

REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

Thursday 7 July 2011, St. Helier, Jersey

1. INTRODUCTORY ITEMS

The list of participants is given in Appendix 1.

1.1 Appointment of Chair

Donna Petrachenko (Australia) was appointed as Chair of the Committee. She noted that attendance at the Finance and Administration (F&A) Committee was limited to delegates and that observers were not permitted to attend.

1.2 Appointment of Rapporteurs

The Secretariat agreed to act as rapporteurs.

1.3 Review of documents

The documents available to the Committee are listed in Appendix 2.

2. ADOPTION OF AGENDA

The USA requested that document IWC/63/F&A 10 (A proposal to provide support to the IWC for technical assistance in reducing conflicts between cetaceans and marine resource users) be admitted under Agenda Item 7 (Other Matters). This was agreed and the agenda was adopted without further amendment (see Appendix 3).

3. ADMINISTRATIVE MATTERS

3.1 Annual Meeting Arrangements and Procedures

3.1.1 Need for a Technical Committee

The Chair reminded the Committee that no provision had been made for a Technical Committee to meet at Annual Meetings since IWC/51 in 1999. However, the Commission has agreed to keep the need for a Technical Committee under review. As last year, the F&A Committee Chair suggested it would be appropriate to maintain the current arrangement, i.e. to keep this item on the Agenda since the Technical Committee may have a role to play in the future.

3.1.2 The work of the ICG on matters relevant to the Scientific Committee

At IWC/62 in 2010 the Commission briefly reviewed the work of the Intersessional Correspondence Group on matters relevant to the Scientific Committee. The Group had looked at several issues, including the possible separation of the Scientific Committee meeting from that of the Commission. Given the lack of clarity that existed at that time on the dates and location for IWC/63 the Chair proposed that a fuller discussion of the work of the ICG, and especially on separation of meetings, be scheduled to take place at IWC/63 instead.

The Chair introduced IWC/63/F&A 7 which described options for separating the meetings of the Scientific Committee and the Commission. The paper summarised the perceived benefits of separating the meetings of the Scientific Committee and Commission which were (1) to allow time to develop an Executive Summary to the Scientific Committee report and (2) to allow more time for Contracting Governments to consider the report of the Scientific Committee before the Commission meeting commenced. The Chair noted that the offer from the Government of Panama to host the 2012 meeting was for one continuous meeting period to include the Scientific Committee, Commission Sub-groups and the Commission plenary. Thus any potential separation may best take place from 2013 onwards. The Chair also noted that a change to the timing of the Commission's financial year may be appropriate. The current financial year closes on 31 August, and a separation of the meetings may require the Commission to meet after this date and therefore to approve a budget for the financial year that had already commenced. A change of financial year dates to become simultaneous with the calendar year may be appropriate.

Denmark recognised that it was a normal practice in resource management organisations to have a period of separation between the scientific advisory committee and the commission meetings. They therefore supported a

separation of the meetings of the IWC Scientific Committee and the Commission. The UK also recognised the advantages in separating the meetings and suggested the period be at least 100 days so as to allow Contracting Governments to submit material to Commission ahead of the 60 day deadline. In regards to timing, Japan noted that holding the Scientific Committee meeting in late May/early June allows scientists to avoid other teaching and fieldwork commitments. Mexico, South Africa, Palau, Germany, Sweden, New Zealand, Korea, Argentina, USA, Netherlands, Brazil, Switzerland, France were all supportive of separating the meetings of the Scientific Committee from the Commission.

Japan noted that under the Scientific Committee's current rules of procedure its report is confidential until the opening session of the Commission plenary. It suggested that if this rule is to remain in place it may require strengthening otherwise there is a risk that with the separation the rule may become superficial and ineffective. Sweden, Argentina, USA, Netherlands, Brazil, Mexico, Switzerland, France all considered that the rule was archaic and no longer necessary.

The Chair of the Scientific Committee did not foresee any problems in separating the meetings but noted the potential for other scientific analyses to be performed in the break which would not be reviewed by the Committee. She noted that it may be necessary to establish a rule of procedure to ensure all scientific analysis presented to the Commission was first reviewed by the Scientific Committee.

Referring to the wider work of the ICG, Australia recorded its support for the work of the group and in particular mechanisms to improve the knowledge and technical ability of scientists from countries where cetacean research is in its infancy. In this regard, Australia welcomed the proposal by the ICG to conduct a review of the system for inviting participants to the Scientific Committee. Australia also suggested the development of a process for periodic review of the activities of the Scientific Committee to ensure it remains aligned with the Commission's priorities.

Conclusion

The Chair concluded that the unplanned trial run that had occurred this year (with the Scientific Committee meeting in Norway and the Commission in Jersey) had been successful but that there had not been enough time between the meetings. Noting that the best time for the Scientific Committee was in late May / early June, the Chair commented that the separation period should be 100 days or longer. She also noted the strong arguments that the rule of confidentiality applied to the Scientific Committee's report should be removed. Finally the Chair noted that the change to the Commission's financial year would be possible, and that the Committee **recommends**, in principle, separation of the meetings. Item 3.3 included further consideration of the changes to the Commission's rules of procedure concerning confidentiality.

3.1.3 Frequency of Commission meetings

The Secretary introduced IWC/63/F&A 6 so as to support discussion on the frequency of Commission meetings. This paper noted that in previous discussions three reasons had been proposed for reducing the frequency with which the Commission meets, these being: (1) cost savings to the Commission; (2) cost savings to individual Contracting Governments in attending Commission meetings and (3) the opportunity for a greater focus on specialist intersessional work.

The United Kingdom was open to the idea to change to biennial meetings so long as it was not to the detriment of the work of the IWC. It suggested that the Scientific Committee and the Conservation Committee may still need to meet annually. It noted that IWC/63/F&A 6 identified only moderate cost savings, but also recognised the savings to Contracting Governments in both money and time. Denmark also favoured biennial meetings, provided that Aboriginal Subsistence Whaling (ASW) catch quotas were set on a 6 year cycle rather than the current 5 year cycle. Switzerland, Australia, Sweden, USA, New Zealand, Korea, Japan, Brazil, France, Iceland, Mexico, Belgium and Austria all supported a move to biennial meetings, with some nations also suggesting that the Conservation Committee should continue to meet on an annual basis, perhaps co-located with the Scientific Committee meeting. A number of other concerns were raised, including the need to set a two year budget, the possible need to establish a standing committee, and the requirement to update any rules of procedure which related to the frequency of meetings. On the issue of cost savings, Japan suggested a method be worked out whereby the savings which were made were shared equally between the host government and the IWC. Austria noted the opportunity for other savings at annual meetings, especially relating to the costs of refreshments, in freight charges and in paper usage.

Conclusion

The Chair noted the general support for a move to biennial meetings after IWC/64 in 2012 and the setting of ASW quotas for a period of 6 years. She also noted the need for a mechanism to share the cost savings between the Commission and host country, and the general level of support for a standing committee with limited powers. Accordingly the Chair suggested that a small group (to consist of the Chair of F&A, the USA, Germany, Japan,

Denmark and Brazil) be established to prepare a short document for plenary on actions to be taken ahead of IWC/64 to permit a move to biennial meetings from 2012 onwards.

3.2 Website

3.2.1 Secretariat report

Introduction by the Secretariat

The Secretariat reported on two issues: (1) progress with the partial translation of the Commission's website; and (2) progress with the construction of the new website.

Translation

At IWC/62 the Secretariat reported that the 15 most popular pages of the IWC website had been translated into French and two pages had been translated into Spanish. The ship strikes page and the Future of the Commission page were also added to the list that require translation and these are due to be completed by the end of IWC/63. In addition the French translations of the original 15 pages have been updated. To date five of the priority 15 pages have been translated into Spanish and the remainder are being translated during IWC/63.

The Secretariat noted that a move to a fully trilingual site as requested at IWC/61 will require a significant amount of translation work comprising at least 200 pages of varying length in each of the two languages, which at the current rate would cost between £50,000 and £60,000. With the current resources and funding at the Secretariat's disposal the site would remain as it is with the 17 priority pages translated and the rest of the site machine translated. However, if funding was made available, the Secretariat envisaged that the site could be fully trilingual by 2013.

