

Report of the

**FINANCE AND ADMINISTRATION  
COMMITTEE**

This document,

*is confidential*

23 June 2008 *until 10.00 on Monday*



## Report of the Finance and Administration Committee

Wednesday 18 June 2008

### 1. INTRODUCTORY ITEMS

The list of participants is given in Appendix 1.

#### 1.1 Appointment of Chairman

Anthony Liverpool (Antigua and Barbuda) was appointed as Chair of the Committee. He noted that attendance at the Finance and Administration Committee was limited to delegates and that observers were not permitted to attend.

#### 1.2 Appointment of Rapporteur

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 THE AGENDA

The agenda was adopted without amendment (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 the Technical Committee to meet at Annual Meetings since IWC/51. However, the Commission had agreed to keep the need for a Technical Committee under review. As last year, he suggested that it would be appropriate to maintain the status quo, i.e., keep this item on the agenda since, as previously noted, the Technical Committee may have a role to play if and when the RMS is completed and catch limits set.

There was a suggestion that the Technical Committee may no longer be needed and that the Rules of Procedure could be revised to remove this Committee. The Committee agreed that this possibility could be included in discussions on the future of the organization.

##### 3.1.2 *Frequency of meetings*

The Chair recalled that the issue of how frequently the Commission and its subgroups should meet has been addressed for several years. He noted that last year, despite a Special Session of the F&A Committee on Frequency of Meetings and further brief discussions during the private meeting of Commissioners and during the plenary, the matter remained unresolved. The Commission had, however, agreed to retain the item of meeting frequency on the agenda of future meetings, noting also that it may also be relevant to discussions on the future of the organisation.

As previously, while some countries supported a move to the Commission meeting every two to three years, others, while sympathetic to this in principle, believed that such a move is premature given the ongoing discussions on the future of the organization. Several countries supported continued annual meetings of the Scientific Committee even if the Commission was to meet less frequently. The Chair noted these different views and suggested that this issue would best be addressed in the context of the discussions on the future of the organization. The Committee agreed.

#### 3.2 NGO accreditation and participation

##### 3.2.1 *Introduction by the Secretariat*

The Secretariat noted that at IWC/59 in Anchorage, the Commission adopted changes to the procedure governing accreditation and participation of NGOs in IWC meetings. *Inter alia*, these changes eliminated the requirement for NGOs to maintain international offices, relaxed the restrictions on total attendees from each NGO, and adjusted the fee structure for equitability. Specifically, the Commission: (1) adopted revisions to Rule of Procedure C; (2) agreed that a fee per individual observer should apply to NGOs and that this fee would be income-neutral to the IWC; (3)

requested the Secretariat to inform all currently accredited NGOs of this decision within 90 days of the meeting, including a request to submit the standard Observer Application Form (see Annex 2) prior to the start of the next Annual Meeting; (4) decided that pursuant to Rule C.1.b of the Rules of Procedure, that currently accredited non-governmental organisations that do not provide the standard Observer Application Form to the Secretariat before the start of the next Annual Meeting, shall be removed from the list of accredited observers (such removal is without prejudice to such NGOs receiving accreditation in future years; and (5) agreed to review the effectiveness of the new Rules of Procedure after a 2-year operating trial (i.e. at IWC62).

Although the Commission agreed to review the effectiveness of the new rules at IWC/62, the Secretariat thought it would be of interest to report back to the F&A Committee on experiences to date. Furthermore, in setting the new NGO fees, the Secretariat had indicated to the NGOs that the new fee structure would be reviewed by the F&A Committee at IWC/60 and adjusted as appropriate for IWC/61.

#### Accreditation/re-accreditation of NGOs since IWC/59

The Secretariat reported that NGOs accredited prior to IWC/59 were notified by the Secretariat on 16 August concerning the Commission's decisions regarding accreditation and participation of NGOs and at the same time were invited to re-accredit themselves by completing and returning the standard NGO Observer Application Form. Of 132 NGOs that had IWC accreditation as of IWC/59, 75 applied for re-accreditation and have been re-accredited. Eighteen new NGOs applied for and were granted accreditation.

