sea and of the result of its operations for the financial year 1 January to 31 December 2015.

We believe that the General Secretary's review contains a fair review of the affairs and conditions referred to therein.

We recommend that the Final Accounts be adopted.

Copenhagen, 28 May 2016

### **General Secretary**

Anne Christine Brusendorff

Having examined the Final Accounts, we recommend that the Bureau submit the document to the Members of the Council for approval.

### **Finance Committee**

Chair: Piotr Margonski, Poland

Current members: Alain Vezina, Canada; Fritz Köster, Denmark; Ari Leskelä, Finland; Tomas Zolubas, Lithuania.

## **Independent auditor's reports**

### **To the members of International Council for the Exploration of the Sea Report on the Final Accounts**

We have audited the Final Accounts of International Council for the Exploration of the Sea for the financial year 1 January to 31 December 2015, which comprise the accounting policies, income statement, balance sheet and notes. The Final Accounts have been prepared in accordance with Rule 18 of the Rules of Procedures.

#### **General Secretary's and Finance Committee's responsibility for the Final Accounts**

The General Secretary and Finance Committee are responsible for the preparation and fair presentation of Final Accounts that give a true and fair review in accordance with Rule 18 of the Rules of Procedures and for such internal control as Management determines is necessary to enable the preparation of Final Accounts that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these Final Accounts based on our audit. We conducted our audit in accordance with Rule 20 (VII) of the Rules of Procedures adopted by the Council on 20 October 2005, International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Final Accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Final Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of Final Accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The General Secretary and Finance Committee, as well as evaluating the overall presentation of the Final Accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

## **Independent auditor's reports**

### **Opinion**

In our opinion, the Final Accounts give a true and fair view of the International Council for the Exploration of the Sea's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January to 31 December 2015 in accordance with Rule 18 of the Rules of Procedures.

### **Statement on the General Secretary's review**

We have read the General Secretary's review. We have not performed any further procedures in addition to the audit of the Final Accounts. On this basis, it is our opinion that the information provided in the General Secretary's review is consistent with the Final Accounts.

Copenhagen, 28 May 2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 96 35 56



Peter Z. Skanborg  
State Authorised Public Accountant

## General Secretary's review

### General Operating Principles

The operations of the International Council for the Explorations of the Sea (hereafter ICES) are governed by the 1964 Convention agreed among the 20 Contracting Parties<sup>1</sup> and entered into force on 22 July 1968.

According to Article 2 of the Convention ICES shall be concerned with the Atlantic Ocean and its adjacent seas and primarily concerned with the North Atlantic, with the main goal:

- (a) to promote and encourage research and investigations for the study of the sea particularly those related to the living resources thereof;
- (b) to draw up programmes required for this purpose and to organize, in agreement with the Contracting Parties, such research and investigations as may appear necessary;
- (c) to publish or otherwise disseminate the results of research and investigations carried out under its auspices or to encourage the publication thereof.

In addition the 2002 Copenhagen Declaration stress the need for ICES to strengthen working relationships with users of scientific information on living marine resources and marine ecosystems, including fisheries management organizations and environmental commissions and with stakeholders that are effected by or have an interest in, ICES work, thus requiring that ICES:

- apply quality assurance scheme for its advisory function;
- adopt procedures to consider the full consideration of data from a wide range of stakeholders;
- be flexible and timely in providing scientific advice to meet the needs of decision makers responsible for the stewardship of living marine resources and marine ecosystems without compromising the quality or reliability of the advice;
- ensure that ecosystem considerations, including the effects of human activities and climatic and oceanographic conditions are taken into account;
- frame advice in relation to fisheries management, giving full consideration to the ecosystem context

The ICES Secretariat is located in Copenhagen, Denmark. A Host Agreement between the Government of Denmark and ICES on the office and the privileges and immunities entered into force on 24 July 1968.

The Council is an international legal entity with the capacity to enter into contracts, to acquire and dispose of immovable and movable property, and institute legal proceedings. The Council and its property, income and expenditures are also exempt from all national direct and other taxes or duties.

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<sup>1</sup> Belgium, Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Latvia, Lithuania, the Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, United Kingdom, and the United States of America.

### **Primary activities**

The Final Accounts for the year 2015 show total revenue for ICES of 42,989,091 DKK, of which 21,935,000 DKK was from national contributions. Another major component was income received from Recipients of Scientific Advice in the amount of 15,026,677 DKK.

### **General Secretary's review**

The result of revenue and expenditures was a deficit of 575,272 DKK which is within the budgeted amount and a result of ICES decision to support the arrangements of the ASC in Copenhagen and for the 2015 Science Fund.

National contributions to ICES are due in advance, or by the end of January of the budget year, at the latest. However, by the end of 2015, only half (50%) of the national contributions due for 2015 were received, which is almost the same % as for the budget year 2014. There are no longer any outstanding contributions from previous years.

This continuing trend of late payments by Member Countries, influences the liquidity and could lead to increased financial risk for the budgets. As a consequence, in 2010 Council decided to increase the Capital Reserve Fund (CRF) to 20% of total income. These late payments are the reason ICES has agreed to a repurchase agreement (repo), a form of short-term borrowing with security in the CRF, and without additional expenses for ICES.

### **Development in activities and finances**

Apart from the 1.9% increase in 2016 national contributions, in five years, during a six year time-frame the national contributions have remained stable. The relative share of national contributions in 2015 was 51%.

On the expenditure side, salaries increased with the cost of living (based on the Danish inflation rate) and with the step increases. The secretariat salary cost in 2015 was 32,286,018 DKK including honorarium for ACOM Chairs and SCICOM Chair. Following the Council's directions to achieve full cost recovery for the advisory services, an increasing share of the salary costs are covered by MoUs, however, this also increases the risk for future budgets in case the re-negotiations of the MoUs would result in fewer advisory tasks for ICES and lower contributions from the Recipients of Advice. The current threat category of this risk is consistent with the 20% CRF level.

### **Events after the balance sheet date**

The ICES–EU MoU for 2016 was signed 1 March 2016.

## **Accounting policies**

The Final Accounts have been prepared in accordance with Rule 18 of the Rules of Procedures.

The Final Accounts have been presented applying the accounting policies consistently with last year.

## **Recognition and measurement**

Assets are recognised in the balance sheet when future economic benefits are probable and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that economic benefits will flow out of the Organisation and when the value of the liability can be measured reliably.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the Final Accounts that evidence conditions existing at balance sheet date are taken into account.

## **Income statement**

### **Contributions and Costs**

Contributions are booked as revenue in the financial year to which they relate. Equally, costs incurred to generate the earnings of the year are recognised in the income statement.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expenses. Realised gains and losses on bonds classified as investments are recognised in the financial year to which they relate. Unrealised gains and losses on bonds classified as investments are recognised directly on equity.

### **Projects funded by third parties**

Revenue from projects funded by third parties is recognised as income at the same time as costs related to the project are incurred as expenses.

Profit or loss on projects funded by third parties is recognised in the income statement when the project is finalised.

## **Accounting policies**

### **Balance sheet**

#### **Non-current assets**

Non-current assets comprise investments and cash at bank dedicated to Capital Reserve Fund.

#### **Investments**

Investments comprising listed bonds are measured at fair value at the balance sheet date, however, at a maximum price of 100, corresponding to the redemption price. Gains and losses on investments from the Capital Reserve Fund and General Fund are recorded in the associated equity accounts. All other gains and losses are recorded in the income statement, except for unrealised fair value adjustments of investments, which are recognised directly on equity.

#### **Receivables**

Receivables are measured at cost. Provisions are made for bad debts.

#### **Unpaid contributions from projects funded by third parties (assets)**

Unpaid contributions from ongoing projects comprise costs related to work performed on projects during which funding is not yet received from third party.

Unpaid contributions are measured at cost.

#### **Prepayments from projects funded by third parties (liabilities)**

Prepayments from projects funded by third parties comprise funds received from third parties regarding projects, which are not finished at the end of the year.

Prepayments from projects funded by third parties are recognised as funds received from third parties.

## Income statement for 2015

	Notes	2015 DKK	2014 DKK'000
Contributions from member countries	1	21.935.000	21.935
Contribution from Faeroe Island and Greenland		410.000	410
Recipients of Scientific Advice	2	15.026.677	14.978
Income from Projects		2.631.014	2.745
Other income	3	2.983.430	1.897
Sales of publications		2.970	16
<b>Total revenue</b>		<b>42.989.091</b>	<b>41.981</b>
Salaries	4	-32.286.018	-32.492
Office expenses		-1.216.940	-1.490
IT expenses		-3.076.809	-3.049
Expenses for Council and ASC		-2.212.002	-1.082
Travelling and meeting expenses		-4.538.016	-5.291
Publications		-250.338	-543
<b>Total expenditure</b>		<b>-43.580.123</b>	<b>-43.947</b>
<b>Result of revenue and expenditure</b>		<b>-591.032</b>	<b>-1.966</b>
Financial income	5	92.001	163
Financial expenses	6	-76.241	-13
<b>Income over expenditure</b>		<b>-575.272</b>	<b>-1.816</b>

The years income over expenditure is distributed as follows

Capital Reserve Fund (equity)	115.292	0
Use of fund "Strategic Investment Fund (equity)	-505.000	-500
Accumulated income over expenditure (equity)	-185.564	-1.316
<b>Total</b>	<b>-575.272</b>	<b>-1.816</b>



## Balance sheet at 31 December 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Capital Reserve Fund – Investment & cash at bank	10	<u>8.475.150</u>	<u>8.381</u>
<b>Non-current assets</b>		<b><u>8.475.150</u></b>	<b><u>8.381</u></b>
Receivable member contribution	7	10.868.000	13.374
Other receivables	8	4.557.186	4.920
Prepayments and accrued income	9	<u>393.746</u>	<u>802</u>
<b>Receivables</b>		<b><u>15.818.932</u></b>	<b><u>19.096</u></b>
<b>Investments</b>	10	<b><u>22.349.554</u></b>	<b><u>13.428</u></b>
<b>Cash at bank and in hand</b>		<b><u>2.147.424</u></b>	<b><u>9.571</u></b>
<b>Current assets</b>		<b><u>40.315.910</u></b>	<b><u>42.095</u></b>
<b>Assets</b>		<b><u>48.791.060</u></b>	<b><u>50.476</u></b>

## Balance sheet at 31 December 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Capital Reserve Fund (CRF)		8.597.818	8.401
Strategic Investment Fund (SIF)		95.130	600
Accumulated income over expenditure		<u>14.795.859</u>	<u>15.037</u>
<b>Equity</b>	<b>11</b>	<b><u>23.488.807</u></b>	<b><u>24.038</u></b>
Prepaid/pre-invoiced contributions		22.363.000	21.935
Prepaid projects funded by third parties		2.460.321	623
Other payables	12	471.123	833
Short term dept		<u>7.809</u>	<u>3.047</u>
<b>Total short-term liabilities</b>		<b><u>25.302.253</u></b>	<b><u>26.438</u></b>
<b>Equity and liabilities</b>		<b><u>48.791.060</u></b>	<b><u>50.476</u></b>
Additional information			
Lease of IT equipment	13		

## Notes

	<b>2015 DKK</b>	<b>2014 DKK'000</b>
<b>1. Contributions from member countries (shares)</b>		
Belgium (2)	820.000	820
Canada (3)	1.230.000	1.230
Denmark (3)	1.230.000	1.230
Estonia (1)	410.000	410
Finland (1,5)	615.000	615
France (4)	1.640.000	1.640
Germany (4)	1.640.000	1.640
Iceland (3)	1.230.000	1.230
Ireland (2)	820.000	820
Latvia (1)	410.000	410
Lithuania (1)	410.000	410
The Netherlands (3)	1.230.000	1.230
Norway (4)	1.640.000	1.640
Poland (3)	1.230.000	1.230
Portugal (2)	820.000	820
Russia (3)	1.230.000	1.230
Spain (3)	1.230.000	1.230
Sweden (3)	1.230.000	1.230
United Kingdom (4)	1.640.000	1.640
The USA (3)	1.230.000	1.230
	<b>21.935.000</b>	<b>21.935</b>
<b>2. Recipients of Scientific Advice</b>		
European Commission	10.446.660	10.402
NEAFC	2.340.361	2.328
OSPAR	1.169.165	1.239
HELCOM	534.750	476
NASCO	535.741	533
	<b>15.026.677</b>	<b>14.978</b>
<b>3. Other income</b>		
Income from ICES Journal	1.468.909	859
Income from Training courses	446.751	545
ASC Fees	688.460	444
Miscellaneous	84.745	49
Special request	294.565	0
	<b>2.983.430</b>	<b>1.897</b>

## Notes

	<b>2015 DKK</b>	<b>2014 DKK'000</b>
<b>4. Salaries</b>		
Salaries are divided as follows:		
Salaries Secretariat	29.276.555	30.229
Other salaries relating costs	413.467	382
	<b>29.690.022</b>	<b>30.611</b>
 Honorarium to external Chairs	 2.595.996	 1.881
	<b>32.286.018</b>	<b>32.492</b>
 <b>5. Financial income</b>		
Interest	87.308	147
Exchange gains	4.693	16
	<b>92.001</b>	<b>163</b>
 <b>6. Financial expenses</b>		
Exchange losses	-22.459	-2
Bank charges	-53.782	-11
	<b>-76.241</b>	<b>-13</b>

## Notes

	<b>2015 DKK</b>	<b>2014 DKK'000</b>
<b>7. Receivable member contributions</b>		
Belgium	0	254
<b>Related to previous or current year</b>	<b>0</b>	<b>254</b>
Belgium	836.000	1.640
Denmark	1.254.000	1.230
France	1.672.000	1.640
Estonia	418.000	410
Iceland	836.000	0
Ireland	0	820
Norway	0	1.640
The Netherlands	0	1.230
Poland	1.254.000	1.230
Portugal	836.000	820
Russia	1.254.000	1.230
Sweden	1.254.000	0
Spain	1.254.000	1.230
<b>Related to the following year</b>	<b>10.868.000</b>	<b>13.120</b>
	<b>10.868.000</b>	<b>13.374</b>
<b>8. Other Receivables</b>		
European Commission	3.860.121	3.602
VAT due from the Ministry of Foreign Affairs	412.078	1.185
Deposits due from parking spaces	7.940	0
Miscellaneous receivables	277.047	133
	<b>4.557.186</b>	<b>4.920</b>
<b>9. Prepayments and accrued income</b>		
Prepaid pensions	393.746	752
Accrued interest from investments	0	50
	<b>393.746</b>	<b>802</b>

## Notes

### 10. Investments

General investment and Capital Reserve Funds are invested in Danish short-term bonds listed on the Copenhagen Stock Exchange.

### 11. Equity

	<b>Capital Reserve Fund DKK</b>	<b>Strategic Investment Fund DKK</b>	<b>Accumulated income over Expenditure etc. DKK</b>	<b>Total equity DKK</b>
Equity at 1 January 2015	8.400.909	600.130	15.036.674	24.037.713
Unrealised fair value of bonds	81.617	0	-55.251	26.366
Profit/loss for the year	115.292	-505.000	-185.564	-575.272
<b>Equity at 31 December 2015</b>	<b>8.597.818</b>	<b>95.130</b>	<b>14.795.859</b>	<b>23.488.807</b>

### 12. Other Payables

	<b>2015 DKK</b>	<b>2014 DKK'000</b>
Accounts payable	382.833	785
Danish State Pension (ATP)	88.290	48
	<b>471.123</b>	<b>833</b>

### 13. Lease commitments

Lease obligations falling due within:

0-1 years	1.190.782	1.026
1-5 years	2.106.441	2.818
> 5 years	0	0
	<b>3.297.223</b>	<b>3.844</b>

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**International Council for the Exploration  
of the Sea**

**Audit book comments on  
the Final Accounts 2015**

Deloitte

## Contents

	<u>Page</u>
1. Our audit of the Final Accounts	45
1.1 Final Accounts	45
1.2 Affairs and conditions materially influencing the evaluation of the Final Accounts	45
1.2.2 Non-segregation of duties	45
2. Comments on the Final Accounts	46
2.1 Income statement	46
2.2 Balance sheet	46
3. Other comments	47
3.1 Letter of representation and unadjusted misstatements in the Final Accounts	47
3.2 Insurance	47
4. Conclusion	48
5. Objective and scope of the audit, including definition of responsibilities	48
7. Auditor's declaration	48



## Audit book comments on the Final Accounts for 2015

### 1. Our audit of the Final Accounts

#### 1.1 Final Accounts

We have finalised our audit of the Final Accounts of International Council for the Exploration of the Sea for 2015 presented by the General Secretary and the Finance Committee. The Final Accounts show the following:

	<u>2015</u> <u>TDKK</u>	<u>2014</u> <u>TDKK</u>
Income over expenditure (minus is deficit)	-575	-1.816
Assets	48.791	50.476
Equity	23.489	24.038

#### 1.2 Affairs and conditions materially influencing the evaluation of the Final Accounts

Based on our audit, we point out the following particular affairs and conditions of relevance for Management's evaluation of the Final Accounts:

##### 1.2.1 Segregation of duties

As mentioned in our audit book comments of 8 July 2013 issued upon acceptance of the audit, the possibility of preventing material misstatements in the Final Accounts, including misstatements caused by fraud, primarily depends on the extent to which sound internal control is ensured in the organisation of the recording systems and business processes.