Website rebuild

The new IWC website is currently under construction. The design and functionality have been finalised and the migration of information is underway. The migration will be complete by IWC/64 at which time the old site will be removed although the web address URLs will remain the same. The Secretariat will notify all parties as soon as the site goes live and would welcome feedback at that time. At the meeting in 2012 there will be an opportunity to demonstrate the new site in its entirety to interested parties or the F&A Committee.

The Secretariat briefly demonstrated a few pages from the new web-site and commented that the new design was chosen to improve clarity and ease of access to information and documents. The site was built using a Content Management System platform, further details of which are available upon request.

The Secretariat has also improved the hosting of the site in order to avoid any outages during busy periods and to cope with the increasing popularity of the site as reported at IWC/62 last year.

Further to the existing content, the new site will contain two extranets for both Member Governments and the Scientific Committee. These private areas are designed to focus on areas pertinent to both parties and will not be accessible to members of the public as they will require a login.

The new site has scope for collaborative tools and further plug-ins to improve usability. This would include items such as on-the-fly document collation, E-Commerce solutions for IWC publications and integration with online database portals such as those for ship strikes, national progress reports, online submission and review for the Journal of Cetacean Research and Management and others currently under discussion by the SC.

In the future part of the site will be dedicated to helping school children access issues and information from the Commission in a concise and interactive way. It is expected that this will assist the education of future generations from around the world.

Ultimately all historical IWC-related documents will be made available on the website as a matter of course, so the site will become a living archive.

The Secretariat noted that it would welcome feedback and suggestions from delegates as to the content of the IWC website to help make it as useful and usable as possible to all parties.

3.2.2 F&A Committee discussions and recommendations

Mexico, USA, South Africa, Belgium and UK congratulated the Secretariat on its work in relation to the new web-site. Mexico particularly welcomed the addition of a dedicated part for children.

South Africa asked if the verbatim transcripts of the plenary sessions and Contracting Government opening statements from 1949 onwards would be added to the web-site and the Secretariat agreed that a considerable amount of text archives would be added together with the last 6 years of audio MP3 format records. Belgium enquired as to

the proposals for the password protected pages and requested that circular communications from the Secretariat together with Commissioner contact details are placed in this section. The Secretariat responded that it had not been agreed if the Government portal would be protected with a single password or individual passwords for each Government. The UK noted that they would prefer that the minimum amount of material to be placed on the Contracting Government section as all information should generally be publicly accessible.

The USA requested that a Beta version of the web-site be made available to Contracting Governments prior to IWC/64 in 2012 and Belgium also requested a document outlining the proposed changes. The Secretariat agreed to provide these.

3.3 Review of Rules of Procedure

3.3.1 Secretariat's Review of IWC Rules and Procedures

The Secretary introduced IWC/63/F&A 3Rev. This was prepared following the Commission's endorsement at IWC/62 in 2010 of an F&A Committee recommendation that the Secretary review the Commission's rules and procedures, including its financial rules and procedures, in comparison with other intergovernmental organisations. The paper identified four areas for review, these being (1) NGO participation, (2) support for developing countries attending IWC meetings, (3) facilitating decision making at IWC and (4) changes to the way the Secretariat receives cash payments. The paper compared the practices of 14 other intergovernmental organisations with those of the IWC in regards to NGO participation and support for developing countries.

3.3.2 United Kingdom proposals for improving the effectiveness of operations within the International Whaling Commission

The United Kingdom introduced IWC/63/F&A 4 which described a package of measures intended to help the IWC operate in an effective way which was comparable with practice in other international conventions. Specifically, the review examined five areas, these being: (1) the relationship between contracting governments and the relationship between contracting governments and the Secretariat; (2) financial matters including the payment of membership dues; (3) procedures for adopting, recording and announcing IWC decisions; (4) procedures relating to the use of Scientific advice by the Commission; and (5) participation by observers. The measures introduced in IWC/63/F&A 4 were intended to provide an overall package which would help improve effectiveness. The paper also included a proposal for a draft Commission Resolution. The UK explained that such a resolution would send a political message to the outside world about the Commission's desire to improve its operating procedures and would avoid piecemeal changes to the rules of procedure.

The individual issues raised under items 3.3.1 and 3.3.2 were then examined in greater detail.

Non-governmental organisation participation

IWC/63/F&A 3Rev reviewed several areas of IWC practice relevant to NGO observers but focused particularly on the IWC's use of a dedicated NGO session to allow speaking rights at plenary meetings. The review identified several concerns with this practice including: (1) that when observers speak as part of the 'NGO session' they do not speak to a pre-determined agenda item and so interventions can lack structure; (2) Contracting Governments are not easily able to respond to claims or comments made during the NGO session and (3) it is often difficult to achieve an appropriate balance of observers. In comparing IWC practice with those of other intergovernmental organisations the review showed that the use of a dedicated NGO session was unique to IWC. Instead all other IGOs contacted allowed NGOs to speak during plenary at the discretion of the Chair. In reality this meant that NGOs were only called to speak after all Contracting Governments and providing there was time available.

Further to this, document IWC/63/F&A 4 also recorded that under current IWC practice NGO observers were precluded from contributing to specific discussions. It noted that the majority of intergovernmental organisations allow observers to speak, at the invitation of the Chair, but within the same session as the debate is conducted. Accordingly it proposed that the Rules of Debate be clarified so as to allow for the participation of observers at the invitation of the Chair in the same sessions as substantive agenda items are discussed.

The USA described its support for the active and productive participation of NGOs and noted its support for inviting observers to speak to specific agenda items. Mexico reflected the view of the Buenos Aires Group of countries and supported greater participation for observers both in writing and verbally. Argentina, France, Germany, New Zealand, Brazil, Netherlands, Switzerland, Chile and Sweden all supported this view. New Zealand also noted the importance of trying to achieve consensus at this session, including on this issue. South Africa asked whether further trials may be possible based around introducing a structure into the NGO session (i.e. asking observers to speak to agenda items as an integral part of the session). Of these countries a smaller number including UK, New Zealand and USA also supported opening the F&A and Budgetary Sub-committee to observers (on the premise that the Chair could go to closed session when necessary).

Japan recognised the difficulties in integrating NGO observers into the IWC and noted that the NGO session was developed as a trial a few years ago. Accordingly Japan suggested it was now appropriate to review that trial, especially given the problems which had been described. It proposed listing the issues encountered during the trial period, understanding the lessons learned and identifying positive areas for improvement.

Denmark, supported by Iceland, Norway and Palau reflected that there were clear reasons why practice with regard to NGOs at IWC differed from practice at other organisations. It indicated that it could not accept observers having a similar level of speaking rights to Contracting Governments, and suggested instead a re-examination of the current system to see if it could be extended, or possibly broadened so as to allow greater opportunity for NGOs to be heard within the 'NGO session'. In its view, this would allow the IWC to learn by trial in a gradual and progressive way.

The Chair recognised that while some countries supported NGOs being able to speak during the debate on substantive agenda items and that others had concerns with this proposal. Recognising the difficulties of the current situation the Chair urged the UK to reconsider their proposal in the light of the debate and make alternative suggestions to the Commission meeting.

Financial support for the participation of developing countries

IWC/63/F&A 3Rev recorded that the IWC's approach to funding developing country attendance is governed by Article 3(5) of the ICRW. However during the 'Future of the IWC' process the IWC recognised the importance of providing financial assistance to developing countries taking part in the extra meetings undertaken by the Small Working Group, and an interim procedure was developed to distribute voluntary funds.

In reviewing the practices of 15 other intergovernmental organisations the review noted that many of the organisations contacted were in the process of either considering or introducing mechanisms to support developing country participation. The review showed that amongst the different organisations a variety of approaches were being developed which included: (1) the use of voluntary contributions to support developing country participation (often such schemes were administered by the Secretariat); (2) use of central budget funding to support developing country participation; and (3) the absence of funding provision for regular meetings (this can be considered as an integral cost of adhering to a Convention), but instead providing travel and *per diem* expenses for attending certain special events. Given the diversity of approaches and also the limitations of Article 3(5) IWC/63/F&A 3Rev suggested it may be appropriate to establish a working group to report to IWC/64 in 2012 on potential ways forward.