#### New NGO fees, numbers registering for IWC/60 and anticipated income

With respect to NGO registration fees, the changes adopted in Anchorage included that fees should in future be set per individual observer (rather than per organisation as in the past) and that this fee should be income neutral to the IWC. There was no further guidance on how fees should be set. The Secretariat therefore worked with the Advisory Committee to determine the following new fee structure and conditions:

- £500 for the first observer per organisation and
- £250 for each additional observer.

Interpreters: There will be no charge for interpreters, but those NGOs wishing to nominate an interpreter must provide justification to the Secretariat and information on the qualifications and/or language abilities of the interpreter nominated. Each NGO will be normally be restricted to the designation of one interpreter per organisation.

#### Documents

For documents not made available in advance of meetings via IWC's website, copies will be provided to all nominated observers and interpreters (whereas in the past each organisation received a single copy with another copy for interpreters). The Secretariat will develop an appropriate distribution system.

The Secretariat noted that the rationale for setting the new fee structure was based on the need to generate around £52,000 from 60 organisations and 130 individual observers (the £52,000 and number of observers being averages over the last 5 years, and the 60 organisations was an estimation of those that might apply for re-accreditation). It was recognized that the levels set would generate income somewhat less than the 5-year average income, but would be closer to the 3-year average of £47,800 and to the figure of £48,400 income assumed in the 2007/08 budget. The Secretariat also explained that one of the main reasons for waiving the fee for interpreters was to try to be fairer for small NGOs who may not have the necessary language skills and would therefore need an interpreter. If a fee had been set for interpreters, this would have brought the cost for an NGO sending a delegation of one person plus an interpreter to £750, i.e. higher than the level of £650 per organisation that was to have been set for 2008/2009 prior to the Commission's decision to change the NGO accreditation and participation procedure.

As of 9 June, 66 organisations had registered for IWC/60, involving some 155 individual observers, eleven of which had been designated as interpreters. This would generate an expected income of £52,500.

#### Issues to consider

The Secretariat identified the following issues for consideration by the F&A Committee: (1) level of fees for 2008-2009; (2) whether to continue to waive the fee for interpreters; (3) criteria for accreditation and (4) whether NGO observers only present for the meetings of the Commission's sub-groups and not plenary should be charged a fee.

With respect to the **level of fees for 2008-2009**, the Secretariat noted that the proposed budget for 2008-2009 (Document IWC/60/5) proposes the same level of fees for 2008-2009 as that for 2007-2008 so as to allow time to

assess the level of income received under the new procedure. Given the expected income for IWC/60 from NGOs based on registrations for IWC/60 is in line with the mean income over the last 5 years, the Secretariat suggested that this recommendation seemed sensible. It was noted that the Budgetary Sub-committee, that had addressed this matter on the previous day, was of the same opinion.

Regarding whether or not to continue to **waive the fee for interpreters**, the Secretariat noted the general recognition that under the previous NGO accreditation and participation procedures, the designation of individuals as interpreters had probably been abused and used as a means of allowing access of up to two people per organisation into the meeting room. The mean number of NGO interpreters over the past 3 and 5 years was 23 and 21 respectively. Under the new rules, the seating limitation to one observer per NGO has been removed, and for IWC/60, as of 9 June only 11 individuals had been designated as interpreters. The Secretariat noted that this reduction may also reflect the provision of simultaneous interpretation during the plenary for French and Spanish speakers. However, it questioned whether, given that simultaneous interpretation for French and Spanish is now provided during the plenary, and Commissioners speaking other languages provide their own consecutive interpretation, waiving of the fee for interpreters could be justified, and noted that some NGOs justified appointing interpreters to help with communicating with Commissioners and others outside of the meeting room where interpretation is not provided.