We draw attention to the size of ICESs administration and limited resources. Smaller administrations increase the risk of misstatements in the Final Accounts as a result of intentional or unintentional actions or omissions. Any misstatements in the Final Accounts that result from fraud may not necessarily be detected during our audit since misstatement of this nature are usually concealed or hidden.

We point out that these comments should not be taken to mean that our audit revealed specific matters that could indicate irregularities or fraud, but they are intended to emphasise that segregation of duties is usually a material element in the internal control. We also point out that during our audit we did not find any misstatements caused by fraud.

##### 1.2.2. Inquiries of the Executive Board and the Board of Directors about the risk of fraud

We have made inquiries of the General Secretary and the Chairman of the Finance Committee about the Organisation's risk of fraud as well as the internal controls implemented by the Finance Committee

to mitigate such risk. They have informed us that the Finance Committee and the General Secretary do not have any knowledge of actual, presumed or alleged fraud and that no particular risk of material misstatement is estimated to exist in the Organisation's Final Accounts as a result of fraudulent financial reporting or misappropriation of organisation assets. We should point out that, during our audit, we did not identify any misstatements in the Final Accounts caused by fraud.

## **2. Comments on the Final Accounts**

### **2.1 Income statement**

The individual items of the income statement have been reviewed and analysed based on specifications, vouchers and other reconciliation records prepared by ICES. We have taken a number of test samples, made analyses and reconciliations to verify the reliability of the registrations.

We have checked that contributions from member countries are recognized in accordance with agreed amounts at ICES Council. A total of 21,935k have been recognized as income, according to agreement, and has not given rise to any comments.

Recipients of Scientific Advice are recognized in accordance with memorandum of understanding (MoU) between ICES and the donor. A sample of contracts have been reviewed and has not given rise to any comments.

The audit of the income statement did not give rise to any comments.

We have examined costs, and checked against invoices, contracts or other basis. We have compared salary costs to contracts and general agreement.

The audit of other costs did not give rise to any comments.

### **2.2 Balance sheet**

The 31 December 2015 the Capital Reserve Fund amounts to 8,598 TDKK, corresponding to 20% of total income.

We have compared ICES' investments to confirmation from the bank, which not give rise to comment.

We have made unannounced cash count on 1<sup>st</sup> of April 2016. The audit did not give rise to any comments.

When auditing cash and cash equivalents we obtained lists of accounts from the organisation's bankers, and we checked the cash at bank as of 31 December.

We have analyzed or reconciled receivables with supporting documentation for 15,819 TDKK recognized in the Final Accounts. The receivables consist primarily of member contribution (10.868 TDKK) and other receivables (4.557 TDKK)

The individual items of the income statement have been reviewed and analysed based on specifications and decisions from the Council, regarding contributions from member countries.

Liabilities have been reconciled to contracts; agreements etc. and consist primarily of pre-invoiced member contributions for the following year.

The audit of the balance sheet did not give rise to any comments.

### **3. Other comments**

#### **3.1 Letter of representation and unadjusted misstatements in the Final Accounts**

As part of our audit of complex areas, the General Secretary has issued a letter of representation to us on the Final Accounts for 2015.

The audit did not give rise to any comments, and no misstatements were found during the audit.

#### **3.2 Insurance**

Our audit did not include insurance taken out by the Organisation. We recommend that the Organisation's insurance cover be reviewed with the insurance organisation or insurance broker at least once a year in order to assess the cover taken out etc., including whether the cover provided by the insurance taken out is adequate, and whether the Organisation may need to take out insurance in special areas.

In connection with the closing of accounts, we asked the General Secretary to confirm that the insurance taken out is considered adequate in view of the Organisation's circumstances to cover potential loss or damage arising in the Organisation.

#### **3.3 General IT controls**

We have not reviewed the Organisation's general IT controls as any weaknesses or inadequacies therein will not in our view cause the Final Accounts to be materially misstated. We recommend that the Organisation assess whether its back-up procedures are appropriate to ensure restoration of the books of account, if lost.

## 4. Conclusion

If the Finance Committee approves the Final Accounts 2015 in its present form, we will provide the Final Accounts with an unqualified auditor's report without emphasis of matter.

## 5. Objective and scope of the audit, including definition of responsibilities

Our audit book comments of 19 May 2011 issued upon acceptance of our appointment as auditors contain a description of the objective, scope and performance of our audit, our reporting as well as a definition of the responsibilities of Management and auditors. Please refer to those audit book comments. We recommend that a copy thereof be handed out to any new members of the Finance Committee.

Our audit did not include the General Secretary's review. However, we read the General Secretary's review to ensure that the disclosures in this report are consistent with the financial statements and with the information that came to our knowledge during our audit. Having read the General Secretary's review, we are to issue a statement on whether or not the General Secretary's review is consistent with the Final Accounts. Our statement on the General Secretary's review has to be placed immediately after our auditor's opinion on the Final Accounts.

## 6. Auditor's declaration

Pursuant to Danish law, we declare that we comply with the legal requirements of independence and that we have received all the information requested during our audit.

Copenhagen, 28 May 2016

**Deloitte**

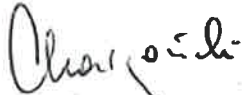
Statsautoriseret Revisionspartnerselskab



Peter Z. Skanborg  
State Authorised Public Accountant

Presented at the Finance Committee' meeting on 28 May 2016

**Finance Committee**



**Piotr Margonski**  
Chair



**Alain Vezina**



**Fritz Köster**



**Ari Leskelä**



**Tomas Zolubas**

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## Finance Committee

### Report

Chair: Piotr Margonski

*In attendance: Piotr Margonski, Alain Vezina (by web conference), Ari Leskelä, Fritz Köster, Tomas Zolubas, Anne Christine Brusendorff, Helle Falck, Kirsten Gudmandsen, Ellen Johannesen. In the afternoon: Cornelius Hammer and Adi Kellermann.*

#### 1 Approval of Agenda

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The meeting approved the agenda (FC\_2016-06 Doc 1).

#### 2 Final Accounts 2015, Audit book comments on the Final Accounts 2015, and report

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(FC\_2016-06 Doc 02)

The Final Accounts 2015 have been audited by Deloitte. The members of the Finance Committee reviewed, approved, and signed the Final Accounts 2015 and the Audit book comments on the Final Accounts 2015.

#### 3 Status Report as of 30 April 2016

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The General Secretary reviewed FC\_2016-06 Doc 03 and the status of the working budget as of 30 April 2016 of the Secretariat and provided clarifications on some of the updated budget lines. Finance Committee **took note**.

#### 4 Proposed Budget for 2017 and Forecast Budget for 2018

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##### 4.1 Proposed Budget 2017

The General Secretary introduced the proposed budget 2017, noting changes in budget lines based on 2015 Council decisions (e.g. the honorarium for the SCICOM Chair, a small increase in office expenses, for required meeting room maintenance) and noting some projections are contingent on securing the 2% increase during the July e-voting procedure. (E.g. limited Secretariat participation in 2017 ASC).

The proposed budget for 2017 was not voted on by Council in October 2015. The Forecast budget 2017 as presented in FC\_2016-06 Doc 4.1 has been calculated assuming the 2% increase is secured. In case of 0% increase, some activities will be reduced potentially impacting development of e.g. IT infrastructure.

## 4.2 Forecast budget 2018

The 2018 budget is calculated on the assumption that a 2% increase in national contribution is secured for 2017. If not, additional savings will have to be found for 2018. Regarding Secretariat salaries it was noted that recent Danish discussions may have implications for a required increase greater than the usual 2%. The Secretariat Finance Department will investigate this further.

For the 2018 Forecast Budget, Finance Committee recommends a 2% increase, with a fall-back option of no (0%) increase to be prepared for Council, but again stressing the financial implications of a stable budget, and that rough projections indicate that significant deficits can be expected as early as 2019 without additional projects, new MoU developments or increased national contributions (**FC\_2016-06 Doc 4.2**).

## 4.3 Programme/departmental Budgets for 2016–2018

The General Secretary presented the Programme budgets document (**FC\_2016-06 Doc 4.3**) noting that the income division between departments outlined are not exact calculations but rough calculations intended to provide an indication of how income and cost are allocated to the different ICES programmes.

The importance of the foundation of science for advice, was noted, highlighting the potential inadequacy of the current practice of 100% cost recovery of direct costs for advice.

The Programme budgets document was first produced as part of the Council Working Group on ICES Business Model (CWGIBM) and aims to understand if the direct costs for advice are being covered by the largest value MoU. The information contained could also be used to show how the cost recovery is developing over time. The new data presented, shows that the aim of full cost recovery for advice is closer to being realized. Reviewing the costs this way is important for analysing further investment in the Data Center, and will also be important information for Science review.

The document could also help provide information on how the Secretariat could prioritise differently. However, comparison between departments is difficult. It was suggested that presenting this information overtime would be helpful.

## 4.4 Overview of on-going external projects and external projects in the pipeline.

The meeting took note of current and planned ICES project participation, as described in **FC\_2016-06 Doc 4.4** specifically noting the absence of H2020 projects in the pipeline.

## 5 Development of the Capital Reserve Fund (CRF)

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The meeting took note of the development of the CRF as outlined in **FC\_2016-06 Doc 5**.

## 5.1 Capital Reserve Fund

At the 2015 Council meeting it was agreed:

*The appropriate level of the Capital Reserve Fund (CRF) should be reviewed by Finance Committee in 2016. The level of the CRF should match the risk management strategy, and the investment behaviour of the organization should be reviewed to make sure this proposal is properly grounded. FC will report their recommendations to the June Bureau.*

Based on the scenarios presented in **FC\_2016-06 Doc 5.1**, Finance Committee discussed the implications of raising the CRF from 20% to 30% of income. Given the implications for equity, increasing the CRF to 30% will negatively impact the liquidity of the organization, it will also limit the ability of ICES to invest this equity into future needs, and is not a strategic position from which to further negotiation for a 2% increase in national contributions, and therefore this is not recommended.

**Finance Committee recommend:** That the CRF remain at 20% of income.

## 6 Development of the Strategic Investment Fund (SIF)

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Finance Committee took note that the SIF has now been exhausted **FC\_2015-05 Doc 06**. 19 million has been invested, with very few funds remaining, the remaining amount will be transferred to equity.

## 7 Strategic Financial Issues

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At the 2015 Council meeting it was decided that Finance Committee should take ownership of the ICES Business Model (IBM)<sup>1</sup>, follow the issues, and update as necessary. As noted in section 4 above, the programme budgets document will be updated annually.

### 7.1.1 Longer-term strategy for achieving increases of National Contributions

Finance Committee was requested to consider options for either annual or other periodical increases with the aim to achieve a longer term strategy for securing increases of National Contributions.

Scenarios were prepared as outlined **FC\_2016-06 Doc 7.1.1**. The scenario of annual 2% increases in national contributions provides the best result financially.

During the discussion the following points were noted:

The General Secretary visits to Member Countries have been a positive experience, and many opportunities to discuss with countries, about finances as well as other issues. However, the expected outcome for the July e-voting on the 2017 forecast budget is still unclear.

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<sup>1</sup> [https://community.ices.dk/Committees/Council/2015\\_Meeting\\_Docs/Meeting\\_Documents/CM\\_2015\\_Del-3.1\\_CWGIBM.pdf](https://community.ices.dk/Committees/Council/2015_Meeting_Docs/Meeting_Documents/CM_2015_Del-3.1_CWGIBM.pdf)



Given the varying needs of Member Countries, it may not be possible to identify one strategy that is agreeable to all.

For some countries the longer-term planning perspective is important, while for others the annual 2% increase would be seen as preferable, and for some it would be preferred to request an increase from time to time.

Agreeing a budget that would be locked in for a longer time period (e.g. 5 years) could also be dangerous both politically, as well as the risk in fixing the budget based on changing inflation rates.

An alternative could be to negotiate with Countries individually, but this poses a risk to the way the organization operates and moves away from the current share system. Finance Committee did not support the idea of different rates of increase for different countries as this was considered being not equitable.

The current strategy to get cost covered from other international agreements (The Joint Norwegian-Russian Fisheries Commission), puts less pressure on pursuing costs from national contributions (then need to secure the 2% increase in national contributions).

Extra budgetary contributions from member countries could be a potential way to deal with the budgetary shortfalls.

The option to increase income by requesting payment for advice from member countries is not relevant for all (Canada and US).

Given the limited amount of equity remaining, future expected (2021) budget deficits will need to consider alternative means for meeting the shortfall.

Action: The Finance Committee conclude that it is unlikely to find a strategy for achieving increases in national contributions that is agreeable to all. ICES should continue to pursue the aim of 100% cost recovery. The potential and implications of extraordinary budgetary contributions should be further developed. Longer term planning perspective and equitable increases is the preferred approach. If the next few years result in stable contributions to national contributions other suboptimal strategies may need to be considered.

### 7.1.2 Development of Equity

The meeting is invited to review and comment on the development of equity.

The General Secretary reviewed and highlighted clarifications to the document **FC\_2016-06 Doc 7.1.2**, emphasizing the two columns present the money allocated, and the realization of the use of these funds. Finance Committee **took note** of the remaining equity amount, noting that the remaining amount would not be sufficient to fund the proposals (under 8 below) and to compensate for potential budget deficits if national contributions are not increased, and/or if additional income is not secured (additional project income/new MoUs).

## 8 SCICOM leadership, Science Fund, and SCICOM Strategic Initiatives, 2017, and beyond

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Council approved a new Science Fund for the years 2014-2015, with a maximum amount of 500,000 DKK/year financed out of SIF. The fund was continued in 2016, financed from equity, and with 300.000 DKK earmarked for demonstration advice. Furthermore, Council in 2014, and 2015 agreed to use funds from equity for SCICOM strategic activities in 2015, and 2016, and specifically to support the joint ICES/PICES early Career Scientist Conference in 2017.

In 2015, Council agreed to strengthen the SCICOM leadership by the use of the equivalent of approximately 60% of a P5, I position.

SCICOM submitted proposals in **FC\_2016-06 Doc 08** for:

- strengthening the SCICOM leadership, and the plan to use the available 550.000 DKK (approximately 60% of a P5, I position), to be financed from the ICES core budget.
- other SCICOM investments strategic activities, including a Science fund as deemed appropriate, outlining which activities are requested to be funded from equity.

The Finance Committee consider these proposals, and their financial sustainability over the long-term both with the impact on the core budget, and equity.

### **Finance Committee recommend:**

The proposal for use of the money from the Core budget to support science leadership (550,000 DKK) for supporting the SSG Chairs and for a WGChairs meeting for Science expert groups. SCICOM is requested to prepare an annual work plan and framework administrative guidelines for the use of the money for review by Bureau and Council.

Regarding the requested money from equity, (slide 2) Finance Committee note that given the development of Equity, there is not sufficient funds available to support the Science Fund in 2017 or the longer term.

More information is needed on the request for funds for the Early Career Scientists Conference, but the requested amount is available, as are funds (350.000,- DKK over the next three years) for the Strategic initiatives, Action areas, and interaction with existing scientific partners (PICES/CIESM).

### 8.1 ICES Strategic Plan 2014–2018 Midway report and Vision document

The Coordination Group submitted a proposal for the use of funds from equity to support areas where further investment is needed to reach the goals laid out in ICES Strategic Plan. Investment was requested in three areas: training, data and information, and the Arctic and aquaculture.

**Finance Committee Recommend:** These are all important areas, however, given the development of equity and projected risk of future budget deficits, a maximum of 1, 000, 000 DKK should be used. Coordination Group is requested to provide more detailed information on the proposals for investment. Bureau should discuss the priority based on this refined information.

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## Status Report as of 30 April 2016 (FC 2016–06 Doc 3)

The final Budget for 2016 was approved by Council by e-voting in 2015. It is the working budget for the Secretariat in 2016. Important activities that result in income and expenditures such as the Annual Science Conference (ASC), Training Programme, Travel and meetings, and project hours are still to come, and a precise prognosis is difficult to make at this stage.

### Comments to the Status of Accounts:

- 1) Income from the European Union is expected to be 10,400,000 DKK in accordance with the signed MoU. The invoice for the first semester will be issued in July.
- 2) Project income for the period January–April is approximately DKK 523,000 based on time recording for on-going projects. The revised project budget income for the whole year 2,786,419 DKK is considered realistic (Cf. Doc 8 Info on External Projects). This figure includes overhead. In addition, based on earlier years, it is anticipated that DKK 311,000 will come from DG ENV special requests.
- 3) Income from Eurofish represents 10% of certain office expenses.
- 4) Use of equity:

#### **By e-voting Council in July 2014 approved:**

- Investment in the development of the Regional Fisheries Database.