The UK agreed with the proposal outlined in IWC/63/F&A 3Rev and suggested the Secretariat report to IWC/64 with appropriate options for developing country funding provision. Australia supported the provision of funding for developing countries but recognised that Article 3(5) required careful consideration. New Zealand noted there may be ways consistent with Article 3(5) that would enable financial assistance for developing country participants. Palau commented that it would prefer to see funding supplied to developing countries for attendance during the Commission's extra activities, including for example work on small cetaceans. It noted that funding for such events would not be restricted under Article 3(5). The Chair requested the Secretary to undertake further work on funding for developing countries ahead of IWC/64 in 2012. This was **endorsed** by the Committee.

Facilitating decision making

IWC/63/F&A3Rev noted that the Commission has clear procedures in place for decision making by voting. However the Commission has recently committed itself to making every effort to reach its decisions by consensus. Following one recent consensus decision some Commissioners commented that they would find it helpful if, before finally reaching consensus (or, if not possible, voting), that the final proposal as modified during the debate could be placed before them in writing.

Recognising that the distribution of papers takes time and has the potential to delay the decision making process IWC/63/F&A 3Rev suggested that minor text changes to proposed consensus decisions be made available via projection screens in the meeting room.

IWC/63/F&A 4 also addressed IWC procedures for recording and announcing decisions. It proposed a series of reforms to enhance transparency as follows: (1) the initial drafts of all decisions to be taken at a Commission meeting be circulated at least one day before a decision is reached; (2) Commission decisions would only be considered adopted when the final text had been circulated and approved by plenary (this procedure also applying to endorsement of subsidiary body recommendations which required action or other commitment from the Commission) and (3) the final report of each Commission meeting to be completed within two months of the end of each meeting.

Sweden recognised the necessity of clear decision making and suggested that the Commission should use English as the official language for the text of decisions. Mexico and France suggested that while English should indeed be the

official language, that it was important for translations of the key parts of the text to be provided in the other working languages (French and Spanish) so as to ensure the maximum level of understanding. The UK recognised that the objective should be to have all three languages, but that English should be considered the Commission's official language.

In principle, New Zealand supported draft decisions being circulated 24 hours in advance but stressed the need for flexibility and that rules should not be overly prescriptive.

Japan noted that on screen projection of proposed text changes would be helpful, but that it would still prefer to have a written version for decisions relating to Rules of Procedure changes, Resolutions or Schedule amendments.

The Chair noted the general support for having the text of proposed decisions circulated in advance, but that this should be a flexible requirement. She also noted the support for on screen tracking of minor changes, the requirement for text copies of principle decisions and the use of English as the official language with translations to be provided where possible. The Secretariat was requested to draft further wording with support from New Zealand.

Proposal for changing the way the Secretariat receives payments

IWC/63/F&A 3Rev introduced a proposal to modify the Financial Regulations so that the Secretariat would no longer be required to accept Contracting Government Financial Contribution payments in cash. Additionally IWC/63/F&A 4 proposed a number of financial reforms as follows: (1) the rule that payments should be received the day before the start of the meeting be applied to new members; (2) payments would be by bank transfer from an account belonging to the state or a state institution (cash payments would no longer be accepted); (3) financial regulations should require the audited accounts to be placed on the Commission's website; (4) meetings of the F&A Committee should be open to observers unless decided otherwise so as to deal with private matters and (5) meetings of the Budgetary Sub-committee should be open to observers who express a willingness to make voluntary financial contributions.

In commenting on the use of cash payments Japan suggested there may sometimes be cases where countries may need to use cash due to delays in bank transfers. In view of this it may be beneficial to consider the possibility of ending cash payments except by prior arrangement with the Secretary. New Zealand referred to the importance of resolving the issue of the use of cash. It noted the IWC has been criticised in the past for this practice, and that it would like to minimise the potential for further criticism. Mexico agreed with New Zealand and was concerned about the establishment of a method for cash payment by prior arrangement as it may result in the same amount of cash being received by the Secretariat. Australia and Norway supported the need for transparency in payments. The USA suggested that a middle ground may be to end cash payments but to still accept cheques, and the Chair concluded there was a general emerging view that payments by bank transfer were acceptable and that cash should only be used in exceptional circumstances or by prior agreement with the Chair of the Commission.

In relation to opening the F&A Committee and Budgetary Sub-committee to observers Norway, Iceland and Japan referred to their previous comments on observers and considered it would be better to keep the meetings closed.

Conclusion

The Chair requested that a small group of countries that had expressed an interest discuss the use of cash payments ahead of plenary so that a proposal could be made to plenary on this important issue.

There was general approval that the audited financial statements should be placed on the Commission's website.

Relations between Contracting Governments and the IWC

The UK referred to Section 1 of IWC/63/F&A 4 which described four possible improvements to the relationships between Contracting Governments and between Contracting Governments and the IWC Secretariat. These were as follows: (1) The opportunity for member governments to designate an additional point of contact (e.g. an Alternate Commissioner); (2) All circular communications from the IWC Chair or Secretary to be sent to both Commissioner and Alternate Commissioner; (3) circular communications should also be sent to observers and posted on the Commission's website (excluding confidential material) and (4) all IWC meeting papers to be archived on the IWC website.

In relation to the first of the proposed improvements (the opportunity to designate an additional point of contact) the UK indicated that it had heard the views of other Contracting Governments in the run up to the meeting. Accordingly it now suggested there should be flexibility and therefore an option either for the designation of an alternate commissioner or for the creation of a focal or contact point.

Australia, Belgium, Mexico and Palau all supported the proposals as amended by the UK. In relation to the posting of circulars on the Commission's website Japan suggested it would be useful to develop criteria on which material would remain confidential under the UK's proposal. Switzerland suggested that the confidential material should include any allegations of infractions which had not yet been submitted to the Infractions Sub-committee.

Conclusion

The Chair noted the general support for the proposals as amended by the UK (i.e. that designation of a second governmental contact point be optional), and suggested that the two categories of Circular Communication which would remain confidential would be: (1) those relating to staff issues and (2) those relating to infractions which had not yet been submitted to the Infractions Sub-committee.

Transparency of Scientific advice

The UK referred to Section 4 of IWC/63/F&A 4 which recognised the important role of science in IWC decisions and accordingly proposed that all scientific analyses to be used for decisions of the Commission would first be reviewed by the Scientific Committee before they could be considered by the Commission plenary. Additionally, a part of the proposed Resolution contained within IWC/63/F&A 4 requested the Scientific Committee to review its operations and rules of procedure with respect to enhancing transparency and verifiability of its advice.

The Chair recalled that the Committee's earlier discussions on separating the meetings of the Scientific Committee from the Commission had noted the requirement to develop a procedure to ensure that additional scientific analyses performed in the intersessional period would be first referred to the Scientific Committee for review before being considered by the Commission.

Japan asked for examples on which aspects of the Scientific Committee procedures required review. The Chair of the Scientific Committee referred to their standing agenda item on Working Methods of the Committee which already provided an annual opportunity to Scientific Committee members to review the Committee's practices. The UK clarified that the request to the Scientific Committee to review its practices was a part of the overall package it was promoting for the IWC to improve the effectiveness of its operations. Because the Scientific Committee represented an important component of the IWC decision making process it was necessary for the Committee to be included in the overall review process.

Italy confirmed that the Scientific Committee's current review process was both comprehensive and effective, and New Zealand expressed caution in making this request to the Scientific Committee as it implied discontent with their current practices. Instead it wondered if it may be appropriate to ask the Chair of the Scientific Committee to report back on their on-going reviews to see if there were any aspects the Commission could help with in the light of its own review. The Chair of the Scientific Committee confirmed she would make a full report of the Committee's ongoing review process to the Commission.

Proposed Resolution on effectiveness of operations within the IWC

The Chair reviewed the outcome of the discussions on the above items and encouraged the UK to develop a form of wording to incorporate the different views which had been expressed. She urged the UK to take account of these discussions in placing the Resolution before plenary.

3.4 Carbon-neutral study

The Secretary introduced IWC/63/F&A 5 on carbon neutrality. This paper used the generally accepted definition of carbon neutrality as living or operating in a way that produces no net carbon emissions. Moving to a climate neutral way of working requires the organisation to measure the amount of carbon it is emitting, to reduce these as far as possible and then to subscribe to a carbon offsetting scheme to neutralise the remaining emissions.