The Secretariat drew attention to the fact that under the new rules, any NGO which expresses an interest in matters covered by the Commission may be accredited as an observer. Those interested are required to complete the standard application form, which, other than contact details, requires only a statement of interest and a mission statement or charter. The Secretariat noted that from this information, it is impossible to determine whether an NGO applying is *bona fide* and is an actual organisation, or whether the person applying is simply an interested member of the public who may be prepared to pay a fee to attend an IWC meeting to which observers are allowed. Further noting that it felt somewhat uneasy with this situation, it sought clarification from the F&A Committee sure whether this was the intention of the Commission when adopting the new rules.

With respect to **NGO observers that only attend the meetings of the Commission's sub-groups**, the Secretariat suggested that there should be no charge.

#### *3.2.2 F&A Committee discussions and recommendations*

Within the Committee, the general view was that on the whole, the new system appeared to be working satisfactorily and it noted that no significant complaints had been received. With respect to interpreters, the reduction in numbers was noted and the view expressed that their role could legitimately include assisting communication with Commissioners and others outside of the meeting rooms. It was therefore considered that the fee should continue to be waived but that the situation should be kept under review. With respect to accreditation criteria, while the concerns expressed by the Secretariat were noted, it was felt that problems should be addressed if they arise and that the criteria should remain unchanged for the present.

Given the discussions, the F&A Committee **recommends** that no changes are needed at present to the new accreditation and participation procedures, but that they be kept under review.

### **3.3 IWC's website**

#### *3.3.1 Linking IWC's website to those of Contracting Governments*

Last year the Commission agreed to create links between its own website ([www.iwcoffice.org](http://www.iwcoffice.org)) and websites of Contracting Governments where governments express their views and positions on IWC matters with the aim of making the views and positions of Contracting Governments equally available to the public. Contracting Governments were invited to provide the URLs of the relevant pages of their websites to the Secretariat via Circular Communication IWC.CCG.678 of 12 March 2008.

The Secretariat reported that links had been established with the websites of Australia, France, Norway, Slovenia and the UK. There were no comments.

#### *3.3.2 Translation of IWC's website*

##### Introduction by the Secretariat

The Secretariat noted the recent decisions of the Commission with regard to the provision of simultaneous interpretation and document translation at its meetings, and recalled that at IWC/59 there had also been support for the phased-in translation of IWC's website, which is currently only in English, into French and Spanish. It further noted that the Commission had agreed to establish an email working group to consider approaches to the translation of the website and that those Contracting Governments that had expressed an interest in joining such a group comprised Argentina, Belgium, France, Gabon, Republic of Guinea, Mali, Monaco, Peru and Spain.

The Secretariat introduced a document outlining three options open to the Commission regarding how translation of some, or all, of the website could be approached. This included information on potential costs and workload implications of each and a recommendation from the Secretariat. The intention had been to circulate the document first to the email working group so that it could bring forward recommendations to the Finance and Administration Committee. However, given the delay in development of the document (for which the Secretariat apologised), it was circulated to Commissioners and Contracting Governments at the same time as to the email working group.

In introducing the document, the Secretariat drew attention to the approaches taken by some other intergovernmental organisations (IGOs) that have more than one official and/or working language and noted that while some have websites fully available in all working languages others either have partially-translated websites or English-version only websites. The reasons given by those IGOs that limit the extent to which their websites are translated included cost and availability of internal translation resources.

The Secretariat provided information on the current IWC website, including size and cost, languages and current translation situation, availability of machine translation and the planned rebuild of the site to cater for its growth, facilitate its management and accommodate recent changes in web technology since its last rebuild in 2003.