#### **By e-voting July/August 2015 Council approved:**

- Investments in IT tools (Content Administration for Reports and Advice/CARA, SharePoint update, and Resource Coordination Tool/RCT)  
Support for training courses, and development of on-line course components

#### **The 2015 Council meeting approved investment in:**

- The 2016 Science Fund and SCICOM Strategic Initiatives
- ICES/EFARO initiative on Surveys,
- Website development/implement reactive design
- pilot process of dedicated Secretariat staff to optimize assessment work
- Funds to support the Internal/External review of ICES Science (travel), and Funds to support Leadership/structural changes of Science (travel)

	Realized Jan - Apr	Budget 2016 Approved Council	Budget 2016 Revised
<b>INCOME</b>			
National Contribution	22.363.000	22.363.000	22.363.000
Faroe Islands & Greenland	418.000	418.000	418.000
National Contribution	22.781.000	22.781.000	22.781.000
Income from Commissions	3.732.722	15.525.000	15.016.235
Other Income	1.308.032	6.130.000	5.361.419
<b>TOTAL INCOME</b>	27.821.754	44.436.000	43.158.654
<b>EXPENSES</b>			
Salaries	10.744.591	32.680.000	34.055.454
Office Expenses	506.804	2.206.000	1.940.000
IT Expenses	797.087	2.910.000	3.015.000
Expenses for ASC	81.192	1.295.000	1.080.000
Travel and meetings	-17.949	4.650.000	5.560.000
Publications	216.515	895.000	906.200
<b>TOTAL EXPENSES</b>	12.328.239	44.636.000	46.556.654
Operating Result	15.493.515	-200.000	-3.398.000
Interest	26.969	-200.000	-100.000
Transfer from Equity	0	0	-3.298.000
Result	15.466.546	0	0

	<b>Realized Jan - Apr</b>	<b>Budget 2016 Approved Council</b>	<b>Budget 2016 Revised</b>
National Contribution	22.363.000	22.363.000	22.363.000
Faroe Islands & Greenland	418.000	418.000	418.000
<b>National Contribution</b>	<b>22.781.000</b>	<b>22.781.000</b>	<b>22.781.000</b>
NEAFC Contribution (Advice)	2.352.063	2.435.000	2.356.743
OSPAR Contribution (Advice and Data)	292.279	1.260.000	1.250.000
HELCOM Contribution (Data)	238.781	470.000	470.000
NASCO Contribution (Advice)	538.420	560.000	539.492
Special requests	311.180		
EC Contribution (Advice)		10.800.000	10.400.000
<b>Income from Commissions</b>	<b>3.732.722</b>	<b>15.525.000</b>	<b>15.016.235</b>
Project income - hours incl. overhead	523.195	1.320.000	2.786.419
Project income - Projects in Pipeline	0	2.265.000	
ASC income	3.396	490.000	490.000
Income from ICES Journal	509.588	970.000	1.000.000
Sale of Publications		5.000	5.000
Income Eurofish	76.934	200.000	200.000
Income Training courses	193.948	860.000	860.000
Miscellaneous income	970	20.000	20.000
<b>Other Income</b>	<b>1.308.032</b>	<b>6.130.000</b>	<b>5.361.419</b>
<b>TOTAL INCOME</b>	<b>27.821.754</b>	<b>44.436.000</b>	<b>43.158.654</b>
Salaries - Management and Administration	1.274.531	5.210.000	5.021.565
Salaries - Communications	165.641	1.120.000	509.185
Salaries - Advisory Programme	2.526.899	8.050.000	7.676.858
Salaries - Science Programme	1.437.099	3.960.000	4.330.727
Salaries - Publications	650.549	1.350.000	1.997.952
Salaries - IT	566.444	1.800.000	1.717.990
Salaries - Data Centre	3.126.259	8.500.000	9.553.416
Salaries - Total	9.747.422	29.990.000	30.807.692
Fees for External Consultants	503	250.000	250.000
Overtime for Gen. Staff	1.675	15.000	15.000
Social activities Cond. /Cond.	6.525	75.000	65.000
Education, Training, Team building	77.474	225.000	190.000
Honorarium ACOM Chair and Vice Chairs	723.296	1.555.000	2.169.053
Honorarium SCICOM Chair	146.292	455.000	438.709
ATP Pensions ICES 2/3 share	41.405	115.000	120.000
<b>Salaries</b>	<b>10.744.591</b>	<b>32.680.000</b>	<b>34.055.454</b>
Electricity	89.294	180.000	131.000
Heating	61.058	250.000	235.000
Safety and Security	70.306	200.000	190.000
Cleaning	38.518	190.000	166.000
Stationery	5.173	20.000	31.000
Photocopy and Printer paper		15.000	5.000
Paper (Letterhead, envelopes etc.)	438	25.000	1.000
Postage	-2.891	150.000	99.000

	Realized Jan - Apr	Budget 2016 Approved Council	Budget 2016 Revised
Telephone, Fax, Etc	12.818	71.000	63.000
Office Equipment (Workplace furniture)	12.130	100.000	111.000
Insurance	183.611	245.000	287.000
Miscellaneous Expenses	19.355	160.000	120.000
Office Maintenance	1.131	90.000	81.000
Facility improvements	2.498	300.000	233.000
Library: Books, Subscriptions	10.330	30.000	30.000
Public Relations (Including souvenir shop)	3.036	60.000	47.000
Accounting and Auditing		100.000	90.000
Legal Assistance		20.000	20.000
<b>Office Expenses</b>	<b>506.804</b>	<b>2.206.000</b>	<b>1.940.000</b>
Leasing Contracts	294.781	972.000	972.000
Hardware Support Contracts	122.276	483.000	483.000
Software Support Contracts	113.664	248.000	248.000
Software License Contracts	3.830	408.000	408.000
Hardware non-contract	50.099	260.000	260.000
Software non-contract	3.323	130.000	130.000
Outsourcing		0	0
Remote/cloud services	32.559	80.000	80.000
Communication	115.955	200.000	200.000
Domains/certificates	45	8.000	8.000
IT-investments		0	0
Consultancies	45.430	55.000	160.000
Other costs	15.125	66.000	66.000
<b>IT Expenses</b>	<b>797.087</b>	<b>2.910.000</b>	<b>3.015.000</b>
General Expenses: Transport, Handbooks, Gifts	18.902	400.000	300.000
Travel: Secretariat Staff and Chairs	62.290	565.000	450.000
Host Country Share	0	160.000	160.000
Enhance Science/Keynote Speakers	0	60.000	60.000
Promotion for Young Scientists	0	110.000	110.000
<b>Expenses for ASC</b>	<b>81.192</b>	<b>1.295.000</b>	<b>1.080.000</b>
Statutory meeting	0	30.000	15.000
President, Bureau + sub Groups	123.877	340.000	320.000
Secretariat travel per Cost Center	120.898	685.000	685.000
External reviewing of assessments/benchmarking	151.876	400.000	400.000
Travel costs for RAC	0	60.000	60.000
ACOM travel and meeting costs	14.471	300.000	300.000
ACOM Chairs and vice chairs travel	131.634	400.000	400.000
Advice Drafting Groups travel	117.927	910.000	1.100.000
SCICOM travel and meeting costs	209.984	420.000	400.000
ICES co-sponsored Symposia (per Symposia)	-1.028.581	225.000	150.000
Young scientist confence	0		
SCICOM strategic activities	29.417		150.000
Science Fund	0		200.000
Demonstration advice			300.000
Internal/external review of ICES Science Travel			50.000
Leadership/structural changes of Science Travel			50.000
Training support for DG MAREs officials	0	100.000	100.000
Course income/expenses	110.548	780.000	880.000
<b>Travel and meetings</b>	<b>-17.949</b>	<b>4.650.000</b>	<b>5.560.000</b>

	Realized Jan - Apr	Budget 2016 Approved Council	Budget 2016 Revised
ICES Marine science Symposia	0	160.000	160.000
Publications general	0	40.000	70.000
ICES Annual Report	5.991	100.000	80.000
ICES Cooperative Research Reports	30.394	95.000	80.000
ICES Leaflets for Plankton and Diseases	6.335	30.000	5.200
ICES Times	10.000	30.000	11.000
ICES Newsletters	0	80.000	0
ICES Advice Publications	0	10.000	0
Editor in Chief ICES JMS reimbursement of expenses	0	100.000	0
ICES Communications	163.795	250.000	500.000
Publications	216.515	895.000	906.200
<b>TOTAL EXPENSES</b>	<b>12.328.239</b>	<b>44.636.000</b>	<b>46.556.654</b>
<b>Operating Result</b>	<b>15.493.515</b>	<b>-200.000</b>	<b>-3.398.000</b>
Interest	26.969	-200.000	-100.000
Transfer from Equity		0	-3.298.000
<b>Result</b>	<b>15.466.546</b>	<b>0</b>	<b>0</b>
<b>Transferred from Equity:</b>			
Young Scientists Conference			
Data Quality/timeliness/RDB			-300.000
Website development			-300.000
ACOM assessments workload issue (1.275.000)			-1.275.000
Internal/external review of ICES Science			-50.000
Leadership/structural changes of Science			-50.000
SCICOM strategic activities			-150.000
Science Fund & Demonstration Advice			-500.000
IT Specialist			-105.000
Training courses			-100.000
CARA/RCT Salary			-210.000
Regional database			-258.000

## Proposed Budget for 2017 and Forecast Budget for 2018

The **Proposed Budget 2017 has not yet been decided**. The updates presented below named **Proposed Budget 2017 are made with both a 2% and a 0% increase**

Following the outcome of the electronic vote in June-August the approved version of the proposed 2017 budget will be sent to Contracting Parties in August 2015 with the invoice for the annual contributions 2017. (The contributions are to be paid between July 22, 2016 and January 31, 2017, cf. Rule 19 i).

The updated **Proposed Budget 2017 will be** distributed to Member Countries one month before the Council meeting in October 2016 for final approval, except for the national contributions, which will be decided during the electronic vote.

The **Forecast Budget for 2018** was prepared by the Secretariat and is submitted to the Finance Committee (FC) for review. The **2018 Forecast Budget** has been elaborated with a 2% inflation increase and it is recommended to be presented to Council in October 2016. After discussion and approval by the FC, this budget will be forwarded to the Bureau (June) for approval and will then be sent to Contracting Parties one month before Council. Council will approve the national contributions 2018 based on the **Forecast Budget 2018** in October 2016.

*For the Forecast Budget 2018 Finance Committee is asked to discuss and approve the proposal to increase national contributions by 2%.*

*In the case that the 2% increase of national contributions for 2018 is not approved, this will further complicate the situation, and put a strain on the budget, with a need to identify reduced activities equivalent to 490.500 DKK*

## Comments to the Budget:

### National Contributions:

The Member Countries decided in April 2015 that National Contributions for 2016 should increase with 1.9% in relation to 2015. The Proposed Budget for national contributions in 2017 has been increased with both 0% and 2%, and the Forecast budget 2018 has been increased with 2% based on 2017 figures with an 2% increase.

### Income from Commissions:

Expected income in 2017–2018 from the European Union has not been increased with expected inflation, with the assumption that the MoU will continue in 2017 and 2018 with the same amount.



Expected income in 2017–2018 from NASCO and NEAFC has been increased with the expected inflation of 2.86 % for 2017 and unchanged for 2018.

Expected income in 2017–2018 from OSPAR is demand driven for Advice and for Data based on a fixed amount increased with inflation. The budgets for 2017–2018 reflect the projection made by OSPAR in cooperation with ICES.

For 2017 and 2018 income of 840,000, 844,500 DKK, respectively has been projected based on negotiations with Norway to establish a MoU for the advice delivered.

#### **Other Income:**

Pay back from projects (hours x hourly rate) reflects the expected amount to be charged to on-going projects, including overhead, with the actual knowledge for approved projects. With the actual knowledge about approved projects it is difficult to predict the precise amount for 2017 and 2018.

Expected income from ICES Journal of Marine Science in 2018 has been increased to 1,600,000 DKK based on budget received from Oxford University Press.

Income from Eurofish represents cost recovery of approximately 10% of some office expenses.

#### **Salaries:**

For 2017 and 2018, respectively salaries have increased with the expected inflation rate of 0.5% plus the annual within grade step increase, according to the staff rules. In addition, there is an increase in honorarium from 42% to 100%, beginning in 2017 for the SCICOM Chair.

Salaries within the Advisory Programme as well as ACOM Honoraria are to be recovered from the MoUs with Recipients of Advice.

#### **Office Expenses:**

The overall budget has in 2017 been slightly increased in order to cater for the maintenance needs, partly stemming from the cuts in 2014. Reallocations between budget lines will be applied where necessary.

#### **IT Expenses:**

The overall budget has been maintained more or less on the same level. Reallocations between budget lines will be applied where necessary.

It should be noted that a major item represents long-term leasing contracts for the purchase of hardware, mainly servers.

#### **Expenses for ASC:**

In February 2015 Latvia confirmed their readiness to host the 2016 ASC in Riga. At the 2014 Council meeting USA (2017), Germany (2018) and Sweden (2019) confirmed their willingness to look into their possibility to host future ASC, and to report back as soon as possible. In the meantime USA has officially confirmed their hosting.

**Travel and Meeting expenses:**

Travel and meeting costs for advice related expenses are to be recovered from the MoUs with Recipients of Advice.

The budget line includes also the 550,000 DKK given to SCICOM to strengthen the science leadership.

**Publication and Communication:**

The overall budget has been maintained on the same level. Reallocations between budget lines will be applied where necessary.

	Forecast Budget 2017 (CM 2015 DEL- 3.4)	Revised Budget 2017 with 2% increase	Revised Budget 2017 with 0% increase	Forecast Budget 2018 with 2% increase
National Contribution	22.791.000	22.791.000	22.363.000	23.272.500
Faroe Islands & Greenland	426.000	426.000	418.000	435.000
National Contribution	23.217.000	23.217.000	22.781.000	23.707.500
NEAFC Contribution (Advice)	2.400.000	2.356.743	2.356.743	2.424.000
OSPAR Contribution (Advice and Data)	1.190.000	1.250.000	1.250.000	1.200.000
HELCOM Contribution (Data)	470.000	470.000	470.000	470.000
NASCO Contribution (Advice)	550.000	539.492	539.492	555.000
Special requests	250.000	250.000	250.000	250.000
EC Contribution (Advice)	10.400.000	10.400.000	10.400.000	10.400.000
MoU Norway	0	840.000	840.000	844.500
Income from Commissions	15.260.000	16.106.235	16.106.235	16.143.500
Project income - hours incl. overhead	3.007.953	2.880.650	2.880.650	2.697.000
Project income - Projects in Pipeline	1.074.400	0	0	0
ASC income	490.000	490.000	490.000	490.000
Income from ICES Journal	1.000.000	1.400.000	1.400.000	1.600.000
Sale of Publications	5.000	5.000	5.000	5.000
Income Eurofish	200.000	200.000	200.000	200.000
Income Training courses	700.000	860.000	860.000	700.000
Miscellaneous income	20.000	20.000	20.000	20.000
Other Income	6.497.353	5.855.650	5.855.650	5.712.000
<b>TOTAL INCOME</b>	<b>44.974.353</b>	<b>45.178.885</b>	<b>44.742.885</b>	<b>45.563.000</b>
Salaries - Management and Adm. (incl. project assistant in 2017)	6.731.227	5.200.000	5.200.000	5.261.000

	<b>Forecast Budget 2017 (CM 2015 DEL- 3.4)</b>	<b>Revised Budget 2017 with 2% increase</b>	<b>Revised Budget 2017 with 0% increase</b>	<b>Forecast Budget 2018 with 2% increase</b>
Salaries - Communications	540.000	529.500	529.500	578.000
Salaries - Advisory Programme	6.770.125	8.071.000	8.071.000	8.227.000
Salaries - Science Programme	4.600.000	3.535.000	3.535.000	3.835.000
Salaries - Publications	1.700.000	1.772.000	1.772.000	1.835.600
Salaries - IT	1.800.000	1.800.000	1.800.000	1.915.741
Salaries - Data Centre	8.400.000	9.624.000	9.624.000	9.709.000
Salaries - Total	30.541.353	30.531.500	30.531.500	31.361.340
Fees for External Consultants	250.000	250.000	250.000	250.000
Overtime for Gen. Staff	15.000	15.000	15.000	15.000
Social activities Cond. /Cond.	65.000	65.000	65.000	65.000
Education, Training, Team building	200.000	200.000	200.000	200.000
Honorarium ACOM Chair and Vice Chairs	2.200.000	2.200.000	2.200.000	2.324.000
Honorarium SCICOM Chair	455.000	1.063.500	1.063.500	1.128.200
ATP Pensions ICES 2/3 share	115.000	115.000	115.000	115.000
<b>Salaries</b>	<b>33.841.353</b>	<b>34.440.000</b>	<b>34.440.000</b>	<b>35.458.541</b>
Electricity	132.000	132.000	132.000	165.000
Heating	236.000	236.000	236.000	236.000
Safety and Security	191.000	191.000	191.000	191.000
Cleaning	167.000	167.000	167.000	167.000
Stationery	31.000	31.000	31.000	31.000
Photocopy and Printer paper	5.000	5.000	5.000	5.000
Paper (Letterhead, envelopes etc.)	2.000	2.000	2.000	2.000
Postage	100.000	100.000	100.000	100.000
Telephone, Fax, Etc	63.000	0	0	0