The paper noted that the Secretariat had, for several years, been implementing a number of operational improvements intended to result in lower financial cost and/or lower carbon emissions without causing an adverse effect on the services provided. One of these improvements was to promote a reduction in paper usage which had resulted in a considerable paper (and also financial and carbon) saving. In turn, this has the potential to result in greater reductions in freight, copier and staff charges.

The paper also reviewed the work of the Convention on Biological Diversity and a wider range of United Nations agencies to measure and report on their carbon emissions. This was achieved using the freely available Greenhouse Gas Protocol and Tools, and showed that most direct emissions resulted from the use of air transport, vehicles and building heating and lighting. Accordingly the paper concluded that the IWC would also be able to report on its carbon emissions using the same tools. However discussion would be required on the type and cost of any offsetting scheme to be used.

The paper recommended two next steps, these being: (1) to commence reporting of carbon emissions and discussion of the steps required to offset them; or (2) to continue, or strengthen the current informal policy of continuous improvement aimed at delivering both financial and carbon savings.

Switzerland noted its support for this study and said that the organisation should strive to become carbon neutral. Switzerland also recognised that the costs incurred with a carbon neutral Secretariat must be factored-in with the budget proposal. This would mean that the relevant sub-items would have to be reviewed to incorporate the additional cost for the carbon neutrality (office supply, staff travel, procurement of electricity, heating-gas etc.) and adjusted for cases where 'green procurement' leads to additional costs,. This exercise could result in a small increase of the budget.

New Zealand said there was a need to be careful about imposing carbon offset charges based on distance travelled as this could impact unfairly on southern hemisphere countries. Instead it urged delegations to take their own steps to reduce carbon footprints. Belgium concurred with the content of the paper but asked if the Secretariat has considered using recycled paper. In response the Secretary agreed that the Secretariat would start to source recycled paper, and the Chair commented that other savings should be possible relating to the costs of shipping freight. Recognising this, the Secretary proposed to present a report to IWC/64 on options for the Commission and Scientific Committee to move to a paper free way of working.

4. FORMULA FOR CALCULATING CONTRIBUTIONS AND RELATED MATTERS

The Chair of F&A noted that the formula for calculating Financial Contributions (otherwise known as the Interim Measure) had been in place for several years now. This agenda item gives an opportunity for any comments to be received regarding the operation of the procedure.

No comments were received.

5. REPORT OF THE INTERSESSIONAL CORRESPONDENCE GROUP ON STRENGTHENING IWC FINANCING

5.1 Report of the ICG on strengthening IWC Financing

At IWC/62 in 2010, the Commission had endorsed Belgium's proposal for a small group to develop proposals for strengthening the funding of conservation with a view to striking a balance between funding for conservation and funding for management of whaling. The Chair of the Intersessional Correspondence Group (ICG) reported on progress made since IWC/62.

He noted that its Terms of Reference included an examination of ways to integrate conservation funding into the overall budget and a consideration of both core budget and voluntary funding;

He further noted that there was no intention to increase Financial Contributions of Contracting Governments.

There had been consultations with countries holding a spectrum of views along with the Secretariat. The conclusion of the members of the ICG was that there was insufficient funding available for conservation projects.

ICG general comment on IWC funding

Currently, annual Financial Contributions from Contracting Governments and voluntary contributions are used to finance research and conservation projects and actions. The ICG does not consider these sufficient to face the increasing threats to whale populations and assist an organisation in a process of change. It suggested that new funding that could benefit the Scientific Committee, the Conservation Committee or other (sub)-committees could become available from international financing mechanisms and partnerships with relevant international organisations, and from philanthropic organisations and agencies; the industry sector is also to be further considered as a source of funding

ICG comments on voluntary funding of conservation and conservation-related research

Voluntary contributions from Contracting Governments or NGOs become either part of the General Fund or the Research Fund, or are earmarked in special Funds (Small Cetaceans Fund). Contributions can be either in-money or in-kind. The ICG estimated that contributions received from Contracting Governments since 1999 were in excess of £1m. In addition to which over £300k had been contributed to the Small Cetaceans Fund and £21k by NGOs. The money came from no more than 15 members and Australia's two recent major contributions made up nearly 40% of the total.

ICG comments on external funding

The ICG Chair noted that the Commission has limited resources to fund scientific and conservation work, and certain priority areas for some members continue to receive little or no funding. Consideration should therefore also be given to contributions from sources external to the IWC, subject to conditions established in the Financial Regulations.

At IWC/56, Mexico introduced Resolution 2004-5 on Possible Synergies with the Global Environment Facility (GEF), which “directed the Secretariat to establish high level contact with the Secretariat of the Global Environment Facility and to explore possible synergies and their possible utility of the GEF to the IWC, and investigate, inter alia, possible avenues for the utilization of GEF funding for IWC-related projects”. In April 2005, the Secretariat sent a letter to the GEF CEO; the then GEF Coordination Unit subsequently participated to an information exchange. The outcome of these contacts is that while projects are country driven, the GEF also promotes global and regional projects. The GEF invited the submission of concept notes highlighting activities that the IWC wishes to submit to the GEF through UNEP. No concept notes were submitted

Apart from the GEF, there are other international financial institutions and bilateral agencies which could be explored by the IWC for project (co)-financing. In this regard, the IWC, due to its relative isolation in the international arena, has not established links with contemporary models for financing conservation.

Regarding the sector of philanthropic organizations, the IWC could not only collaborate to get funding, but could also partner with international environmental foundations grantees to conduct joint projects.

Finally, the ICG noted that the industry sector had recently become involved in funding IWC-related projects. For example, Exxon Neftegas Ltd. and, through IUCN, Sakhalin Energy provided funding via the IWC for a telemetry project that was an action recommended under the western grey whale conservation management plan developed by IUCN and IWC. Those companies also fund monitoring work on western gray whales independently of IWC.

The ICG Chair noted that funds from external sources will not necessarily go into the IWC budget; instead, the IWC would play a role of guidance and facilitation by providing its endorsement to projects.

ICG comments on budgeting in other international organizations

The ICG reported that the practice in other international organizations reveals that it is increasingly common to divide budgets into sections. It therefore suggested the division of the Commission budget into two sections: an administrative section and a whale conservation and whaling management activities section.

The ICG noted that in the IWC financial statements (see Table 1A in document IWC/63/5) the Secretariat’s costs, are not broken down to reflect the Secretariat’s contribution to the different areas of activity. At some stage the ICG considers that it may become necessary to allocate the Secretariat budget (at least approximately) to the various activity areas. Conventions sponsored by the United Nations and UNEP break down their costs in this way and some, including the Basel, Rotterdam and Stockholm Conventions, have activity-based budgets.

The ICG view was that changes to the budget structure and operations would not require amendments to the Financial Regulations.

5.2 Committee discussion and recommendations

The ICG was congratulated for its valuable work. Australia reported that it was working with the Chair of the ICG to see if it could provide assistance towards the employment of a fundraising expert to assist the Commission’s efforts in locating funding for conservation work. There was general support by many countries for the pursuit of external funding as long as the areas needing finance were clearly identified beforehand. Several countries expressed their concerns that: (1) control and use of any external funds received should be clearly held by the IWC and that priorities should be clearly stated; (2) that balance should be applied to the use of any new funds to reflect the spectrum of interests within the organisation, noting particularly that the Technical Committee had not met since 1998 and would not be in a position to guide the allocation of funds to work on matters related to management of whaling; and (3) how projects that might be relevant to the Scientific Committee and the Conservation Committee might be managed and funded. The ICG Chair acknowledged that the split of work might not be clear in some cases and that this issue requires further work by the ICG. He also referred to the possible establishment of joint steering groups as discussed at the Scientific Committee meeting, to assist on the matter.

The ICG Chair proposed the following Terms of Reference for the group to continue its work during the forthcoming year:

- continue work on Terms of Reference 1 and 2 of the previous ICG which were: (1) to examine ways on how to integrate conservation funding into the overall budget and (2) to consider both core and voluntary funding
- consider the establishment of a Trust Fund for conservation and management to receive any external money secured.
- develop a reporting mechanism for new funding
- propose eligibility criteria to allocate funding to projects
- further define the relationships between the Scientific Committee and the Conservation Committee in relation with funding
- draft a profile or profiles, as appropriate, for a fund raising specialist
- report to the F & A Committee at IWC/64 in 2012

Conclusion

The Chair recognised the general support for the work of the ICG. The Committee **agrees** that the work of the ICG should continue subject to the updated Terms of Reference shown above. The Chair noted the need for *inter alia* a clear set of priorities for projects to be considered for external funding and a formal review process. She encouraged other Contracting Governments to join the ICG work.