With respect to machine translation, the Secretariat noted that this is performed by a computer program which automatically analyzes the meaning of a sentence and attempts to produce a sentence in a different language which conveys the same meaning. Therefore machine translation is a useful way to get the basic ideas of a sentence, but is not to be considered a direct translation as no computer program can translate correctly 100% of the time. The accuracy of this tool is limited by the dictionary database that it uses over which the Secretariat has no control (it is a free service). The Secretariat noted that the main benefit of this type of translation is that it is in 'real time', so what is on the page today is what gets translated; any updates to the site will be reflected in the translation provided by the tool. However it noted that when a complete webpage is translated using machine translation the design and functionality of the page are often compromised which can result in: dead or incorrect hyperlinks; non-functional menus or drop-downs; misalignment of tables, images etc. The Secretariat reported that the level of accuracy of machine translation can be increased; some translation companies offer bespoke software that provides the same level of translation as the current service initially, but in collaboration with the Secretariat, the dictionary database could be customised to make machine translations made more accurate. One company quoted an increase in accuracy from 75% to 95% using this technology. The cost involved with using this service is minimal (approx £15 - 30 per month for both languages), although the Secretariat noted that the design implications mentioned may persist and that (1) further time would be required to create and tailor the custom dictionary and (2) input from scientists may be required to help build a portfolio of appropriate technical terms.

The Secretariat suggested that the following factors are pertinent to discussions on a potential website translation, i.e. that:

- the Secretariat currently has no internal multilingual expertise available, therefore any translation work in the near future would need to be outsourced. The work on translating the website ties in with the possible future need to have linguistic expertise at the Secretariat for document translation as raised during the Commission's discussions on the introduction of other working languages. Website translation and subsequent updates could then be managed by internal linguist(s), as seen with other IGOs (e.g. CITES).
- the IWC website is dynamic rather than static, so requires regular updating. The level of updates across the entire site is sporadic and difficult to predict. They can occur on a daily basis at certain times of the year (e.g. during the Annual Meeting). The volume of updates has increased each year since the website's creation.
- if translations were introduced, the level of notification/recording of updates coupled with the added web publishing/management tasks would significantly increase the workload for the Secretariat, especially at the already-busiest periods of the year.

Three options were provided for the consideration of the F&A Committee: (1) fully tri-lingual website; (2) partial translation; and (3) phased-in approach to a fully tri-lingual site. These are described, together with an indication of timescale involved, in Appendix 4.

The Secretariat drew attention to the fact that there was no provision in the proposed budget for 2008/2009 for the funding of any translation work connected to the website. Consequently, should the Commission decide to move ahead with any options regarding translation of the website it would have to be funded either from a provision added to the proposed 2008/2009 budget (thereby all Contracting Governments contribute to the costs) or by voluntary contributions (either monetary or in kind).

The Secretariat recommended that it would be most sensible in the short-term to select Option 2, i.e. partial translation of the website given: (1) that an overhaul/rebuild of the existing website is needed to cater for its growth over the last 5 years and to facilitate its management and the accommodation of recent changes in web technology and that it would be best to delay full translation until after this has been completed; (2) that the discussions regarding the extent of the introduction of French and Spanish into the Commission are still ongoing and that the outcome may determine whether or not linguistic experience is needed within the staff of the Secretariat; and (3) the budgetary implications. The phase-in towards a fully tri-lingual website could be determined by the Commission at a later date.

In summary, option 2 involves: (1) making part of the website available in French and Spanish in a similar way as is already being done by some other IGOs who have more than one working language, e.g. by focusing on the most popular pages viewed by the website's audience; and (2) improving machine translation for those parts of the website not translated. The Secretariat noted that while the translated pages could be made available on the website as either PDFs or as web pages that directly mirror those already available in English. It indicated a preference for the latter, since the timescale is dependent only on the receipt of the translated material itself, whereas it would only be sensible to do the former concurrent with, or after the website rebuild.

#### F&A Committee discussions and recommendations

The Chair first invited comment from members of the email working group. Argentina, France and Spain responded.