	<b>Forecast Budget 2017 (CM 2015 DEL- 3.4)</b>	<b>Revised Budget 2017 with 2% increase</b>	<b>Revised Budget 2017 with 0% increase</b>	<b>Forecast Budget 2018 with 2% increase</b>
Office Equipment (Workplace furniture)	112.000	112.000	112.000	112.000
Insurance	288.000	288.000	288.000	288.000
Miscellaneous Expenses	121.000	121.000	121.000	121.000
Office Maintenance	81.000	273.000	221.885	101.259
Facility improvements	223.000	223.000	223.000	10.400
Library: Books, Subscriptions	30.000	30.000	30.000	30.000
Public Relations (Including souvenir shop)	47.000	47.000	47.000	47.000
Accounting and Auditing	91.000	91.000	91.000	91.000
Legal Assistance	20.000	20.000	20.000	20.000
<b>Office Expenses</b>	<b>1.940.000</b>	<b>2.069.000</b>	<b>2.017.885</b>	<b>1.717.659</b>
Leasing Contracts	1.010.000	1.010.000	1.010.000	1.095.000
Hardware Support Contracts	470.000	470.000	470.000	342.600
Software Support Contracts	334.000	334.000	334.000	333.000
Software License Contracts	453.000	453.000	453.000	412.000
Hardware non-contract	189.000	189.000	189.000	185.000
Software non-contract	58.000	58.000	58.000	52.000
Outsourcing	0	0	0	0
Remote/cloud services	80.000	80.000	80.000	112.600
Communication	161.000	161.000	161.000	239.000
Domains/certificates	8.000	8.000	8.000	8.000
IT-investments	0	192.600	0	0
Consultancies	50.000	50.000	50.000	50.000
Other costs	80.000	80.000	80.000	72.600
<b>IT Expenses</b>	<b>2.893.000</b>	<b>3.085.600</b>	<b>2.893.000</b>	<b>2.901.800</b>

	Forecast Budget 2017 (CM 2015 DEL- 3.4)	Revised Budget 2017 with 2% increase	Revised Budget 2017 with 0% increase	Forecast Budget 2018 with 2% increase
General Expenses: Transport, Handbooks, Gifts	300.000	300.000	300.000	300.000
Travel: Secretariat Staff and Chairs	450.000	642.285	450.000	450.000
Host Country Share	160.000	160.000	160.000	160.000
Enhance Science/Keynote Speakers	50.000	50.000	50.000	60.000
Promotion for Young Scientists	110.000	110.000	110.000	110.000
Expenses for ASC	1.070.000	1.262.285	1.070.000	1.080.000
Statutory meeting	15.000	15.000	15.000	15.000
President, Bureau + sub Groups	320.000	320.000	320.000	320.000
Secretariat travel per Cost Center	685.000	685.000	685.000	685.000
External reviewing of assessments/benchmarking	500.000	500.000	500.000	500.000
Travel costs for RAC	60.000	60.000	60.000	60.000
ACOM travel and meeting costs	300.000	300.000	300.000	300.000
ACOM Chairs and vice chairs travel	480.000	480.000	480.000	480.000
Advice Drafting Groups travel	1.100.000	1.100.000	1.100.000	1.100.000
SCICOM travel and meeting costs	400.000	400.000	400.000	400.000
Strengthening the Science Leadership (travel)		550.000	550.000	550.000
ICES co-sponsored Symposia (per Symposia)	75.000	150.000	150.000	75.000
Young scientist conference	450.000	450.000	450.000	0
SCICOM strategic activities <i>[awaiting SCICOM input]</i>	0	0	0	0
Science Fund <i>[awaiting SCICOM input]</i>	0	0	0	0
Training support for DG MAREs officials	100.000	100.000	100.000	100.000
Course income/expenses	620.000	620.000	620.000	620.000
Travel and meetings	5.105.000	5.730.000	5.730.000	5.205.000
ICES Marine science Symposia	160.000	160.000	160.000	160.000

	Forecast Budget 2017 (CM 2015 DEL- 3.4)	Revised Budget 2017 with 2% increase	Revised Budget 2017 with 0% increase	Forecast Budget 2018 with 2% increase
Publications general	80.000	80.000	80.000	130.000
ICES Annual Report	80.000	80.000	80.000	80.000
ICES Cooperative Research Reports	82.000	82.000	82.000	82.000
ICES Leaflets for Plankton and Diseases	21.000	21.000	21.000	11.000
ICES Times	12.000	12.000	12.000	12.000
ICES Newsletters	40.000	40.000	40.000	0
ICES Advice Publications	0	0	0	0
Editor in Chief ICES JMS reimbursement of expenses	0	0	0	0
ICES Communications	200.000	200.000	200.000	200.000
Publications	675.000	675.000	675.000	675.000
<b>TOTAL EXPENSES</b>	<b>45.524.353</b>	<b>47.261.885</b>	<b>46.825.885</b>	<b>47.038.000</b>
<b>Operating Result</b>	<b>-550.000</b>	<b>-2.083.000</b>	<b>-2.083.000</b>	<b>-1.454.741</b>
Interest	-100.000	-100.000	-100.000	-200.000
Transfer from Equity	-450.000	-1.983.000	-1.983.000	-1.275.000
<b>Result</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transferred from Equity:</b>				
Regional database		-258.000	-258.000	
Young Scientists Conference	-450.000	-450.000	-450.000	

	Forecast Budget 2017 (CM 2015 DEL- 3.4)	Revised Budget 2017 with 2% increase	Revised Budget 2017 with 0% increase	Forecast Budget 2018 with 2% increase
Assessments workload issue - data and advice (1.275.000 - salary and relocation/two P2_'s in Secretariat) Allocated 5.100.622		-1.275.000	-1.275.000	-1.275.000



## Programme Budgets

This document aims to provide a detailed analysis of how ICES resources are allocated to current activities and programmes. The tables and figures below give an oversight of how income and cost are allocated to the different ICES programmes.

*The Advisory Programme through income from Recipients of Advice is expected to contribute with a cost recovery of 100% of the direct cost. The Advisory Programme in 2015 provided 32% of the indirect cost. The Advice programme consists of 12.6 out of 42.5 secretariat staff members which are not part of the general cost or equivalent to 28%. This contribution to the general cost is expected to decline in the budget period 2016–2018 mainly due to budget restraints in EU.*

*Following the 2015 Finance Committee the table below:*

- *specifies the income from the MoU with EU, related to salaries under the appropriate department in the Secretariat (specifically an income adjustment between the Data Centre and the Advisory Department);*
- *specifies the income from the MoU with EU, related to IT services and infrastructure under the appropriate department in the Secretariat (specifically an income adjustment between the IT Department, "general income", and the Advisory Department)*

*Similar adjustments have not been made in the ensuing excel files.*

*Table below for 2015 realized figures*

	<i>Direct income</i>	<i>Direct + MoU Income divided for attribution to relevant department (approximate figures)</i>	<i>Direct cost</i>	<i>Net balance general costs</i>	<i>Cost recovery of direct cost % (calculated on income divided by department)</i>
<i>Advice</i>	14,251,401	10,624,165	12,399,418	-1,775,253	86
<i>Science</i>	1,999,899		8,618,331	-6,618,432	23
<i>Publications</i>	1,471,879		2,534,371	-1,062,492	58

<i>Data Centre</i>	2,836,166	4,019,493	8,993,874	-4,974,381	45
<i>IT</i>	0	761,099	4,759,324	-4,759,324	16
<i>General income</i>	22,617,297	24,300,107	0	22,617,297	
<i>General cost</i>	0		6,462,357	-6,462,357	
<i>Interest</i>	0		0	15,761	
<i>Total</i>	43,176,642		43,767,675	-575,272	

	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST
	2015	2015	2016	2016	2017 2%	2017 2%	2017 0%	2017 0%	2018	2018
<b>ADVISORY PROGRAMME</b>										
Contribution from NEAFC	2.340.361		2.356.743		2.356.743		2.356.743		2.424.000	
Contribution from OSPAR (Advice)	607.966		643.000		643.000		643.000		612.000	
Contribution from HELCOM (Advice)	0		0		0		0		0	
Contribution from NASCO	535.741		539.492		539.492		539.492		555.000	
Contribution from EC	10.446.660		10.400.000		10.400.000		10.400.000		10.400.000	
Income from Projects	320.673		100.000		195.000		195.000		195.000	
Special requests					250.000		250.000		250.000	
Norway MoU					840.000		840.000		844.500	
<b>Direct Advisory income</b>	<b>14.251.401</b>		<b>14.039.235</b>		<b>15.224.235</b>		<b>15.224.235</b>		<b>15.280.500</b>	
Secretariat travel for advice		269.385		390.000		390.000		390.000		390.000
External reviewing of Assessment		433.069		400.000		500.000		500.000		500.000
Travel cost for RAC				60.000		60.000		60.000		60.000
ACOM TRAVEL		293.434		300.000		300.000		300.000		300.000
ACOM Chairs and vice chairs Travel		427.249		400.000		480.000		480.000		480.000
Advice drafting Groups Travel		1.237.551		1.100.000		1.100.000		1.100.000		1.100.000
ICES Advice Publications		0		0		0				0
Training support to DG MARE's officials				100.000		100.000		100.000		100.000
Budgeted salaries		7.288.515		7.676.858		8.071.000		8.071.000		8.227.000
ACOM Chair and vice-chairs honorarium		2.158.972		2.169.053		2.200.000		2.200.000		2.324.000
Demonstration advice				300.000						
External Contracts		291.243		250.000		250.000		250.000		250.000
<b>Direct advisory cost</b>		<b>12.399.418</b>		<b>13.145.911</b>		<b>13.451.000</b>		<b>13.451.000</b>		<b>13.731.000</b>
Staff		12		14		14		14		12
Staff as % of non general staff		28%		33%		32%		32%		33%
Share of General cost		1.824.666		2.531.982		2.556.484		2.540.317		2.553.739
<b>Total Advisory cost</b>		<b>14.224.084</b>		<b>15.677.893</b>		<b>16.007.483</b>		<b>15.991.317</b>		<b>16.284.739</b>
% Cost recovery		100%		90%		95%				94%
% of ICES income		33		33		34				34
% of ICES expenditure		32		34		34				35
Input from Equity			637.500		637.500		637.500		637.500	
<b>SCIENCE PROGRAMME</b>										
Income from Projects	864.688		1.483.209		1.751.000		1.751.000		1.579.000	
Income Training courses	446.751		860.000		860.000		860.000		700.000	
ASC Income (Fees)	688.460		490.000		490.000		490.000		490.000	
<b>Direct Science income</b>	<b>1.999.899</b>		<b>2.833.209</b>		<b>3.101.000</b>		<b>3.101.000</b>		<b>2.769.000</b>	
ASC General expenses		1.998.387		300.000		300.000		300.000		300.000
Secretariat travel		77.165		100.000		100.000		100.000		100.000
Travel ASC		46.722		450.000		642.285		450.000		450.000
ASC Keynote Speakers		56.195		60.000		50.000		50.000		60.000

	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST
	2015	2015	2016	2016	2017 2%	2017 2%	2017 0%	2017 0%	2018	2018
Host Country of ASC Fee				160.000		160.000		160.000		160.000
Young Scientists at ASC		110.698		110.000		110.000		110.000		110.000
Symposia		158.679		150.000		150.000		150.000		75.000
SCICOM travel and meeting		227.121		400.000		400.000		400.000		400.000
Strengthening Science Leadership travel						550.000		550.000		550.000
Training Programme		323.138		880.000		620.000		620.000		620.000
Science Fund		500.000		200.000						
SCICOM strategic initiatives		219.230		150.000						
Young Scientist Conference		0				450.000		450.000		0
Internal/External review of ICES Science travel				50.000						
Leadership/structural changes of Science Travel				50.000						
Budgeted Salaries		4.463.972		4.330.727		3.535.000		3.535.000		3.835.000
Chair of SCICOM		437.024		438.709		1.063.500		1.063.500		1.128.200
<b>Direct Science cost</b>		<b>8.618.331</b>		<b>7.829.436</b>		<b>8.130.785</b>		<b>7.938.500</b>		<b>7.788.200</b>
Staff		8		7		7		7		7
Staff as % of non-general staff		19%		16%		15%		15%		18%
Share of General cost		1.216.444		1.222.336		1.203.051		1.195.443		1.389.534
<b>Total Science cost</b>		<b>9.834.775</b>		<b>9.051.772</b>		<b>9.333.836</b>		<b>9.133.944</b>		<b>9.177.734</b>
% Cost recovery		20%		31%		33%				30%
% of ICES income		5		7		7				6
% of ICES expenditure		22		19		20				20
Input from Equity	505.000		850.000		450.000		450.000			
<b>PUBLICATIONS AND COMMUNICATIONS</b>										
Income from <i>ICES Journal of Marine Science</i>	1.468.909		1.000.000		1.400.000		1400000		1.600.000	
Sale of Publications	2.970		5.000		5.000		5000		5.000	
<b>Direct publication and communication income</b>	<b>1.471.879</b>		<b>1.005.000</b>		<b>1.405.000</b>		<b>1.405.000</b>		<b>1.605.000</b>	
Library		27.952		30.000		30.000		30.000		30.000
ICES Marine Science Symposia Publications		0		160.000		160.000		160.000		160.000
Publications general		26.258		70.000		80.000		80.000		130.000
ICES Annual Report		66.763		80.000		80.000		80.000		80.000
ICES Cooperative Research Reports		20.625		80.000		82.000		82.000		82.000
ICES Leaflets for Plankton and Diseases		5.798		5.200		21.000		21.000		11.000
ICES TIMES		10.050		11.000		12.000		12.000		12.000
ICES Newsletters INSIGHT				0		40.000		40.000		0
ICES Communications		120.844		500.000		200.000		200.000		200.000
Secretariat travel		601		18.000		18.000		18.000		18.000
Editor in Chief ICES JMS		0		0		0				0

	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST
	2015	2015	2016	2016	2017 2%	2017 2%	2017 0%	2017 0%	2018	2018
Budgeted Salaries		2,255,480		2,507,137		2,301,501		2,301,501		2,413,599
<b>Total Publication and communication cost</b>		<b>2,534,371</b>		<b>3,461,337</b>		<b>3,024,501</b>		<b>3,024,501</b>		<b>3,136,599</b>
Staff		6		5		5		5		5
Staff as % of non-general staff		13%		11%		12%		12%		12%
Share of General cost		836,305		873,097		939,884		933,940		938,875
<b>Total Publication cost</b>		<b>3,370,676</b>		<b>4,334,434</b>		<b>3,964,385</b>		<b>3,958,441</b>		<b>4,075,474</b>
% Cost recovery		44%		33		46				51
% of ICES income		3		2		3				4
% of ICES expenditure		8		9		8				9
Input from Equity			300,000							
<b>DATA CENTRE</b>										
Contribution from OSPAR	561,199		607,000		607,000		607,000		588,000	
Contribution from HELCOM	534,750		470,000		470,000		470,000		470,000	
Income from Projects	1,740,217		1,203,210		934,650		934,650		923,000	
<b>Direct Data Centre income</b>	<b>2,836,166</b>		<b>2,280,210</b>		<b>2,011,650</b>		<b>2,011,650</b>		<b>1,981,000</b>	
Secretariat travel		93,081		63,000		63,000		63,000		63,000
Budgeted salaries		8,900,793		9,553,416		9,624,000		9,624,000		9,709,000
<b>Total Data Centre cost</b>		<b>8,993,874</b>		<b>9,616,416</b>		<b>9,687,000</b>		<b>9,687,000</b>		<b>9,772,000</b>
Staff		15		16		16		16		14
Staff as % of non-general staff		35%		36%		37%		37%		34%
Share of General cost		2,280,832		2,793,911		3,007,628		2,988,608		2,628,849
<b>Total Data Centre cost</b>		<b>11,274,706</b>		<b>12,410,327</b>		<b>12,694,628</b>		<b>12,675,608</b>		<b>12,400,849</b>
% cost recovery		25%		18%		16%				16%
% of ICES income		7		5		4				4
% of ICES expenditure		26		27		27				26
Input from Equity			1,405,500		895,500		895,500		637,500	
<b>IT INFRASTRUCTURE</b>										
<b>Direct income IT</b>	<b>0</b>		<b>0</b>		<b>0</b>				<b>0</b>	
Hardware Leasing		1,178,525		972,000		1,010,000		1,010,000		1,095,000
Software licenses, external support contracts		1,205,532		1,139,000		1,257,000		1,257,000		1,087,600
Purchase of soft and hardware		249,603		390,000		247,000		247,000		237,000
Consultancies		122,407		160,000		50,000		50,000		50,000
Various expense		320,741		354,000		329,000		329,000		432,200
IT-investment				0		192,600				0
Budgeted salaries		1,682,516		1,717,990		1,800,000		1,800,000		1,915,741
<b>Total IT cost</b>		<b>4,759,324</b>		<b>4,732,990</b>		<b>4,885,600</b>		<b>4,693,000</b>		<b>4,817,541</b>
Staff		3		3		3		3		3
Staff as % of non-general staff		5%		4%		5%		5%		5%
Share of General cost		304,111		349,239		375,953		373,576		375,550
<b>Total IT cost</b>		<b>5,063,435</b>		<b>5,082,228</b>		<b>5,261,553</b>		<b>5,066,576</b>		<b>5,193,091</b>
Cost recovery		0,00%		0,00%		0,00%		0,00%		0,00%