5.3 Proposal for the addition of a standing item on fund-raising to the F&A Committee Agenda

The Chair noted the general level of support for seeing external funding during the discussions on Item 5.1 and recognised that this work would be taken forward by the ICG. New Zealand said it was under financial constraints and its willingness to contribute additional funds was circumscribed particularly as the IWC appeared to be unable to resolve its difficulties in relation to whaling management and conservation. With this in mind it was necessary to prioritise work in order to remain within budget.

6. FINANCIAL STATEMENTS, BUDGETS AND OTHER MATTERS ADDRESSED BY THE BUDGETARY SUB-COMMITTEE

6.1 Review of provisional Financial Statements 2010.2011

6.1.1 Report of the Budgetary Sub-Committee

The Budgetary Sub-Committee BSC Chair reported that for 2010/11: (1) income matches budget; (2) expenditure is expected to be below budget by £22,000, (3) provisions are projected to be under budget by £6,000 leading to an overall projected surplus (before transfers between reserves) of £5,000. However if a provision for doubtful debts and cancelled Financial Contributions (as driven by Financial Regulations for non-payments exceeding 3 years) are included in the accounts, the result is a projected deficit in the order of £78,000, with reserves reduced to about 90% of the target level (6 months operating expenditure)

The BSC Chair noted the inclusion of provision for doubtful debts in the forecast out-turn. This provision is usually only included at the financial year end with reference to the auditors. The Secretariat suggested the inclusion of this provision in the out-turn and budget figures to provide a more sound basis for financial planning.

After discussion, the Committee **recommends:**

- (1) the provisional financial statements to the Commission subject to audit; and
- (2) that annual reports on the income and expenditure related to voluntary contributions be provided in future and associated expenditure might be useful in future years.

Considerable concern was expressed over the levels outstanding contributions. This is dealt with further under Item 6.1.2 and 6.2.3.

6.1.2 Secretary's report on the collection of Financial Contributions

The Secretariat reported that total debts of £ 477,000 were still outstanding from 25 Contracting Governments. This figure was considerably higher than in previous years and has a severe impact on Commission finances.

It was noted that contact with debtor Contracting Governments was made three to four times each year and that given the number of debtors, the inclusion of the provision for doubtful debt earlier in the year for planning purposes would be appropriate, as discussed above. The Secretariat also noted that it would welcome advice and assistance from Contracting Governments on how to improve the situation.

6.2 Consideration of the proposed budget for 2011/12, including the budget for the Scientific Programme and the forecast budget for 2012/13

6.2.1 Report of the Budgetary Sub-Committee

The BSC Chair noted that the proposed budget for 2011/12 required a 5.5% increase in Financial Contributions and the provisional 2012/13 budget required a 6.6% rise. A number of Contracting Governments had expressed the view that no increase in Financial Contributions was preferable and the Secretary was asked to find savings and to present alternative scenarios to be considered by the F&A Committee.

The BSC Chair noted the sub-committee recommended the rise in NGO Fees for 2011/12 to £550 for the first observer and £275 for each additional observer as well as a rise in Press Fees to £70.

All other matters were referred by the sub-committee to the F&A Committee for further consideration

6.2.2 Example budget scenarios

Having heard the report of the BSC, the Chair of F&A Committee invited the Secretariat to present the alternative budget scenarios requested by the BSC. Three scenarios were presented, along with example budgets as to how they might be met, as follows:

Scenario 1 - Budgets for 2011/12 & 2012/13 (as shown in IWC/63/5 rev) i.e. adjusted for inflation.

Scenario 2 - Expenditure held constant at 2010/11 levels

Scenario 3 - Financial Contributions held constant at 2010/11 levels

SCENARIO 1: BUDGET INCREASED TO ALLOW FOR INFLATION

This was the original scenario presented in IWC/63/5 rev. Expenditure was based on the budget for 2010/11 increased by UK inflation and where appropriate by other indices. Financial Contributions were shown to rise by 5.5% (or £92,000) in 2011/12 and 6.5% in 2012/13¹. Under this scenario, the average increase in contribution by economic group for the forthcoming year, 2011/12 would be:

Group 1: £350; Group 2: £650; Group 3: £1,300; Group 4: £3,400

SCENARIO 2: NO INCREASE IN TOTAL EXPENDITURE FROM THE 2010/11 LEVEL

Under this scenario the total expenditure for each of the years 2011/12 and 2012/13 is kept at the 2010/11 level. This time, provision has been made for both doubtful debts and cancellations. In practice, this would result in a total increase in contributions in 2011/12 of 2.6% or £42,000. It may be around 3.9% or £65,900 in the following year. This should be seen against the UK inflation rate of just over 5% i.e. it is an effective reduction in budget. The average increase in contribution by economic group for the forthcoming year, 2011/12 would be:

Group 1: £150; Group 2: £300; Group 3: £600; Group 4: £1,500

In order to achieve this scenario, in the example budget provided to illustrate the scenario the following were incorporated:

(1) Secretariat

- Staff pay frozen for the 2-year period
- One retiring staff member not replaced over the period
- Expenditure for building maintenance reduced
- Expenditure for consultancy, training and legal fees reduced.

(2) Meeting provisions only marginally increased from 2010/11 (£383,000 in 2011/12 and £373,000 the following year)

(3) Research expenditure only marginally increased from 2010/11 (£325,000 in 2011/12 and reducing to £317,000 the following year) – the reduced budget request by the Scientific Committee was £328,000 for 2011/12 (IWC/63/Rep1)

(4) The reserves are estimated to be at 91% of target in 2011/12 and 87% the following year

¹ Note that under this scenario, no account was taken of doubtful debts (financial contributions and associated interest remaining unpaid for up to 3 years) or financial contributions cancelled as per the regulations if a fourth year invoice was issued. The achievement of target reserve figures may therefore be optimistic.

The implications of this scenario are severe and for the example provided include a reduction in the full-time equivalent of 14 staff to 13. This, along with the reduction in fees for consultancy work and training will result in some tasks allocated to the Secretariat not being completed and/or some being completed later than expected.

In addition, unless member governments are prepared to host meetings, then the allocations within the example provided will be insufficient. However, the cost of a four week meeting in the UK would be at least £450,000. At the projected budget level, the scale and duration of annual meetings would therefore have to fall by 20% or more (e.g. by reducing the total meeting length by 5 or more days) if hosted by the Secretariat alone

SCENARIO 3: NO INCREASE IN INDIVIDUAL FINANCIAL CONTRIBUTIONS

Under this scenario individual country contributions for each of the years 2011/12 and 2012/13 are kept at the 2010/11 level² and the total budget is cut.

In order to achieve the target expenditure for this scenario, in the example budget provided to illustrate the scenario the following were incorporated:

- (1) Secretariat – cut as for scenario 2
- (2) Meeting provisions fall to £366,000 in 2011/12 and £277,000 the following year
- (3) Research expenditure reduced to £310,000 in 2011/12 and £277,000 the following year
- (4) The reserves are estimated to be at 92% of target in 2011/12 and 91% the following year

The implications of this scenario for the example provided are even more severe than for scenario 2. The cuts to the secretariat budget are as for scenario 2 and would result in some tasks allocated to the Secretariat not being completed and/or some being completed later than expected.

In terms of annual meetings, then without hosting the scale and duration of annual meetings would have to fall by over 25% (e.g. by reducing the total meeting length by 7 or more days) if hosted by the Secretariat alone.

Finally, the reductions in the research budget mean that the value would be well below the Scientific Committee's reduced budget for 2011/12 and even further reduced in 2012/13. This could severely impact the Committee's ability to achieve its priority tasks on time.

6.2.3 F&A Committee discussions and recommendations

There was considerable discussion of this issue within the Committee, which occurred in the context of the severe world economic situation. A number of points were raised including:

- concern over the implications for the Secretariat staff and the Secretariat's ability to fulfil all tasks under the examples provided to meet scenarios 2 and 3;
- recognition of cuts in staff and pay in many member countries;
- concern over the severe impacts of the research budget in the example provided under Scenario 3 including the Committee's ability to provide requested advice in a timely fashion;
- recognition of the potentially severe meeting budget implications if governments do not offer to host meetings, especially under scenario 3;
- concern over the issue of non-payments which had a major impact on the budget, including a worry that provision for bad debts may encourage payment deferrals;
- recognition that given the UK rate of inflation, both scenarios 2 and 3 represented an effective cut in the IWC budget.

In the initial discussions, each of the scenarios 1-3 received some support. However, given the very severe implications of the example given for scenario 3 for the Commission's work, especially with respect to the research budget, and noting that scenario 2 also involved an effective cut in the IWC budget, the Committee **recommends** to the Commission budget scenario 2 i.e. no increase in total expenditure.

The Committee also stressed the importance of continued examination of savings that could be brought about by changes in the Commission's working practices. It also emphasised that an important component of the current financial circumstances of the Commission was due to non-payment or late-payment. It **recommends** that all Contracting Governments make every effort to pay their dues and pay them promptly. It **encourages** the Secretariat to strengthen its efforts to obtain outstanding payments, including writing directly to finance ministries and, where appropriate visiting embassies.

² In fact, the 2011/12 and 2012/13 figures are slightly higher than 2010/11 as they contain the full year Financial Contribution of the new member joining in 2010/11. For 2010/11, only 50% of the annual fee was charged to the new member joining in the second half of the financial year. This time, provision has been made for both doubtful debts and cancellations.

6.3 Other

6.3.1 Budgetary Sub-committee operations

Andrea Nouak announced the end of her 3-year term as Chair of the BSC. The current Vice-Chair, Martin Krebs agreed to take on the post of Chair. The Committee thanked the outgoing Chair for her hard work over the last three years and congratulated the new Chair.

There is now a vacancy for both Vice-Chair and for a, Open Seat. It was agreed that the Secretariat should make inquiries amongst Contracting Governments for representatives on this important sub-committee.

7. OTHER MATTERS

Proposal to provide support to the International Whaling Commission (IWC) for technical assistance in reducing conflicts between cetaceans and marine resource users

The USA introduced document IWC/63/F&A 10 on providing support and technical assistance to the IWC. The document recognised that that some of the activities previously endorsed by the Commission, and those raised elsewhere aimed at improving the work of the Commission, may have implications for the work and expertise within the Secretariat and that such implications should be assessed. In particular, proposed intersessional work is likely to require an increase in burden on the Secretariat.

In order to facilitate follow-up work from certain initiatives endorsed by the Commission, the USA proposed that an expert in providing technical assistance in reducing conflicts between cetaceans and marine resource users will temporarily assist the Secretariat. In addition, by formally putting a technical expert on detail to the IWC it would allow for desired IWC representation and increased coordination with other organisations at no extra cost to the Commission. In one year of work, this individual will work with the Secretariat to produce specific deliverables that will help move the Commission forward in a number of areas where the Commission has identified the need for coordination between Committees, successful implementation of IWC endorsed initiatives, or assistance on projects to be housed within the Secretariat. This will benefit the work of the Secretariat, and therefore the Commission by:

- advancing work associated with the entanglement of large whales;
- furthering desired work on the IWC ship strike database;
- assisting in IWC representation at other international organizations or IWC endorsed events

The USA recommended that an appropriate technical expert would be David Matilla.

Many countries expressed their strong support for this initiative and commended the USA. The Committee **recommends** that the Commission endorse the proposal outlined in IWC/63/F&A 10.

8. ADOPTION OF REPORT

The report was adopted 'by post' on 11 July 2011.

Appendix 1

List of Participants

ARGENTINA

Miguel Iniguez

AUSTRIA

Andrea Nouak
Michael Stachowitsch

AUSTRALIA

Donna Petrachenko
Peter Komidar
Pam Eiser
Stephanie Ierino

BELGIUM

Alexandre de Lichtervelde
Fabian Ritter
Els Vermeulen

BRAZIL

Marcos Pinta Gama

CHILE

Barbara Galletti

DENMARK

Ole Samsing
Nette Levermann

FINLAND

Penina Blankett

FRANCE

Jean-Philippe Gavois
Martine Bigan

GERMANY

Walter Duebner

ICELAND

Asta Einarsdottir

ITALY

Caterina Fortuna

JAPAN

Kenji Kagawa
Joji Morishita
Shinji Hiruma
Dan Goodman
Toshinori Uoya
Akiko Muramoto
Satoshi Kuwahara

KOREA

Dae Yeon Moon
Kab Yong-Jeong

LUXEMBOURG

Pierre Gallego

MEXICO

Lorenzo Rojas-Bracho

NETHERLANDS

Peter Bos

NEW ZEALAND

Andrew Bignell
Caroline McDonald
Karena Lyons
Louise Chilvers

NORWAY

Ole-David Stenseth
Einar Tallaksen
Hild Ynessdal

PALAU

Victorio Uherbelau

SOUTH AFRICA

Herman Oosthuizen
Ed Couzens

SPAIN

Santiago Lens

SWEDEN

Bo Fernholm

SWITZERLAND

Martin Krebs

UK

Richard Pullen
James Gray
Trevor Perfect
Jolyon Thomson
Anju Sharda
Jenny Lonsdale
Mark Simmonds
Vassili Papastravrou

USA

Roger Eckert
Lisa Phelps
Ryan Wulff
Mike Gosliner
Taryn Kiekov

SC CHAIR

Debbie Palka

SECRETARIAT

Simon Brockington
Sean Moran
Greg Donovan
Sandra Holdsworth
Mark Tandy

Appendix 2

List of Documents

	Agenda item
IWC/63/F&A 1Rev Revised Draft Agenda	
2 List of Documents	
3Rev Review of IWC Rules of Procedure (submitted by Secretariat)	3.3.1
4 Proposals for Improving the effectiveness of operations within the International Whaling Commission (IWC) (submitted by the United Kingdom)	3.3.2
5 The feasibility and associated costs of off-setting the carbon emissions arising from the operation of the secretariat and IWC meetings (submitted by Secretariat)	3.4
6 Discussion paper on IWC meeting frequency (submitted by Secretariat)	3.1.3
7 Options for separating the meetings of the Scientific Committee and the Commission (Submitted by the Secretariat)	3.1.2
8 ICG report on Strengthening IWC funding (submitted by Belgium)	5.1
9 Scientific Committee Invited Participants 2011	7
10 Proposal to provide support to the International Whaling Commission (IWC) for technical assistance in reducing conflicts between cetaceans and marine resource users (Submitted by the USA)	7
11 Secretary's report on the collection of Financial Contributions for 2010-2011	5.1
12 Report of the Budgetary Sub-Committee	6
 Commission Documents	
IWC/63/Rep1 Report of the Scientific Committee (Extract)	
IWC/63/5 Rev Financial Statements	6

Appendix 3

Agenda

1. INTRODUCTORY ITEMS
 - 1.1 Appointment of Chair
 - 1.2 Appointment of Rapporteurs
 - 1.3 Review of documents
2. ADOPTION OF AGENDA
3. ADMINISTRATIVE MATTERS
 - 3.1 Annual Meeting Arrangements and Procedures
 - 3.1.1 Need for a Technical Committee
 - 3.1.2 The work of the ICG on matters relevant to the Scientific Committee
 - 3.1.3 Frequency of Commission meetings
 - 3.2 Website
 - 3.3 Review of Rules of Procedure
 - 3.3.1 Secretariat's Review of IWC Rules and Procedures
 - 3.3.2 Draft resolution.
 - 3.4 Carbon-neutral study
4. FORMULA FOR CALCULATING CONTRIBUTIONS AND RELATED MATTERS
5. REPORT OF THE INTERSESSIONAL CORRESPONDENCE GROUP ON STRENGTHENING IWC FINANCING
 - 5.1 Report of ICG on Strengthening IWC Financing
 - 5.2 Committee discussions and recommendations
 - 5.2 Proposal for the addition of standing item on fundraising to F&A Committee Agenda
6. FINANCIAL STATEMENTS, BUDGETS AND OTHER MATTERS ADDRESSED BY THE BUDGETARY SUB-COMMITTEE
 - 6.1 Review of the provisional financial statement 2010/2011
 - 6.1.1 Report of the Budgetary Sub-committee
 - 6.1.2 Secretary's report on the collection of financial contributions
 - 6.2 Consideration of the proposed budget for 2011/2012, including the budget for the Scientific Programme, and the forecast budget for 2012/2013
 - 6.2.1 Report of the Budgetary Sub-committee
 - 6.2.2 F&A Committee discussions and recommendations
 - 6.3 Other
 - 6.3.1 Budgetary Sub-committee Operations
7. OTHER MATTERS
8. ADOPTION OF REPORT

TERMS OF REFERENCE

The Finance and Administration Committee shall advise the Commission on expenditure, budgets, scale of contributions, Financial Regulations, staff questions, and other such matters as the Commission may refer to it from time to time (*Rules of Procedure, Rule M.8*).