	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST	INCOME	COST
	2015	2015	2016	2016	2017 2%	2017 2%	2017 0%	2017 0%	2018	2018
% of ICES income		0		0		0		0		0
% of ICES expenditure		12		11		11		11		11
Input from Equity	70.272		105.000							
<b>SECRETARIAT, COUNCIL, BUREAU</b>										
National contributions	21.935.000		22.363.000		22.791.000		22.363.000		23.272.500	
Faroe and Greenland	410.000		418.000		426.000		418.000		435.000	
Income Eurofish	187.552		200.000		200.000		200.000		200.000	
Miscellaneous income	84.745		20.000		20.000		20.000		20.000	
Income from projects										
<b>Total general income</b>	<b>22.617.297</b>		<b>23.001.000</b>		<b>23.437.000</b>		<b>23.001.000</b>		<b>23.927.500</b>	
Office expenses		1.376.540		1.910.000		2.039.000		1.987.885		1.687.659
Statutory meeting		3.420		15.000		15.000		15.000		15.000
Travel Bur., Pres,		191.230		320.000		320.000		320.000		320.000
Secretariat travel		83.663		114.000		114.000		114.000		114.000
<b>General direct cost</b>		<b>1.654.853</b>		<b>2.359.000</b>		<b>2.488.000</b>		<b>2.436.885</b>		<b>2.136.659</b>
Budgeted salaries		4.394.037		5.021.565		5.200.000		5.200.000		5.261.000
Overtime (all programs)		106.079		15.000		15.000		15.000		15.000
Education and training (all)		190.208		255.000		265.000		265.000		265.000
Danish state pension (all)		117.180		120.000		115.000		115.000		115.000
<b>Total general cost</b>		<b>6.462.357</b>		<b>7.770.565</b>		<b>8.083.000</b>		<b>8.031.885</b>		<b>7.792.659</b>
% of ICES income		52		53		52		51		53
% of ICES expenditure		15		17		17		17		17

## Overview of on-going external projects and projects in the pipeline

*Finance Committee is invited to take note of current and planned ICES project participation.*

ESTIMATED PROJECT INCOME 2016, 2017, 2018

		<b>Project</b>	<b>Updated Estimate (15.05.2016)</b>	<b>Est. Personnel &amp; Overhead Costs 2017</b>	<b>Est. Personnel &amp; Overhead Costs 2018</b>
Hours Dependent Projects		2016-ETC ICM	468.000	523.000	523.000
		2024-COFASP	80.000	52.000	
		2032-MAREFRAME	73.000	30.000	
		2033-AORAC	715.000	715.000	715.000
		2034-AtlantOS	450.000	400.000	400.000
		2035-COLUMBUS	100.000	134.000	44.000
		2036-BlueBridge	500.000	800.000	800.000
		2038-TaPaS	11.650	11.650	
		2039-ClimeFish	100.000	195.000	195.000
		SeaChange	15.209	Subcontract	Subcontract
Lump Sum		2028-EMODnet Chemistry II	30.000		
		2030-EMODnet Biology II	50.000		
		3037-Baltic Boost	193.560	0	
		Data Ingestion			
<b>TOTAL</b>			<b>2.786.419</b>	<b>2.860.650</b>	<b>2.677.000</b>



PROJECTS STARTING 2017				
Project Name	Project Period	ICES Stakeholders	Max Lifetime Grant	Est. Hours per year
Data ingestion Neil/Hjalte <i>(Ingestion and safe-keeping of marine data)</i>	2017-2019	Supporting VLIZ as EMODNet Biology coordinator	750.000 - 900.000 + overhead (46%)	

PROJECTS WITH NO ELIGIBLE COSTS				
Project Name	Project Period	ICES Stakeholders	Max Lifetime Grant	Est. Hours per year
COST Machine learning <i>(Machine learning and intelligent systems for the marine sciences)</i>	Late 2016 - 2020	SCICOM ( 'Big Data'/'Machine learning) EWGs Training courses	none	ICES would plan to contribute from its working time ca. 200 hours per year to this project

## PIPELINE PROJECTS

Project Name	Project Period	ICES Stakeholders	Max Lifetime Grant	Est. Yearly Hours
Sea Data Cloud		Neil, Hjalte/Hans		
EMODNET Benthic Survey – planning meeting Sept 2016	Call for tender to be launched Feb 2017	Seb		
IEA Interreg proposal		Neil, Mark, possibly Comms team	75% of eligible costs (with overheads max 84%)	
<p>Second Cycle – DGENV</p> <p>Implementation of the Second Cycle of the Marine Strategy Framework Directive: achieving coherent, coordinated and consistent updates of the determinations of Good Environmental Status, initial assessments and environmental targets</p> <p><a href="http://ec.europa.eu/environment/funding/msfd_2016.htm">http://ec.europa.eu/environment/funding/msfd_2016.htm</a></p>		Mark		

## Capital Reserve Fund

The Capital Reserve Fund (CRF) was established in the early 1970s to balance short-term liquidity matters, to meet budgetary appropriations and unforeseen, or other authorised, purposes. According to a 2010 Council decision its size is targeted to be 20% of **total income**. The development of the CRF is presented in the table below.

By the end of 2015, the CRF was at 8,597,818 DKK and invested in Danish short-term bonds listed on the Copenhagen Stock Exchange.

Development of the CRF Fund:

Date	CRF	% of Salaries	% of Natl Contrib. and MoU	% of/Total Income
31-Dec-00	2,014,176	12%	9%	7%
31-Dec-01	2,049,523	12%	9%	7%
31-Dec-02	2,094,547	12%	9%	8%
31-Dec-03	2,544,466	13%	11%	9%
31-Dec-04	2,644,505	14%	10%	9%
31-Dec-05	3,128,999	17%	12%	10%
31-Dec-06	3,783,990	20%	14%	11%
31-Dec-07	3,891,756	19%	13%	11%
31-Dec-08	5,358,686	25%	17%	15%
31-Dec-09	5,815,970	26%	18%	16%
31-Dec-10	7,992,824	36%	25%	20%
31-Dec-11	8,181,711	32%	23%	20%
31-Dec-12	8,410,096	30%	23%	20%
31-Dec-13	5,392,023	17%	15%	13% <sup>1</sup>
31-Dec-14	8,400,909	26%	23%	20%
31-Dec-15	8,597,818	27%	23%	20%

<sup>1</sup> Due to late payment of national contributions, money was borrowed, with security in bonds in the Capital Reserve Fund (repo), in order to maintain normal operations. The money was repaid in March 2014. Thus the Capital Reserve Fund is now again at its obligatory level of 20% of the total income.

## Appropriate level of the Capital Reserve Fund (CRF)

At the 2015 Council meeting it was agreed:

*The appropriate level of the Capital Reserve Fund (CRF) should be reviewed by Finance Committee in 2016. The level of the CRF should match the risk management strategy, and the investment behaviour of the organization should be reviewed to make sure this proposal is properly grounded. FC will report their recommendations to the June Bureau.*

The Capital Reserve Fund (CRF) is defined (since 2010) as 20% of total income to ensure the payment of Secretariat salaries during loss of income in the eventuality that there is a default in payment of annual contributions by a Member Country, or one of the Recipients of Advice requesting scientific information and advice from ICES withdraws from the MoU.

In the table below the development of the CRF is projected, including a calculation of what percentage of Secretariat Salaries would be covered in a “worst case scenario” (i.e. assuming that (an average of) seven-months’ salary costs would need to be paid out (as described in Rule 9 of the ICES Staff Rules) in the unlikely event that ICES should require to immediately cease all activities). Given the likelihood of the “worst case scenario” risk is very low, a change of the CRF level from 20% to 30% may be overly risk averse, requiring a further reserve of nearly 4 million DKK.

### Background

In 1997, Council agreed that the ICES Capital Reserve Fund (CRF) should be linked to Total Income rather than Secretariat Salaries and that it should not be allowed to fall below its current level of about 7% of Total Income and preferably should be kept above 10% of Total Income; (Council 1997 Agenda 16).

In 2005, the Council unanimously adopted the Committee’s proposal that the purpose of the CRF should be to provide short-term finance to meet budgetary appropriations and unforeseen, or other authorised, purposes. (Council 2005, endorsed).

In 2010, Council agreed to increase the CRF to 20% of total income. (Council 2010, Del-09.5).

	Revised Budget 2017 with 2% increase	Forecast Budget 2018 with 2% increase	Forecast Budget 2019 with 2% increase	Forecast Budget 2020 with 2% increase	Forecast Budget 2021 with 2% increase
<b>Income</b>					
National Contribution	23,217,000	23,707,500	24,181,700	24,665,400	25,158,800
Income from Commissions	16,106,235	16,143,500	16,204,400	16,225,400	16,246,500
Other Income	5,855,650	5,712,000	4,815,000	4,815,000	4,815,000
<b>TOTAL INCOME</b>	<b>45,178,885</b>	<b>45,563,000</b>	<b>45,201,100</b>	<b>45,705,800</b>	<b>46,220,300</b>
<b>Expenses</b>					
Salaries	34,440,000	35,478,800	36,365,737	36,926,512	37,477,683
Office Expenses	2,069,000	1,697,400	1,940,000	1,940,000	1,940,000
IT Expenses	3,085,600	2,901,800	3,000,000	3,000,000	3,000,000
Expenses for ASC	1,262,285	1,080,000	1,070,000	1,070,000	1,070,000
Travel and meetings	5,730,000	5,205,000	5,205,000	5,205,000	5,205,000
Publications	675,000	675,000	675,000	675,000	675,000
<b>TOTAL EXPENSES</b>	<b>47,261,885</b>	<b>47,038,000</b>	<b>48,255,737</b>	<b>48,816,512</b>	<b>49,367,683</b>
<b>Operating result</b>	<b>-2,083,000</b>	<b>-1,475,000</b>	<b>-3,054,637</b>	<b>-3,110,712</b>	<b>-3,147,383</b>
Interest	-100,000	-200,000	-200,000	-200,000	-200,000
Transfer from Equity	-1,983,000	-1,275,000	-1,275,000	-1,275,000	0
<b>Result</b>	<b>0</b>	<b>0</b>	<b>-1,579,637</b>	<b>-1,635,712</b>	<b>-2,947,383</b>

#### Capital Reserve fund

20% of Total income	9,035,777	9,112,600	9,040,220	9,141,160	9,244,060
30% of Total income	13,553,666	13,668,900	13,560,330	13,711,740	13,866,090

Salaries for 7 months	20,090,000	20,695,967	21,213,347	21,540,466	21,861,982
Covered by CRF 20%	44.98	44.03	42.62	42.44	42.28
Covered by CRF 30%	67.46	66.05	63.92	63.66	63.43

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## Strategic Investment Fund (SIF)

At the end of 2015, a total of 18,889,286 DKK had been allocated to the SIF and with the exception of DKK 95,130 the same amount has been committed by Council decisions (Table 1).

### The ICES Science Fund 2014–2015 and the future

In 2014, DKK 500,000 has been used on the ICES Science Fund activities according to Table 1 and note 11 of the Final Accounts for 2014.

In October 2014 Council likewise decided to set aside DKK 500,000 for the ICES Science Fund.

The first and second rounds of proposals for the ICES Science Fund received a total of 21 proposals. The proposals were presented at the SCICOM SharePoint site and ranked by SCICOM using a ranking tool, grading the proposal from high (5) to low (1). A subgroup was formed which evaluated the proposals taking into consideration the ranking provided by SCICOM and made a shortlist for presentation at SCICOM Midterm meeting. SCICOM decided to fund eight projects in 2014, and seven projects in 2015. The projects vary in scope and timing, some will be completed during a short workshop, while some will be conducted over 12 months.

After reimbursement of the 2015 seven projects, there will be a remaining sum of DKK 95,130 left in the SIF.

**Table 1: SIF Projects decided by Council**

		<b>Used</b>	<b>Used</b>	<b>Used</b>	<b>Used</b>	<i>Used</i>	<i>Used</i>	<i>Used</i>	<i>Used</i>	<i>Remaining</i>
<b>Project</b>	<b>Committed</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	
Climate Change	600,000	-63,932	-83,996	-346,190	-105,882					
Young Fishermen	320,000	-49,571	-39,864	-45,708	-50,128	-134,729**				
SAHFOS	1,700,000		-1,377,259		-322,741					
MARCOM +	2,200,000	-196,621	-599,982	-341,445	-566,904	-495,049				
Training Programme	3,000,000		-275,800	-447,549	-692,089*	-519,609	-414,895			
Reallocated from external advisory review and Young Fishermen						450,073				
SCICOM secretary	450,000		-150,000	-150,000	-150,000					
Support of the budget 2010	642,000			-642,000						
Baltic Commitment	100,000				-100,000					
SCICOM Strategic Initiatives	600,000			-174,381	-392,466	-33,153				
Early Career Symposium 2012	400,000					-400,000				
Advisory Transition	5,300,000	-1,450,200	-1,760,547	-2,089,253						
Advisory Review	916,284				-174,962	-425,978				
Reallocated to training programme						-315,344				
SCICOM Chair & Travel	2,661,002		-697,503	-708,102	-663,926	-591,472				
Science fund								-500,000	-505,000	
<b>Total</b>	<b>18,889,286</b>	<b>-1,760,324</b>	<b>-4,984,9541</b>	<b>-4,944,628</b>	<b>-3,219,095</b>	<b>-2,465,260</b>	<b>-414,895</b>	<b>-500.000</b>	<b>-500.000</b>	<b>95.130</b>

\* Of which DKK 124,058 is related to 2010.

\*\* Bureau decision February 2012 to discontinue the funding and return the residual amount to the Equity.





## Longer term strategy for achieving increases of National Contributions

At the 2015 Council meeting it was decided that Finance Committee should take ownership of the ICES Business Model (IBM), follow the issues, and update as necessary.

Finance Committee is asked to look into options for either annual or other periodical increases with the aim to achieve a longer term strategy for securing increases of National Contributions.

Table A.

## 2015 and 2016 national contributions

ICES Country	Member	Number of shares	Payment 2015 DKK - 0% increase	Payment 2016 DKK with 1,9 % increase	1,9 % increase DKK
Belgium		2	820,000	836,000	16,000
Canada		3	1,230,000	1,254,000	24,000
Denmark		3	1,230,000	1,254,000	24,000
Estonia		1	410,000	418,000	8,000
Finland		1.5	615,000	627,000	12,000
France		4	1,640,000	1,672,000	32,000
Germany		4	1,640,000	1,672,000	32,000
Iceland		3	1,230,000	1,254,000	24,000
Ireland		2	820,000	836,000	16,000
Latvia		1	410,000	418,000	8,000
Lithuania		1	410,000	418,000	8,000
Netherlands		3	1,230,000	1,254,000	24,000
Norway		4	1,640,000	1,672,000	32,000
Poland		3	1,230,000	1,254,000	24,000
Portugal		2	820,000	836,000	16,000
Russia		3	1,230,000	1,254,000	24,000
Spain		3	1,230,000	1,254,000	24,000
Sweden		3	1,230,000	1,254,000	24,000
UK		4	1,640,000	1,672,000	32,000
USA		3	1,230,000	1,254,000	24,000
Total National Contribution		53.5	21,935,000	22,363,000	428,000
Faroe Islands & Greenland		1	410,000	418,000	8,000
Total		54.5	22,345,000	22,781,000	436,000

Table B.

A 2 % increase annually in national contributions 2016-2021														
Number of shares	1.9% 2016	Payment 2016 DKK with 1,9% increase	2% 2017	Payment 2017 DKK with 2% increase	2% 2018	Payment 2018 DKK with 2% increase	2% 2019	Payment 2019 DKK with 2% increase	2% 2020	Payment 2020 DKK with 2% increase	2% 2021	Payment 2021 DKK with 2% increase	Total increase 2016 - 2021 per share(s)	
1 share	8,000	418,000	8,360	426,360	8,527	434,887	8,698	443,585	8,872	452,457	9,049	461,506	43,506	
1,5 shares	12,000	627,000	12,540	639,540	12,791	652,331	13,047	665,377	13,308	678,685	13,574	692,259	65,259	
2 shares	16,000	836,000	16,720	852,720	17,054	869,774	17,395	887,170	17,743	904,913	18,098	923,012	87,012	
3 shares	24,000	1,254,000	25,080	1,279,080	25,582	1,304,662	26,093	1,330,755	26,615	1,357,370	27,147	1,384,517	130,517	
4 shares	32,000	1,672,000	33,440	1,705,440	34,109	1,739,549	34,791	1,774,340	35,487	1,809,827	36,197	1,846,023	174,023	
ICES budget Total 54,5 shares	436000	22,781,000	455,620	23,236,620	464,732	23,701,352	474,027	24,175,379	483,508	24,658,887	493,178	25,152,065	2,371,065	Increase in ICES ICES budget 2016-2021

Table C.