ADMISSION OF OBSERVERS

Rule of Procedure C.2

Observers accredited in accordance with Rule [of procedure] C.1.(a) and (b) are admitted to all meetings of the Commission and Technical Committee, and to any meetings of subsidiary groups of the Commission and Technical Committee, **except the Commissioners-only meetings and the meetings of the Finance and Administration Committee.**

Appendix 4

Provisional Financial Statement 2010-2011

Income and Expenditure Account

	Approved Budget		Projected Out-turn	
	£	£	£	£
Income				
Contracting Government contributions		1,633,100		1,637,000
Recovery of Arrears		0		0
Interest on overdue financial contributions		0		8,100
Voluntary contributions		2,000		5,000
Sales of publications		15,000		15,000
Sales of sponsored publications		500		500
Observers' registration fees		45,300		49,000
UK taxes recoverable		22,000		22,300
Staff assessments		182,300		174,000
Interest receivable		13,600		3,000
Sundry income		0		0
		<u>1,913,800</u>		<u>1,913,900</u>
Expenditure				
Secretariat	1,137,600		1,104,800	
Publications	39,500		30,000	
Annual meetings	374,500		374,500	
Other meetings	42,000		40,000	
Research expenditure	315,800		315,800	
Small cetaceans	1,000		23,300	
Sundry	0		0	
	<u>1,910,400</u>		<u>1,888,400</u>	
Provisions				
Unpaid interest & overdue contributions	0		0	
Severance Pay Provision	26,900		20,700	
Provn for other doubtful debts	0		0	
	<u>0</u>		<u>0</u>	
		<u>1,937,300</u>		<u>1,909,100</u>
Surplus/Deficit (-) for the year <u>before</u> transfers		-23,500		4,800
Net Transfers from or to (-):				
Sponsored Publications Fund		-600		-500
Research Fund		-4,000		-700
Small Cetaceans Fund		-500		18,200
Surplus/Deficit (-) for the year <u>after</u> transfers		<u>-28,600</u>		<u>21,800</u>

Appendix 5

Proposed Budget 2011 - 2012; Forecast 2012 - 2013

Income and Expenditure Account

	Proposed Budget 2011-2012		Forecast Budget 2013		2012-
	£	£	£	£	
Income					
Contracting contributions	Government	1,728,650		1,842,750	
Recovery of Arrears		0		0	
Interest on late financial contributions		0		0	
Voluntary contributions		2,000		2,000	
Sales of publications		15,000		15,000	
Sales of sponsored publications		500		500	
Observers' registration fees		51,500		56,950	
UK taxes recoverable		26,300		27,600	
Staff assessments		178,950		188,700	
Interest receivable		3,000		3,000	
Sundry income		0		0	
		<u>2,005,900</u>		<u>2,136,500</u>	
Expenditure					
Secretariat		1,179,500		1,204,900	
Publications		31,750		33,350	
Annual meetings		385,700		405,400	
Other meetings		42,150		44,400	
Research expenditure		325,200		341,800	
Small cetaceans		1,050		1,050	
Sundry		0		0	
		<u>1,965,350</u>		<u>2,030,900</u>	
Provisions					
Unpaid interest on overdue contributions		0		0	
Severance Pay Provision		-27,000		43,250	
Provn for other doubtful debts		0		0	
				<u>2,074,150</u>	
Excess of expenditure over income		67,550		62,350	
Net Transfers from or to (-):					
Sponsored Publications Fund		-550		-550	
Research Fund		-1,650		-1,650	
Small Cetaceans Fund		-50		-50	
Surplus/Deficit (-) for the year after transfers		<u>65,300</u>		<u>60,100</u>	

Appendix 6

Scientific Committee funding requirements for 2011/12

Title	Agenda Item	Full	Reduced
(1)AWMP Workshop	8. AWMP	£12.000	£12.000
(2) Developer funds for AWMP	8. AWMP	£8.000	£6.000
(3) Ship strike data co-ordination	7.7 Ship strikes	£10.000	£0
(4) Continuation of funding for Southern ocean right whale catalogue	10.5 SH right whales	£4.000	£3.000
(5) Southern Right Whale Assessment Workshop	10.5 SH right whales	£24.000	£24.000
(6) Pacific wide study on population structure and movements patterns	10.4 WNP gray whales	£15.600	£6.200
(7) Production of the state of the cetacean environment report (SOCER)	12.1 SOCER	£3.000	£0
(8) POLLUTION2000- Phase II - Risk Assessment Modelling	12.2 POLLUTION	£65.700	£45.000
(9) Website and Listserve and Communication Tool for the Coordination of the Cetacean Emerging and Resurging Diseases	12.3 Review report from CERD working group	£3.500	£3.500
(10) Pre-meeting: Marine Renewable Energy Developments and Cetaceans	12.8 Other habitat issues	£4.900	£3.000
(11) Intersessional process for resolving differences in minke whale abundance (including a workshop proposal)	10.1 Antarctic minke whales	£17.600	£9.000
(12) Preparatory work for considering survey coverage issues relative to changes in minke whale abundance estimates between CPU and C'PIII	10.1 Antarctic minke whales	£6.000	£4.000
(13) Proposal to explore aspects of statistical catch-at-age estimators for Antarctic minke whales	10.1 Antarctic minke whales	£4.000	£4.000
(14) 2011 IWC NP sighting cruise and medium to long-term planning	10.8 North Pacific cruise	£60.200	£57.000
(15) Workshop for <i>Implementation Review</i> for western North Pacific common minke whales	6.3.2 North Pacific common minke whales	£20.000	£15.000
(16) Possible evolutionary' pathway for the generation of stock structure as proposed in defined hypotheses	6.3.2 North Pacific common minke whales	£10.000	£0
(17) Funds to enable essential computing work to continue in RMP and NPM	22. Data processing and computing needs	£26.000	£26.000
(IX) Intersessional Workshop proposal: Finalisation of 'Guidelines for the analysis of population genetic data' and 'Guidelines for genetic data quality control' (14) Modelling of Southern Hemisphere Humpback whale populations: Ei, Eii, Eiii and F	1.1.1 Guidelines for genetic studies and DNA data quality	£7.500	£5.000
(20) Modelling of Southern Hemisphere Humpback whale populations	10.2 SH humpback whales	£5.000	£4.000
(21) Antarctic Humpback Whale Catalogue	10.2 SH humpback whales	£2.500	£2.000
(22) Expansion of sampling effort for humpback whales in Namibia	10.2 SH humpback whales	£15.000	£11.000
(23) Southern Hemisphere Blue Whale Catalogue 2011/2012	10.2 SH humpback whales	£7.500	£0
(24) Review Panel: modified JARPN II proposal	10.3 SH blue whales	£13.000	£10.000
(25) Participation in the second international conference on marine mammal protected areas	20. Research and workshop proposals and results	£15.000	£15.000
(26) IP's		£15.000	£0
	All	£64.000	£64.000
TOTAL		£439.000	£328.700

Appendix 7

Scenario 1 -Forecast Outturn for 2010/11 and budgets for 2011/12 and 2012/13
(as shown in IWC/63/5 rev)

	Forecast turn	Out- Budget	Proposed Budget	Forecast Budget
INCOME: continuing operations	2010-2011	2011-2012	2012-2013	
Contributions from member governments	1,637,000	1,728,650	1,842,750	
Interest on overdue financial contributions	8,100	0	0	
Voluntary contributions for research, small cetaceans work and publications	5,000	2,000	2,000	
Sales of publications	15,000	15,000	15,000	
Sales of sponsored publications	500	500	500	
Observers' registration fees	49,000	51,500	56,950	
UK taxes recoverable	22,300	26,300	27,600	
Staff assessments	174,000	178,950	188,700	
Interest receivable	3,000	3,000	3,000	
Sundry income	0	0	0	
Total Income	1,913,900	2,005,900	2,136,500	
EXPENDITURE				
Secretariat	1,104,800	1,179,500	1,204,900	
Publications	30,000	31,750	33,350	
Annual meetings	374,500	385,700	405,400	
Other meetings	40,000	42,150	44,400	
Research expenditure	315,800	325,200	341,800	
Small cetaceans	23,300	1,050	1,050	
	1,888,400	1,965,350	2,030,900	
Provision made for:				
Cancelled Financial Contributions	0	0	0	
Severance Pay Provision	20,700	-27,000	43,250	
Provision for doubtful debts	0	0	0	
	20,700	-27,000	43,250	
Surplus / (-) deficit for the year before transfers	4,800	67,550	62,350	
NET TRANSFERS FROM (TO) FUNDS				
Publications fund	-500	-550	-550	
Research Fund	-700	-1,650	-1,650	
Small cetaceans fund	18,200	-50	-50	
Surplus (-) Deficit for the year after transfers	21,800	65,300	60,100	

Scenario 2 - Expenditure held constant at 2010/11 levels

	Forecast Out-turn	Proposed Budget	Forecast Budget
INCOME: continuing operations	2010-2011	2011-2012	2012-2013
Contributions from member governments	1,637,000	1,679,000	1,744,900
Interest on overdue financial contributions	8,100	0	0
Voluntary contributions for research, small cetaceans work and publications	5,000	2,000	2,000
Sales of publications	15,000	15,000	15,000
Sales of sponsored publications	500	500	500
Observers' registration fees	49,000	51,500	56,900
UK taxes recoverable	22,300	26,300	27,600
Staff assessments	174,000	166,750	166,750
Interest receivable	3,000	3,000	3,000
Sundry income	0	0	0
Total Income	1,913,900	1,944,050	2,016,650

EXPENDITURE

Secretariat	1,104,800	1,105,500	1,119,400
Publications	30,000	31,750	33,350
Annual meetings	374,500	383,000	372,900
Other meetings	40,000	42,150	44,400
Research expenditure	315,800	324,950	317,300
Small cetaceans	23,300	1,050	1,050
	1,888,400	1,888,400	1,888,400

Provision made for:

Cancelled Financial Contributions (1*)	28,350	22,950	54,550
Severance Pay Provision	20,700	-27,000	43,250
Provision for doubtful debts (2*)	60,300	59,700	31,400
	109,350	55,650	129,200

(1*) Debt > 3years, (2*) Debt < 3 years

Surplus / (-) deficit for the year before	-83,850	0	-950
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**NET TRANSFERS FROM (TO)
FUNDS**

Publications fund	-500	-550	-550
Research Fund	-700	-1,650	-1,650
Small cetaceans fund	18,200	-50	-50

Surplus (-) Deficit for the year after transfers	-66,850	-2,250	-3,200
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Scenario 3 - Financial Contributions held constant at 2010/11 levels

	Forecast Out-turn	Proposed Budget	Forecast Budget
INCOME: continuing operations	2010-2011	2011-2012	2012-2013
Contributions from member governments	1,637,000	1,645,400	1,645,400
Interest on overdue financial contributions	8,100	0	0
Voluntary contributions for research, small cetaceans work and publications	5,000	2,000	2,000
Sales of publications	15,000	15,000	15,000
Sales of sponsored publications	500	500	500
Observers' registration fees	49,000	51,500	56,900
UK taxes recoverable	22,300	26,300	27,600
Staff assessments	174,000	166,750	166,750
Interest receivable	3,000	3,000	3,000
Sundry income	0	0	0
Total Income	1,913,900	1,910,450	1,917,150
EXPENDITURE			
Secretariat	1,104,800	1,105,500	1,119,400
Publications	30,000	31,750	33,350
Annual meetings	374,500	365,700	325,400
Other meetings	40,000	42,150	44,400
Research expenditure	315,800	310,200	276,800
Small cetaceans	23,300	1,050	1,050
	1,888,400	1,856,350	1,800,400
Provision made for:			
Cancelled Financial Contributions (1*)	28,350	22,500	51,400
Severance Pay Provision	20,700	-27,000	43,250
Provision for doubtful debts (2*)	60,300	58,500	29,600
	109,350	54,000	124,250
<i>(1*) Debt > 3years, (2*) Debt < 3 years</i>			
Surplus / (-) deficit for the year before transfers	-83,850	100	-7,500
NET TRANSFERS FROM (TO) FUNDS			
Publications fund	-500	-550	-550
Research Fund	-700	-1,650	-1,650
Small cetaceans fund	18,200	-50	-50
Surplus (-) Deficit for the year after transfers	-66,850	-2,150	-9,750

Appendix 8 - Current and future membership of Budgetary Sub-committee as at July 2011 compared to June 2010 and June 2009

Membership of Budgetary Sub-committee based on Contracting Governments as at

June 2009

	Term of membership (years)	Current membership* 2008-2009	Participants at IWC61
Group 1	3	Gambia the (1)!!	no
		Grenada (1)!!	no
Group 2	3	Morocco (2)#	no
		Oman (#)	no
Group 3	3	Belgium(3)	yes
		Denmark (3)#	no
Group 4	3	Italy (1)!!	yes
		Japan	yes
		USA	yes
Open seats	2	Vacant (\$\$)	no
Chair		Andrea Nouak (Austria)	yes
Vice-Chair		Thomas Schmidt (Germany) - <i>In place of W. Duebner</i>	yes

(#) Declined to participate when asked during IWC60

(!!) Willing to participate when asked during IWC60

* Number in brackets indicates how many years a country has already been a member

Membership of Budgetary Sub-committee based on Contracting Governments as at

June 2010

	Term of membership (years)	Current membership* 2009-2010	Participants at IWC62
Group 1	3	Gambia the (2)!!	no
		Grenada (2)!!	no
Group 2	3	Panama (*1)	no
		Peru (*1)	no
Group 3	3	Cyprus (*1)	no
		Greece (*1)	no
Group 4	3	Italy (2)!!	yes
		Japan	yes
		USA	yes
Open seats	2	Vacant (\$\$)	no
Chair		Andrea Nouak (Austria)	yes
Vice-Chair		Thomas Schmidt (Germany) - <i>In place of W. Duebner</i>	yes

(\$\$) BSC Chair called for expressions of interest to fill Open Seat

(*1) Invitations to participate sent in June 2009 plus reminders in May 2010 - no responses.

(*2) Invitations to participate sent in June 2010 - no responses

Current and future membership of Budgetary Sub-committee based on Contracting Governments as at

July 2011

	Term of membership (years)	Current membership (as per rota) 2010-2011	Current (effective) membership* 2010-2011	Future membership assuming no country declines to serve		
				2011-2012	2012-2013	2013-2014
Group 1	3	Gambia the (!!)	Gambia the (3)	Guinea (1)	Guinea (2)	Guinea (3)
		Grenada (!!)	Grenada (3)	Guinea Bissau (1)	Guinea Bissau (2)	Guinea Bissau (3)
Group 2	3	Poland (*2)		San Marino (1)	San Marino (2)	San Marino (3)
		Romania (*2)		Russian F (1)	Russian F (2)	Russian F (3)
Group 3	3	Iceland (1)	Iceland (1)	Iceland (2)	Iceland (3)	Norway (1)
		Netherlands (*2)		New Zealand (1)	New Zealand (2)	New Zealand (3)
Group 4	3	Italy (!!)	Italy (2)	UK (1)	UK (2)	UK (3)
		Japan	Japan	Japan	Japan	Japan
		USA	USA	USA	USA	USA
Open seats	2		Switzerland, St Kitts & Nevis	Switzerland, St Kitts &	vacant	vacant
Chair		Andrea Nouak (Austria)	Andrea Nouak (Austria)	To be elected	To be elected	To be elected
Vice-Chair			Martin Krebbs (Switzerland)	To be elected	To be elected	To be elected

Group 3 nations entitled to participate by rotation: Iceland, Ireland (#1), Israel (#1), Korea (Rep of) (#2), Luxembourg (#1), Netherlands.

But note: (#1) said no due to excess work for single representative, (#2) Recent BSC member as G2 nation