A 5 % increase one year, within a five year timeframe

	1.9 % 2016	Payment 2016 DKK with 1,9% increase	5% 2017	Payment 2017 DKK with 5% increase	0% 2018	Payment 2018 DKK with 0% increase	0% 2019	Payment 2019 DKK with 0% increase	0% 2020	Payment 2020 DKK with 0% increase	0% 2021	Payment 2021 DKK with 0% increase	Total increase 2016 - 2021 per share(s)		
Number of shares															
1 share	8,000	418,000	20,900	438,900									20,900		
1,5 shares	12,000	627,000	31,350	658,350									31,350		
2 shares	16,000	836,000	41,800	877,800									41,800		
3 shares	24,000	1,254,000	62,700	1,316,700									62,700		
4 shares	32,000	1,672,000	83,600	1,755,600									83,600		
ICES budget Total 54,5 shares	436,000	22,781,000	1,139,050	23,920,050		23,920,050		23,920,050		23,920,050		23,920,050	1,139,050	Increase in ICES 2021	ICES budget 2016-

Table D.

A 1 % increase annually, within a five year timeframe													
	1.9 % 2016	Payment 2016 DKK with 1,9% increase	1% 2017	Payment 2017 DKK with 1% increase	1% 2018	Payment 2018 DKK with 1% increase	1% 2019	Payment 2019 DKK with 1% increase	1% 2020	Payment 2020 DKK with 1% increase	1% 2021	Payment 2021 DKK with 1% increase	Total increase 2016 - 2021 per share(s)
Number of shares													
1 share	8,000	418,000	4,180	422,180	4,222	426,402	4,264	430,666	4,307	434,972	4,350	439,322	21,322
1,5 shares	12,000	422,000	4,220	426,220	4,262	430,482	4,305	434,787	4,348	439,135	4,391	443,526	21,526
2 shares	16,000	836,000	8,360	844,360	8,444	852,804	8,528	861,332	8,613	869,945	8,699	878,644	42,644
3 shares	24,000	1,254,000	12,540	1,266,540	12,665	1,279,205	12,792	1,291,997	12,920	1,304,917	13,049	1,317,967	63,967
4 shares	32,000	1,672,000	16,720	1,688,720	16,887	1,705,607	17,056	1,722,663	17,227	1,739,890	17,399	1,757,289	85,289
ICES budget Total 54,5 shares	436,000	22,781,000	227,810	23,008,810	230,088	23,238,898	232,389	23,471,287	234,713	23,706,000	237,060	23,943,060	1,162,060
													Increase in ICES budget 2016-2021

Table E.

**Actual and proposed increases in  
national contributions 2012-2016,  
including the deficit in the budget**

		actual 2012	actual 2013	actual 2014	actual 2015	actual 2016	actual Total		Proposed 2012	Proposed 2013	Proposed 2014	Proposed 2015	Proposed 2016	Proposed Total		Diff.
Price for one share (DKK)		410,000	410,000	410,000	410,000	418,000			428,000	437,000	446,000	455,000	464,000			
Inflation		0.0%	0.0%	0.0%	0.0%	1.9%			2.0%	2.0%	2.0%	2.0%	2.0%			
no of shares:		53.5	53.5	53.5	53.5	53.5			53.5	53.5	53.5	53.5	53.5			
Belgium	2	820,000	820,000	820,000	820,000	836,000	4,116,000		856,000	874,000	892,000	910,000	928,000	4,460,000		-344,000
Canada	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Denmark	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Estonia	1	410,000	410,000	410,000	410,000	418,000	2,058,000		428,000	437,000	446,000	455,000	464,000	2,230,000		-172,000
Finland	1.5	615,000	615,000	615,000	615,000	627,000	3,087,000		642,000	655,500	669,000	682,500	696,000	3,345,000		-258,000
France	4	1,640,000	1,640,000	1,640,000	1,640,000	1,672,000	8,232,000		1,712,000	1,748,000	1,784,000	1,820,000	1,856,000	8,920,000		-688,000
Germany	4	1,640,000	1,640,000	1,640,000	1,640,000	1,672,000	8,232,000		1,712,000	1,748,000	1,784,000	1,820,000	1,856,000	8,920,000		-688,000
Iceland	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Ireland	2	820,000	820,000	820,000	820,000	836,000	4,116,000		856,000	874,000	892,000	910,000	928,000	4,460,000		-344,000
Latvia	1	410,000	410,000	410,000	410,000	418,000	2,058,000		428,000	437,000	446,000	455,000	464,000	2,230,000		-172,000
Lithuania	1	410,000	410,000	410,000	410,000	418,000	2,058,000		428,000	437,000	446,000	455,000	464,000	2,230,000		-172,000
Netherlands	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Norway	4	1,640,000	1,640,000	1,640,000	1,640,000	1,672,000	8,232,000		1,712,000	1,748,000	1,784,000	1,820,000	1,856,000	8,920,000		-688,000
Poland	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Portugal	2	820,000	820,000	820,000	820,000	836,000	4,116,000		856,000	874,000	892,000	910,000	928,000	4,460,000		-344,000
Russia	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Spain	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
Sweden	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
United Kingdom	4	1,640,000	1,640,000	1,640,000	1,640,000	1,672,000	8,232,000		1,712,000	1,748,000	1,784,000	1,820,000	1,856,000	8,920,000		-688,000
USA	3	1,230,000	1,230,000	1,230,000	1,230,000	1,254,000	6,174,000		1,284,000	1,311,000	1,338,000	1,365,000	1,392,000	6,690,000		-516,000
<b>Total National Contribution</b>	<b>53.5</b>	<b>21,935,000</b>	<b>21,935,000</b>	<b>21,935,000</b>	<b>21,935,000</b>	<b>22,363,000</b>	<b>110,103,000</b>		<b>22,898,000</b>	<b>23,379,500</b>	<b>23,861,000</b>	<b>24,342,500</b>	<b>24,824,000</b>	<b>119,305,000</b>		<b>-9,202,000</b>
Faeroe Islands		328,000	328,000	328,000	328,000	334,400	1,646,400		335,000	342,000	349,000	356,000	371,200	1,753,200		-106,800
Greenland		82,000	82,000	82,000	82,000	83,600	411,600		83,000	85,000	87,000	89,000	92,800	436,800		-25,200
<b>Total</b>	<b>1</b>	<b>410,000</b>	<b>410,000</b>	<b>410,000</b>	<b>410,000</b>	<b>418,000</b>	<b>2,058,000</b>		<b>418,000</b>	<b>427,000</b>	<b>436,000</b>	<b>445,000</b>	<b>464,000</b>	<b>2,190,000</b>		<b>-132,000</b>
<b>Total Contributions</b>		<b>22,345,000</b>	<b>22,345,000</b>	<b>22,345,000</b>	<b>22,345,000</b>	<b>22,781,000</b>	<b>112,161,000</b>		<b>23,316,000</b>	<b>23,806,500</b>	<b>24,297,000</b>	<b>24,787,500</b>	<b>25,288,000</b>	<b>121,495,000</b>		<b>-9,334,000</b>

## Development of Equity

*This document shows the status of equity, as of 31/12 2015, including an outlook on the amount remaining after accounting for funds allocated for use in 2016 and beyond (agreed at the 2015 October Council meeting)*





		Use of funds up until December 2015	The amount of money allocated from equity by Council
<b>Balance 1/1-2012</b>		<b>16.880.245</b>	
Eco-System Advisor	Council decision 2011	-429.861	
Document Management System and Content Management System, 2012-2013. Allocated DKK 1.500.000	e-voting June/July 2012	-625.000	
Unrealised fair value of bonds		347.511	
Profit/Loss for the year		-56.817	
<b>Equity 31/12-2012</b>		<b>16.116.078</b>	
<b>Equity 1/1-2013</b>		<b>16.116.078</b>	
Eco-System Advisor	Council decision 2011	-743.902	
Profit/Loss for the year		-595.977	
Document Management System and Content Management System, 2012-2013. Allocated DKK 1.500.000	e-voting June/July 2012	-875.000	

<b>Equity 31/12-2013</b>		<b>13.901.199</b>
<b>Equity 1/1-2014</b>		<b>13.901.199</b>
Eco-System Advisor	Council decision 2011	-735.000
CARA/RCT (IT infrastructure and tools, additional staff and external consultancy) Allocated DKK 1.028.500	e-voting July/August 2013	-938.500
Unrealised fair value of bonds		148.267
<b>Equity 31/12-2014</b>		<b>12.375.966</b>
<b>Equity 1/1-2015</b>		<b>12.375.966</b>
Unrealised fair value of bonds		-55.251
Eco-System Advisor	Council decision 2011 P3	-185.564
CARA/RCT (IT infrastructure and tools, additional staff and external consultancy) Allocated DKK 1.028.500	e-voting July/August 2013	-90.000
<b>Equity 31/12-2015</b>		<b>14.890.989</b>

SCICOM activities	strategic	2015	October Council meeting	-267.000
Council 2014: Conference 2017	minutes ECS			-450.000
Regional database Allocated 860.000	Fish (RDB) DKK (185000			
coming from EFARO development)	ICES Survey/RDB development)	e-voting August/September 2014		-352.500
CARA/RCT additional resources	salary for	e-voting 2015	July/August	-350.000
External consulting	specialist	e-voting 2015	July/August	-105.000
Training courses		e-voting 2015	July/August	-100.000
Council minutes 2015				-6.650.000
<b>Status of Equity - after use of allocated funds</b>				<b>6.616.489</b>

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ICES Strategic Plan 2014–2018  
Midway report and Vision document

**1 Vision document, how to further progress towards achievement of the goals set in the ISP, based on updated “gut-feeling” reports within Science, Data and Information, Advice and Secretariat**

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*Based on the updated “gut-feeling” reports, the Coordination Group has identified three areas in need of additional support/expertise for realizing the goals set out in the ISP and the work in the Committees/Expert Network: Training programme, data and information products to support the ecosystem approach, as well as support for the development of Arctic and Aquaculture products.*

*Below are proposals for how to further develop work in these areas.*

**1.1 Vision**

Based on recent developments three areas have been identified where further support to the Committees, and Expert Network from the Secretariat are required to ensure work across, science, data and advice:

1. The training programme
2. Data and information products for the ecosystem approach
3. Arctic and Aquaculture

**1.1.1 The Training Programme**

The Training Programme is an important component of ICES work, to develop scientific capacity within the network, ensure future qualified advisory experts, and to reach out, communicate, and involve IGOs/NGOs, stakeholders, and managers in ICES work.

The Training Programme is a great success, however, there is still work to be done to optimize the way the business model functions to ensure self-financing, but also at an operational level, to find a way to ensure that courses are able to fulfill minimum number of attendees to ensure the course can run as planned. Training needs are currently identified applying an *ad hoc* approach and the programme would benefit from a more strategic and systematic approach to assessing training needs and demand for courses. This must be balanced with the aim to offer courses in strategic areas (where demand may initially be lower). The vision of SCICOM/Training group is also of an online capability, to facilitate more equitable access given the geographical distribution of ICES membership, and limited resources generally. This takes dedicated human resources to effectively implement.

The operational training group, has been instrumental to the success of the Training Programme, however, given the annual meeting schedule, and recent

experience of several course cancellations and difficulties in developing on-line courses, more dedicated support for the Training Programme may be helpful to ensure efficient working procedures and continued success for ICES in this training role.

#### Proposal

In addition to the Training and Conference Coordinator, Anna Davies (C5) currently responsible for both the ASC and the training courses, to invest, for a two year period, in a dedicated training person (potential secondment opportunity) who will help:

- establish and carry out a repeatable and resource efficient assessment of training needs (focused on member country needs, but also with input from strategic cooperation partners);
- facilitate the development and launch of on-line training courses;
- consider alternative training initiatives (Pd.D/Post.doc);
- explore options for accreditation of the ICES Training Programme.

#### **1.1.2 Data and information products for the ecosystem approach**

The demands for access to detailed fisheries and environmental data in support of ICES science and advice are increasing, both within more traditional areas of ICES work, and within the expansion areas identified in the ICES Strategic Plan (i.e. integrated ecosystem understanding, Human dimension).

The streamlining of ICES advisory products, including the development of Fisheries and Ecosystem Overviews are dependent on automated and quality assured data products. The need for consistency in products to advise on the fisheries/CFP and ecosystem/MSFD requires a degree of integration in approaches. ICES is likewise experiencing an increasing request for operational data products from ICES clients. Investments in developing ICES databases and processing of data are required to meet these needs. This will also allow for the development of a roadmap and audit to achieve the ecosystem approach within fisheries management.

#### Proposal

To invest, for a two year period, in two dedicated persons (potential secondment opportunity) who will, amongst other issues, help:

- review and refine the trawl survey DATRAS database, to:
  - support the fisheries and ecosystem overviews including biodiversity related products such as the Large Fish and the Mean Maximum Length Indicators;
  - develop abundance and biomass indices used for stock assessment to improve the data processing workload and ensure the use of quality assured products as the basis of the advice on fishing opportunities;
- assist in the further development of the Regional Fisheries Database (RDB-ICES), to ensure that the database supports the Member Countries in their submission of

detailed data, including effort data for stock assessments, and the expert groups in their use of the data outputs;

- strategically plan, develop, and implement, with ICES network and cooperation partners, new data products focused on human activities spatial layers, related to the automated Ecosystem and Fisheries Overviews, and eventually the Aquaculture Overviews.

- facilitate a process to better integrate data input from science expert groups into operational products, in cooperation with the Data Centre, DIG, SSGIEOM and Expert groups. (SCICOM has suggested startup activities in 2016)

### **1.1.3 Arctic and Aquaculture, to support the development of an Ecosystem Overview and the Aquaculture Overviews**

Work is proceeding within the areas of the Arctic and aquaculture, and there is a need to ensure that the secretariat can support the strengthened science leadership, and the advisory leadership to progress further work in these areas. For both areas it is important to look into information and knowledge needs for the development of specific products (e.g. the Ecosystem Overview for the Central Arctic Oceans and the Aquaculture Overviews). To ensure seamless integration of data inputs and products, this work must be linked to the ACOM/SCICOM Steering Group on Integrated Ecosystem Observation and Monitoring (SSGIEOM).

Developing these products in these priority areas is important to develop the required evidence base needed for ICES to deliver in areas where the capacity exists to support our Arctic and Aquaculture cooperation partners. Specifically for the Arctic this also relates back to the four recommendations by the Arctic Fisheries Working Group on how to further the work in the Arctic, building upon and harvesting from the extended geographical scope of the fisheries assessments, and ecological working groups, as well as addressing integrated ocean observation and data collection.

#### **Proposal**

To invest for a two year period in a person (potential secondment opportunity) that could help:

- find synergies and exploit opportunities to bring together the various Expert Working Groups working on Aquaculture and Arctic related issues (respectively), identifying potential products, deliverables, and data sources. ;

- link this to and assist in the development of the Ecosystem Overview for the Central Arctic Ocean, and the Aquaculture Overviews;

## Total anticipated costs

The total cost of the investment in four additional persons to help the expert network and the member countries in their work would amount to:

<u>Priority Area</u>	<u>Salary scale</u>	<u>Costs for two years</u>
<u>Training</u>	<u>C4</u>	<u>670, 000 DKK</u>
<u>Data and overviews - RDB</u>	<u>C7</u>	<u>900, 000 DKK</u>
<u>Data and overviews - DATRAS, Spatial Data, and overviews</u>	C7	<u>900, 000 DKK</u>
<u>Arctic and Aquaculture</u>	P1	<u>1,100,000 DKK</u>
<u>Total salary cost, plus potential moving costs and allowances according to the ICES staff rules, as well as travel costs</u>		<u>3.800.000 DKK</u>

## 2 ICES Strategic Plan 2014 -2018 (draft) Midway Report

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The current ICES Strategic Plan (ISP) runs until 2018. 2016 presents an opportunity to take stock and consider progress and gaps in reaching the goals laid out in the plan. Given the timeline of Council meetings, this review also highlights the need for a well-planned renewal process for the next strategic planning cycle. Given the need for coordination between pillars, Bureau discussed how the renewal process should be structured. The meeting discussed the need for a midway review of implementation of ICES Strategic Plan to be presented to the 2016 Council meeting. The aim should be to review the status of ISP implementation to highlight progress and identify gaps. .

**At the June Bureau meeting it was decided:** The Chair of SCICOM, Chair of ACOM, General Secretary, and Head of Data and Information will each create a two-page vision document describing what has been done (reflecting on if progress has been satisfactory, where effort has been spent compared to the stated priorities) to be reported at June Bureau. The format will be developed and coordinated within the coordination group. These reports will lead into/inform a discussion on the renewal of the ISP.

### Suggested format

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1. Working across pillars on all areas of ICES work including priority issues (text description of “biggest wins”/and those within reach with agreed further steps)
2. Reflections on “what’s left to do”? Are these still among the priorities, and reasons for not accomplishing?
3. Ideas for new priorities and specific issues to be accomplished within each pillar to achieve this common goal
4. Updated gut feeling reports.

## 3 Working towards integration across ICES pillars:

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It is important to avoid a listing of separate processes/products, and to ensure a description on integrated processes, or plans to make this into integrated processes.

Including substantive and processes and tools to facilitate the process.

Start with a description of how organizational change has facilitated substantive development (RCT, Coordination Group).

Benchmarking process/ knowledge transfer from SCICOM to ACOM

### 3.1 Integrated Ecosystem understanding

- Integrated Ecosystem Assessments
- Ecosystem overviews (Including, abrasion maps, VMEs and other automated products).
- On-going work on Fisheries overviews (landings/yearly, landing/metier, Fmsy, MSYBtrigger)
- demonstration advice on trade-offs
- integrated advice, including multispecies and mixed fisheries considerations



### **3.2 The Arctic**

- ICES/PAME Working Group on Integrated Ecosystem Assessment (IEA) for the Central Arctic Ocean
- Discussions on an Arctic Ecosystem overview
- Theme session P Arctic Ecosystem Services: Challenges and Opportunities (Co-sponsored by AMAP, EU-PolarNet, and ICES)
- demonstration advice on knowledge gathering in the Arctic and potential impacts in the Arctic of alien species from ships' ballast water
- IROC
- AMAP

### **3.3 Aquaculture**

- advice in 2014, 2015, and 2016 on aquaculture and environmental interactions
- WGAQUA
- demonstration advice on aquaculture
- Aquaculture dialogue meeting
- Aquaculture Overviews

### **3.4 Human Dimension**

SIHD

## 4 Updated “gut-feeling” reports

### 4.1 Science

The section includes expert evaluations of the SCICOM Steering Group Chairs:

- Graham Pierce, SSG Ecosystem Processes and Dynamics (SSGEPD)
- Henn Ojaveer, SSG Ecosystem Pressures and Impacts (SSGEPI)
- Dave Reid, SSG Integrated Assessments of Ecosystems (SSGIEA) – not available but will be filled in shortly
- Nils Olav Handegaard, SSG Integrated Monitoring and Observation (SSGIEOM)

#### Summary

The gut feeling exercise was introduced in 2014 to give a brief overview of the status of the implementation of the Science Priorities under the Science Implementation Plan that support ICES Strategic Plan (2014-2018)

The revisited evaluation 2016 is to show the midways status of implementation.

The scale of scoring the implementation was established as follows.

1	Not Started
2	Just Started
3	Some Progress
4	Good Progress
5	Doing Well

The results of the evaluation is shown in the table below. The expert evaluation of 24 priority areas (the 7 priority areas of SSGIEA are not evaluated yet) shows increased scores in 12 areas (marked in green in the table below). Priorities areas scoring some progress to doing well (3-5) are 18 (24) and 10 (24) areas are scoring 4-5.

The evaluation is considered to be conservative and the progress is in fact more extensive. This is due to that the priority areas are assigned to a specific SSG. A more extensive mapping of the implementation started in 2015 by initiative of SCICOM is to be updated and in this evaluation the crosscutting effects which will be clearer and give a fuller picture of the implementation of the Priority Areas.

SSGEPD	Priority area	2014	2016	Comments
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Describe and quantify the state of North Atlantic Ocean regional systems	1. Assess the physical, chemical and biological state of regional seas and investigate the predominant climatic, hydrological and biological features and processes that characterise regional ecosystems	3	4	In general I think we are making good progress, especially through groups like WGBIODIV and BEWG. Topics like climate change and indicators are well covered.
	2. Quantify the nature and degree of connectivity and separation between regional ecosystems	1	1	Arguably some relevant information is collected but I don't see anyone focusing on it
Understand and forecast the impact of climate variability and change on marine ecosystems	3. Quantify the different effects of climate change on regional ecosystems and develop species and habitat vulnerability assessments for key species	3	4	
	4. Understand the influence of climate impacts across a range of temporal and spatial scales, from local to global and from seasonal to multidecadal and identify indicators of climate driven biotic responses and forecast trajectories of change	3	4	
Resolve and quantify ecological processes in marine ecosystems, including modelling the dynamics of food webs and their responses to environmental change	5. Quantify the role of structural and functional diversity in marine ecosystems in providing stability and resilience	1	3	For some of the more basic knowledge on structure and function coverage is more patchy but arguably significant. This is also true of work on ecosystem services although only one group focuses on ES
	6. Investigate linear and nonlinear ecological responses to change, the impacts of these changes on ecosystem structure and function and their role in causing recruitment and stock variability, depletion and recovery.	3	3	
	7. Develop end to end modelling capability to fully integrate natural and	1	2	I am not sure anyone is doing true end-to-end models but many components are modelled

	anthropogenic forcing factors affecting ecosystem functioning			
Quantify the relationship between habitat condition, ecological processes and the provision of ecosystem goods and services	8. Define and quantify north Atlantic Ecosystem Goods and Services, model their dependence on ecosystem processes and habitat condition and their social, economic and cultural value.	1	2	
	9. Identify indicators of ecosystem state and function for use in the assessment and management of ecosystem goods and services	2	3	

SSGEPI	Priority area	2014	2016	Comments
Estimate long term trends of human	10. Develop historic baseline of population and community structure and production to be used as a basis for population and system level reference points.	2	3	WGHIST has identified useful datasets. Support for storage in ICES data center is needed.  Next step is baseline development. The next 3 yr of this group should be related specifically to this TOR and perhaps be named something like WG Historical baselines
Understand, quantify and mitigate	11. Develop methods to quantify multiple direct and indirect impacts from fisheries as well as from mineral extraction, energy generation, aquaculture and other anthropogenic activities and estimate the vulnerability of ecosystems to such impacts.	3	3	Strong development of modelling of impacts from fisheries. Contaminant impacts has started to developed thresholds and is progressing steady and well.
	12. Develop approaches to mitigate impacts from these activities, particularly reduction of non target mortalities and enhancement/restoration of habitat and assess the effects of these mitigations on marine populations	2	2	Development is made in ICES but not particularly in EPI groups. Work has been done in relation to discards. WGSAM investigates impacts of bycatch on other target species through F. WGVHES has worked on the role of coastal habitats on exploited populations. We may get something related to essential fish habitat from that group. Score would be higher if other activities were evaluated. Remove priority from SSGEPI?
	13. Develop indicators of pressure on populations and ecosystems from human activities such as eutrophication, contaminants and litter release, introduction of alien species and generation of underwater noise.	3	4	With the recent movement of ITMO and BOSV into EPI this work will progress faster in the steering group. Aquaculture groups are progressing in terms of that particular type of eutrophication
Provide evidence in support of sustainable management of ecosystem goods and services	14. Evaluate ecological, economic and social trade-offs between ecosystem protection and sustainable use to advise on management of human activity in marine ecosystems	1	1	SGSA which looks and social dimension of aquaculture but it is in developing. WGMARS moved to IEA. Reevaluate the SSG TORs
	15. Develop tactical and strategic models to support short and long term fisheries management and governance advice and increasingly incorporate spatial components in such models to allow for finer scale management of marine habitats and populations	5	5	Tactical fisheries models both single and multispecies are well covered. Good work associating coastal habitats with exploited population dynamics. Spatial aspects are well considered in SIMWG and some nations (e.g. Iceland) has strong spatial aspects to their stock assessment which can make appearances in WGSAM. Support for WGMG to make sure it continues to be important and it is key to this SSG TOR.

	17. Develop science in support of advisory needs in marine aquaculture systems, minimizing environmental impacts and integrating other marine sectors.	3	4	Primarily in WGAQUA, potential expansion but WGAQUA is actually spinning off TORS and workshops related to these areas. I do not see a strong need to change in this area, it is coming along as long as we continue to support the group.
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SSGIEA	Priority area	2014	2016	Comments
Develop a scoping process to identify objectives to guide IEA's in ICES Seas	18. Identify objectives for IEA's that address ecosystem stability and health, taking cognizance of ecological, social and economic sustainability goals as well as multi scale issues.	4		
	19. Identify issue based ecosystem questions relevant to science and management needs that can be addressed by developing IEA's	2		
	20. Provide priorities and specifications for data collection frameworks supporting IEA's.	3		
Advance IEA methodologies and approaches in the ICES context	21. Conduct pilot studies in data rich areas for alternative IEA approaches, linking quantitative and qualitative methods at appropriate spatial and temporal scales.	1		
Develop approaches that allow forecasting within an IEA and evaluation of the effectiveness of tradeoffs of different management options	22. Determine and demonstrate what modelling and analytical approaches will allow projections of ecosystem states in IEA's	3		
	23. Use IEA's to inform management about the effects of cumulative pressure and additive and non additive impacts, and which provide risk evaluations and analyses of tradeoffs between sectoral objectives.	1		
	24. Compare IEA and single issue approaches regarding their efficacy in providing management and governance advice on sectoral and multi sectoral use of the oceans.	2		

SSGIEOM	Priority area	2014	2016	Comments
Identify and prioritize ICES monitoring and data collection needs	25. Identify monitoring requirements for science and advisory needs in collaboration with data product users, including a description of variable and data products, spatial and temporal resolution needs, and the desired quality of data and estimates	3	3	
	26. Develop a cost benefit framework to evaluate and optimize monitoring strategies in the context of the capabilities of, and requests from ICES Member Countries and clients.	2	4	
Develop further the methodology for the observation and monitoring of marine ecosystems in the ICES area.	27. Identify knowledge and methodological monitoring gaps and develop strategies to fill these gaps	2	2	
	28. Promote new technologies and opportunities for observation and monitoring and assess their capabilities in the ICES context	4	4	
	29. Promote the development and testing of new fishing gear technology and methods for selective reduction of by-catch and discards and for mitigation of other environmental impacts of fishing	4	4	
Implement integrated monitoring in the ICES area	30. Allocate and coordinate observation and monitoring requests to appropriate expert groups on fishery dependent surveys and sampling and monitor the quality and delivery of data products.	3	4	
	31. Ensure the development of best practice through establishment of guidelines and quality standards for (a) surveys and other sampling and data collection systems; (b) external peer reviews of data collection programmes and © training and capacity building opportunities for monitoring activities	3	3	



## 4.2 Advice

## OVERVIEW

2014						SCORE	
SCORE	<i>Deliver relevant timely and credible advice SA 1 and 2</i>	<i>Foster efficient use of resources and quality assurance SA 1, 2, 3 ,4</i>	<i>Improve data collection and use SA 1, 2, 3, 4</i>	<i>Develop Scope of Advice Sa 1, 2, 3, 4</i>	<i>Develop process and Communications SA 4</i>	1	Not Started
						2	Just Started
						3	Some Progress
						4	Good Progress
						5	Doing Well
1				3			
2		2	1	2			
3		1	1	7	2		
4	1	2	2	2	2		
5							
	N = 1 Action	N = 5 Actions	N = 4 Actions	N = 14 Actions	N = 4 Actions		
2015							
SCORE	<i>Deliver relevant timely and credible advice SA 1 and 2</i>	<i>Foster efficient use of resources and quality assurance SA 1, 2, 3 ,4</i>	<i>Improve data collection and use SA 1, 2, 3, 4</i>	<i>Develop Scope of Advice Sa 1, 2, 3, 4</i>	<i>Develop process and Communications SA 4</i>		
1				2			
2		1	1	3			
3		4	1	5	1		
4			2	2	3		
5	1			2			
	N = 1 Action	N = 5 Actions	N = 4 Actions	N = 14 Actions	N = 4 Actions		
2016							
SCORE	<i>Deliver relevant timely and credible advice SA 1 and 2</i>	<i>Foster efficient use of resources and quality assurance SA 1, 2, 3 ,4</i>	<i>Improve data collection and use SA 1, 2, 3, 4</i>	<i>Develop Scope of Advice Sa 1, 2, 3, 4</i>	<i>Develop process and Communications SA 4</i>		

1				2	
2			1	3	
3		3	1	3	2
4		2	2	3	1
5	1			3	1
	N = 1 Action	N = 5 Actions	N = 4 Actions	N = 14 Actions	N = 4 Actions

*MoU*

The ICES Strategic Plan (2014 2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat					
ACOM	ACOM Category	ACOM - Action	2014	2015	2016
<b>Evaluator and advise for the sustainable use and protection of marine ecosystems (Goal 3)</b>	1. Deliver relevant, timely and credible advice	Implement MOU's with advice recipient	4	5	5

**Quality**

ACOM	ACOM Category	ACOM - Actions	2014	2015	2016
<b>Evaluator and advise for the sustainable use and protection of marine ecosystems (Goal 3)</b>	2. Foster efficient use of resources and quality assurance	Implement RCT and prioritise resource use	4	3	3
		Further explore and implement, where appropriate multiannual evaluations of management measures (the state of the stock) for the provision of annual advice	2	3	3
		Enhance substantive support by ICES Secretariat to the advisory process	4	3	4
		Implement the CARA system ; Automate the process of transferring assessment results from the assessment software to the advisory sheets, including standard graphs	2	2	3
		Conduct internal audits of data. Input and assessment results for all advice providing expert groups	3	3	4

**Data**

ACOM	ACOM Category	ACOM - Actions	Gut Feeling		
<b>Evaluator and advise for the sustainable use and protection of marine ecosystems (Goal 3)</b>	3. Improve data collection and use	Coordinate and integrate surveys	2	2	2
		Develop guidelines for best practice in design and implementation of statistically sound catch sampling schemes	4	4	4
		Identify the data required to provide advice on fisheries and environmental issues and communicate the requirements to those responsible for the collection of data	4	3	3
		Promote efficient and effective data storage through integration of data in regional databases, including making data available for experts through intercath	3	4	4

**Scope**

ACOM	ACOM Category	ACOM - Actions	2014	2015	2016
<b>Evaluator and advise for the sustainable use and protection of marine ecosystems (Goal 3)</b>	4. Develop scope of advice	Provide advice in relation to the changing policy environment .			
		Facilitate transition of a new regime, new data, ecosystem impacts and fisheries opportunities.	3	4	4
		Further develop/implement methodologies, which entails establishment of indicators and targets for all stocks, including data limited stocks (DLS)	4	5	5
		Provide advice taking into account technical interactions in each mixed fishery, as well as biological interactions between stocks, such as predation and competition in each ecoregion, per an established schedule, including a link with social and economic aspects when possible.	3	3	4
		Further develop capacity for provision of advice for emerging human activities in the Arctic - taking into account ecosystem considerations; monitor stock distributions into the Arctic region; data requirements and monitoring needs in the Arctic	1	3	3
		Advisory needs for aquaculture and its environmental aspects	3	5	5
		Integrate considerations fo by catch in the advice for fisheries (including elasmobranchs, mammals and seabirds)	3	3	4
		Integrate considerations of impacts of sensitive habitats in the advice fort fisheries	3	3	3
		Prepare methodologies and examples of impact assessments of management measures that account for environmental variability and social and economic trade offs	2	2	2
		Include discussion on social and economic analysis needs of users of advice in an ICES Dialogue meeting	1	1	1
		Facilitate transition from single stock benchmarks to regional benchmarks	2	2	2
		Further develop ecosystem overviews on a regional scale	4	4	5
		Provide advice on Marine Spatial Planning	1	1	1
		Develop mechanisms for promoting IEU as a basis for ICES advice	3	3	3
		In cooperation with Member Countries and regional seas organisations, develop IEA for the Baltic, North Sea and Barent Sea for use in advice provide exampoles of how IEA can be used in advice	3	2	2

*Communication*

ACOM	ACOM Category	ACOM - Actions	Gut Feeling	Gut Feeling	Gut Feeling
<b>Evaluator and advise for the sustainable use and protection of marine ecosystems (Goal 3)</b>	5. Develop process and communication	Further develop the capacity of the ICES community and the stakeholders/policy developers to facilitate their interaction and dialogue as well as involvement in the advisory process	3	4	4
		Communicate advisory products to the public			
		Communicate the advice through meetings with competent authorities and stakeholders	4	4	3
			4	4	5
		Support existing expert Groups chairs and potential future chairs to ensure they have the necessary skills (e.g. Training etc.)	3	3	3

The ICES Strategic Plan (2014 2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat								
OVERVIEW - % of Actions in each Score Category								
							SCORE	
Score ▾	Score label ▾	Regional products (8) ▾	Interoperability (2) ▾	Knowledge and Training (3) ▾	Data stewardship and Management (6) ▾		1	Not Started
1	Not Started	11%						
2	Just Started	11%		33%				
3	Some Progress	11%	50%					
4	Good Progress	44%	50%	33%	40%			
5	Doing Well	22%		33%	60%			
GOAL 4 - Promote the advancement of data and information services for science and advice needs								
GOAL 5 - Catalyse best practice in marine data management and promote the ICES data nodes as a global resource								
Supporting Activities (SA) of Data and Information Services to achieve Goals 4 and 5								
1. Promoting the advancement of data and information services for science and advice needs at both regional and sub regional level such as providing operational products for marine spatial planning, the Data Collection Framework and for the Marine Strategy Framework Directive.								
2. Gearing up for new areas of dataset collections, such as new datasets for integrated ecosystem, monitoring, including marine litter and anthropogenic noise in the marine environment.								
3. Ensuring the use of international standards/interoperability to enable the use and application of ICES datasets, products and services to an expanded international user base, and to provide tools and knowledge to facilitate that use.								

#### Supporting Activities (SA) of Data and Information Services to achieve Goals 4 and 5

- [illegible]

### *International standards and interoperability*

The ICES Strategic Plan (2014 2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat											
The Data and Information Services Picture											
										SCORE	
DIS	Headline Action	Detail of Headline Action	Supporting Activity	Gut Feeling	PI					1	Not Started
International Standards and Interoperability	Ensuring INSPIRE readiness for ICES managed datasets / data services	Describe and make available all ICES / ICES Expert Group managed datasets, data products or services through ISO/INSPIRE standards to allow their discovery and reuse by other expert groups, processes and member country activities.	1, 3	4						2	Just Started
										3	Some Progress
										4	Good Progress
										5	Doing Well
	Encouraging the broader use of ICES datasets by implementing IODE quality flagging schema	Building on the quality control database that is in the process of being populated and then exposing to online users in a digestible way to make the linkage between type of data type(s) of QC performed and the QC flags applied to the data.	1, 3	3							%
										1	0%
										2	0%
										3	50%
										4	50%
									5	0%	
											N = 2 Detailed Actions
GOAL 4 - Promote the advancement of data and information services for science and advice needs											
GOAL 5 - Catalyse best practice in marine data management and promote the ICES data nodes as a global resource											
Supporting Activities (SA) of Data and Information Services to achieve Goals 4 and 5											
1. Promoting the advancement of data and information services for science and advice needs at both regional and sub regional level such as providing operational products for marine spatial planning, the Data Collection Framework and for the Marine Strategy Framework Directive.											
2. Gearing up for new areas of dataset collections, such as new datasets for integrated ecosystem, monitoring, including marine litter and anthropogenic noise in the marine environment.											
3. Ensuring the use of international standards/interoperability to enable the use and application of ICES datasets, products and services to an expanded international user base, and to provide tools and knowledge to facilitate that use.											



**Knowledge transfer and professional development**

The ICES Strategic Plan (2014 2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat									
The Data and Information Services Picture									
DIS	Headline Action	Detail of Headline Action	Supporting Activity	Gut Feeling	PI	SCORE			
<b>Knowledge Transfer and Professional Development</b>	Input to Key Data Symposia and Science Meetings	Data theme sessions (ASC, IMDIS, etc.); Annual theme sessions proposal ASC by DIG	3	4		1	Not Started		
						2	Just Started		
						3	Some Progress		
						4	Good Progress		
						5	Doing Well		
	Training and Reference Guides for Scientists and Data Managers	ICES training courses: " Making the most of ICES Data " modular, Webinars ?	3	2			%		
		Online materials and guidance: WKIDG in 2014	3	5		1	0%		
						2	33%		
						3	0%		
						4	33%		
						5	33%		
						N = 3 Detailed Actions			
GOAL 4 - Promote the advancement of data and information services for science and advice needs									
GOAL 5 - Catalyse best practice in marine data management and promote the ICES data nodes as a global resource									
<b>Supporting Activities (SA) of Data and Information Services to achieve Goals 4 and 5</b>									
1. Promoting the advancement of data and information services for science and advice needs at both regional and sub regional level such as providing operational products for marine spatial planning, the Data Collection Framework and for the Marine Strategy Framework Directive.									
2. Gearing up for new areas of dataset collections, such as new datasets for integrated ecosystem, monitoring, including marine litter and anthropogenic noise in the marine environment.									
3. Ensuring the use of international standards/interoperability to enable the use and application of ICES datasets, products and services to an expanded international user base, and to provide tools and knowledge to facilitate that use.									

### ***Data stewardship and data management***

DIS	Headline Action	Detail of Headline Action	Supporting Activity	Gut Feeling	PI	1	Not Started	
Data Stewardship and Data Management	Data mining and data recovery; identifying and making available data sets that are relevant to the marine community	Benthic historical data recovery. Plan ready. No time frame. Connected to BEWG, DGMARE (DC-MAP) related, perhaps EMODnet biology?	3	5		2	Just Started	
		Legacy data: data that are in other systems, but not available to the wider world. Linking to other data archives i.e. through metadata	3	4		3	Some Progress	
		Other historical data	3	N/A		4	Good Progress	
	Ensuring ICES data are citable in the digital age and therefore making the datasets easier to discover	Digital data citation and publication: ensuring ICES data are citable in the digital age and ensuring contributing data sources are duly credited, as well as guiding the ICES Member Countries on how to approach digital citation.		3	4		5	Doing Well
							1	%
							2	0%
							3	0%
							4	40%
	Maintaining the user rights, security and integrity of the data sources to ICES managed datasets	Data Policy - facilitation of rights issues		3	5		5	60%
							N = 6 Detailed Actions	
GOAL 4 - Promote the advancement of data and information services for science and advice needs								
GOAL 5 - Catalyse best practice in marine data management and promote the ICES data nodes as a global resource								
Supporting Activities (SA) of Data and Information Services to achieve Goals 4 and 5								
1. Promoting the advancement of data and information services for science and advice needs at both regional and sub regional level such as providing operational products for marine spatial planning, the Data Collection Framework and for the Marine Strategy Framework Directive.								
2. Gearing up for new areas of dataset collections, such as new datasets for integrated ecosystem, monitoring, including marine litter and anthropogenic noise in the marine environment.								
3. Ensuring the use of international standards/interoperability to enable the use and application of ICES datasets, products and services to an expanded international user base, and to provide tools and knowledge to facilitate that use.								

## 4.4 Secretariat

### Overview

The ICES Strategic Plan (2014 2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat									
The Secretariat Picture after 9 months - A first look at Performance - A Qualitative Approach									
OVERVIEW - % in each Score Category									
2014	Goal 6 Foster the science, advisory Data and Information Services		Goal 7 Efficient and Effective Organisation		SCORE				
					1	2	3	4	5
	1		1		Not Started				
	2		1		Just Started				
	3	2	2		Some Progress				
	4	2	4		Good Progress				
	5		1		Doing Well				
N = 4 Actions		N = 9 Actions							
2015	Goal 6 Foster the science, advisory Data and Information Services		Goal 7 Efficient and Effective Organisation						
	1								
	2		2						
	3	2	1						
	4	2	5						
	5		1						
N = 4 Actions		N = 9 Actions							
2016	Goal 6 Foster the science, advisory Data and Information Services		Goal 7 Efficient and Effective Organisation						
	1								
	2		2						
	3		1						
	4	3	4						
	5	1	2						
N = 4 Actions		N = 9 Actions							

## Goal 6

The ICES Strategic Plan (2014-2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat								
The Secretariat Picture after 9 months - A first look at Performance - A Qualitative Approach								
						SCORE		
Secretariat	Secretariat Plan - Action	Gut Feeling 2014	Gut Feeling 2015	Gut Feeling 2016	Performance Indicators		1	Not Started
Foster the science, the advisory and the data information services through the work of the Secretariat (Goal 6)	Strategic support to the Council, Bureau, and the committees by provision of inputs regarding foresight of needs and options for development of science, scientific advice, and data.	4	4	5	Provision of timely & relevant inputs re. emerging science and advice		2	Just Started
	Interact with external networks and communicate scientific priorities	3	4	4	Identification of new partners Reflected by new MoUs, LoAs, and strategic projects		3	Some Progress
	Increase the level of professional support across the ICES work plan to provide data compilation, and initial analysis for consideration to ensure best use of expert resources, inter alia, by strengthening the ecosystem profile in the Secretariat to support priority working areas identified in the ICES Strategic Plan.	4	4	4	Data & analysis made available to meetings Identification of an appropriate process where SEC support useful Meeting prep tasks re-assignment amongst SEC staff to ensure efficient use of resources		4	Good Progress
	Projects - interface with scientific groups and organisations and identify and facilitate participation in strategic work that supports the aims of the ICES Strategic Plan. Seek to link project work with participants from academia.	3	4	4	ICES represented in project consortia Ext. projects support work of ICES		5	Doing Well
								%
Supporting Activity for Secretariat to achieve Goals 6 and 7							1	
1. Securing the needed resources for the ICES Secretariat to support ICES science, advisory services, data processes and products and for publications and communications;							2	
2. Implement effective tools and efficient process flow to streamline work processes and enhance the delivery of products;							3	
3. Organising and supporting the resource planning and coordination of network activities;							4	
4. Fostering cooperation and communications with Member Countries, partner organisations, stakeholders and society.							5	
							N = 4 Actions	

## Goal 7

The ICES Strategic Plan (2014 2018) - Implementation - Linking Science, Advice, Data and Information and Secretariat						SCORE	
The Secretariat Picture after 24 months - A look at Performance - A Qualitative Approach							
Secretariat	Secretariat Plan - Action	Gut Feeling 2014	Gut Feeling 2015	Gut Feeling 2016	Performance Indicators	1	Not Started
Ensure an efficient and effective organisation (Goal 7)	Facilitate effective and focused use of expert and infrastructure resources by making ongoing resource requirements transparent to national institute resource managers using the Resource Co-ordination Tool (RCT)	4	4	4	Tool developed for use internally and externally	2	Just Started
	Facilitate common access to ICES processes by developing work that draw on external resources readily available including the tasks, processes and meetings	3	4	4	Accessibility to common access tool that facilitates external access and streamlines procedures	3	Some Progress
	Develop and Improve the Training Programme and facilitate and test the online accessibility of the ICES Training Programme	1 or 2?	2	2	A training course accessible via online participation	4	Good Progress
	Develop and improve the Training Programme: reach out and engage with academia to widen target audience.	1 or 2?	2	2	More joint training courses available	5	Doing Well
	Publications - facilitate the electronic dissemination, availability and visibility of the products of ICES processes including technical reports, scientific publications and advice	5	5	5	Move towards electronic publications dissemination ICES docs with permanent digital traceable identities	1	%
	Further develop and implement the Content Administration for Reports and Advice (CARA)	3	3	3	Uptake of CARA in exp groups Full use in Adv process	2	
	Maintain and develop high quality meeting facilities at ICES headquarters, embracing new technologies	4	4	4	One meeting room developed with best tech, with eventual spread to other rooms	3	
	Create communications that focus on prioritised areas as defined by the Strategic Plan - promote the work of the ICES community and its relevance to society - make available various tools (ICES website, social media) for the community to communicate their work	4	4	5	Outreach material linked to ICES deliverables and outcomes (ICES video) Social media presence & increased community use/discussion	4	
	Ensure that the Secretariat is able to respond to emerging science, advisory and data needs with relevant professional competence, reviewed by Secretariat management	4	4	4	Ready to respond to emerging needs	5	
							N = 9 Actions
Supporting Activity for Secretariat to achieve Goals 6 and 7							
1. Securing the needed resources for the ICES Secretariat to support ICES science, advisory services, data processes and products and for publications and communications;							
2. Implement effective tools and efficient process flow to streamline work processes and enhance the delivery of products;							
3. Organising and supporting the resource planning and coordination of network activities;							
4. Fostering cooperation and communications with Member Countries, partner organisations, stakeholders and society.							



# Science Investments

Yvonne Walther, Adi Kellermann, Jörn Schmidt, Henn Ojaveer  
and Wojciech Wawrzynski



Science for sustainable seas

# CORE BUDGET Science Leadership - 550'000 DKK



Instrument	Cost	Output	Effect	Impact	Goal
Operational costs for 5 SSG chairs*	100'000 DKK per SSG chair (500'000 DKK in total)	Co-ordination of Expert Groups  Support of science development for current advisory needs	SSG chairs : are actively contributing to ICES Science leadership  can dedicate time and prioritize ICES work in a structural manner  can respond to tasks effectively  are able to participate actively in EG work, support in drafting ToRs  Feel responsible in strategic science development	Effective Science Leadership in balance -SCICOM chair fulltime and SSG chairs part time  Realisation of crosscutting effects between SSG science priorities  Science and Advisory Leadership can effectively work, communicate and include latest science in advisory processes	Implementation of ISP and Science Plan
WGChairs meeting	50'000 DKK	Increase communication with and between EGs	EG chairs: Better understand their role and requirements in science delivery in ICES  Effectively adopt their ToRs towards Science Plan	EG chairs foster an active science community  A balanced portfolio of EGs that reflects the Science Plan needs	Implementation of ISP and Science Plan



# Equity Budget



Instrument	Cost (DKK)	Output	Effect	Impact	Goal
Strategic Initiatives (SISAM, SIHD, SICCME)	150.000	Resolutions for Strategic initiatives Activities in ASC, Symposias Development of Expert Groups Establish links to new scientific partners	<ul style="list-style-type: none"> <li>New science fields and challenges are included in Science portfolio</li> </ul>	ICES is recognized as a knowledge partner ICES establishes links with new partners	Implementation of ISP and Science Plan
Early Career Scientists Conference (equity)	400.000	Foster the next generation of ICES scientists, link with academia, spread the word about ICES	<ul style="list-style-type: none"> <li>Attract new expertise</li> <li>Explore new science fields</li> <li>Generate new leadership</li> </ul>	ICES Science : <ul style="list-style-type: none"> <li>Recruiting young academics</li> <li>Explore new interdisciplinary expertise</li> </ul>	Capacity building
Science Fund (equity)	500.000	Regularly Issue calls for Science projects that are relevant implementing the ICES Science Plan and ICES Strategy	<ul style="list-style-type: none"> <li>Establish strong and effective links with broader academia</li> <li>explore new science fields</li> <li>add value to work of EGs</li> <li>Fill gaps in the Science Plan</li> <li>Attract new expertise</li> </ul>	ICES Science : <ul style="list-style-type: none"> <li>remains cutting edge</li> <li>is updated to social needs and context</li> <li>has relevant expertise available</li> </ul>	Implementation of ISP and Science Plan, Capacity building
Action areas Arctic, aquaculture, human dimension	100.000	Design relevant activities that support ICES high priority work areas through: ASC, Expert Groups, IJMS, Symposia and Workshops Effectively communicates with partners in action areas	ICES is <ul style="list-style-type: none"> <li>linked with strategic knowledge partners</li> <li>Provides relevant science to high priority areas</li> </ul>	ICES science <ul style="list-style-type: none"> <li>Is responsive to global changes</li> <li>Provides relevant science to societal needs</li> <li>is recognized as a knowledge partner</li> <li>Provides science that can be developed into advice in action areas</li> </ul>	Action areas
Interaction with existing ICES Scientific partners (PICES/CIESM)	100.000	Create activities together with partners (workshops, symposia, joint EGs)	<ul style="list-style-type: none"> <li>Further effective and long-lasting partnerships</li> <li>Attract new expertise</li> <li>Create new challenges</li> </ul>	ICES is recognized as a knowledge partner A relevant partner in global science areas	Implementation of ISP

## Science investments 2016

Council investment 150K DKK - support for science activities in 2016

Remain of Science Fund 200K DKK– Total 350 000 DKK



Instrument	Cost	Output	Effect	Impact	Goal
Interaction with major ICES Scientific partners (PICES/CIESM)	20.000 DKK	World Fisheries Conference 2016, Busan, Korea	Strengthen ICES position in the global fisheries science community	<ul style="list-style-type: none"> <li>Create strong and effective partnerships</li> <li>Improve science in support of future advisory needs</li> </ul>	ICES knowledge partner
Interaction with major ICES Scientific partners (PICES/CIESM)	60.000 DKK	PICES 25 annual meeting in San Diego, US, November 2016,	Strengthen ICES position in the field of ocean acidification internationally	<ul style="list-style-type: none"> <li>Create and maintain strong and effective partnerships</li> </ul>	Interaction with partners, ICES knowledge partner
Interaction with major ICES Scientific partners (PICES/CIESM)	10.000 DKK	ICES session convener 2016 CIESM scientific conference, Kiel, Germany, September 2016;	Strengthen ICES position in the field of marine bioinvasion science internationally	<ul style="list-style-type: none"> <li>Create and maintain strong and effective partnerships</li> </ul>	Interaction with partners, ICES knowledge partner
Strategic initiatives	150.000 DKK	Resolutions for Strategic initiatives Activities in ASC, Symposia, Development of Expert Groups	Emerging and strategically important science disciplines and challenges are included in ICES Science portfolio	<ul style="list-style-type: none"> <li>ICES is recognized as a knowledge partner</li> <li>Create and maintain strong and effective international partnerships</li> </ul>	Implementation of ISP and Science Plan
Additional support to Action areas	75.000 DKK	Format under consideration	Strengthen ICES position in the field of Arctic and aquaculture science internationally	ICES science <ul style="list-style-type: none"> <li>Is responsive to global changes</li> <li>Provides relevant science to societal needs</li> <li>is recognized as a knowledge partner</li> <li>Provides science that can be developed into advice in action areas</li> </ul>	Participate in advancing Arctic and aquaculture sciences in a wide international collaboration
Process towards better integration of data input from science and data products to be delivered,	35 000 DKK	Workshop and activities by Data centre, DIG and SSGIEOM	Increased communication and improved deliverables between data providers and receivers	Improved data landscape in ICES Increased accessibility and use of available data	Implementation of ISP and Science Plan