Spain noted that although option 1 (fully tri-lingual website) might be the ideal option, it did not think this would be realistic at the moment considering: (a) the planned rebuild of the entire website; and (b) that options 2 (partially translated website) or 3 (phased-in approach to fully tri-lingual website) would receive more support from the Commission. It suggested therefore that option 2 could be a good starting point, providing the move to a fully translated website remains open. Spain noted that in addition to being much less expensive (1/4 of the estimated budget for option 1 if the 20 most popular pages are translated), option 2 could be implemented in the short term, since it does not require waiting until the entire website has been rebuilt. It believed that translating the most popular pages seemed a reasonable approach, but suggested that it would only be necessary to include the 2 or 3 most recent Annual Meetings reports. With respect to machine translation, Spain thought this practical but believed that improving and customising this facility would be essential through the mechanisms suggested by the Secretariat (which it noted would not be at a very high cost). Spain considered that to create and tailor the custom dictionary should not be a very difficult task since most of the words and wording are already available in the translations of the Convention to French and Spanish provided by France and Spain, and that scientists and delegates would be pleased to help build a portfolio of appropriate technical terms.

Argentina concurred with the views expressed by Spain. In addition, Argentina noted that for some Latin American countries that are considering adhering to the Convention, it is very important having an "official translation" by the IWC of the Convention and the Schedule. In this regard, it believed that option 2 – which could be implemented in short period of time – would have a very positive political effect as a tool to facilitate the entrance of new members to the organisation.

France agreed that option 1 is not realistic and expressed a preference for option 3, noting that this would first involve a partial translation of the website (i.e. option 2). In this respect, France recognised the practicality of providing PDF documents of the translated material in the short term, but suggested that proper web pages might be developed following the website rebuild, noting that this would create a better image of the site. France was sceptical about the value of machine translation and stressed that it should be made clear on the website that it is a facility that should be used with care. Finally, as a demonstration of its commitment to this issue, France noted that it is considering making a one-off special contribution in kind by providing some translations into French of the most consulted pages. It hoped that this would help launch the process of website translation in a similar way as its provision of interpreters helped launched the introduction of simultaneous interpretation in the Commission plenary and private meetings of Commissioners.

Korea noted its reservations about the need to introduce more working languages and asked which criteria had been used as a basis for choosing French and Spanish. It questioned whether the language difficulties expressed by French and Spanish speakers are exaggerated and why some countries (who can also claim to have language difficulties) should be required to contribute to work from which they derive little or no benefit.

While noting the reservations expressed by Korea, the Secretariat suggested that option 2 be implemented given: (1) the support from other countries for option 2 (partial translation of the website) at least initially; (2) that there was no provision in the proposed budget for 2008-2009 for work on translation of the website the Secretariat; (3) the in-kind offer from France to provide some translated pages; and (4) that improving machine translation could be done at a minimal expense (around £1,000 per year). The Secretariat further suggested that it implement option 2 with

assistance from the email working group (e.g. in confirming which pages should be translated, working to customise the dictionary to improve machine translation). The F&A Committee agreed to **recommend** the Secretariat's suggested approach to the Commission noting the comments of Korea.

### 3.4 Amendments to the Rules of Procedure and Financial Regulations

#### 3.4.1 Proposal from France to amend the Rules of Procedure to recognise French and Spanish as working languages of the Commission

##### Introduction by France

France noted that currently English is the only official and working language of the Commission, although Commissioners may speak in any other language, if desired, it being understood that Commissioners doing so will provide their own interpreters (Rule of Procedure N.1). It recalled that from time to time over the years the Commission has discussed making provision for the use of other languages, with most recent discussions initiated during IWC/54 in Shimonoseki in 2002. Since then, this subject has been discussed every year by the F&A Committee and considerable progress in terms of multilingualism has been made with IWC Annual Plenary Meetings now being held in English, French and Spanish with simultaneous interpretation provided by the Commission and with the most important documents now available in these three languages. Also noting the discussions on translation of the IWC website, France welcomed such developments believing that show that the IWC is a forward-looking organization which is moving towards compliance with international standards.

France recalled that Resolution 2006-3 requested the Secretariat to investigate the possibility of recognizing French and Spanish as working languages of the Commission at the 2007 IWC Annual Meeting and that the Secretariat's document IWC/59/F&A 5 was the basis for the decision at IWC/59 last year for the Commission to provide for: simultaneous interpretation in French and Spanish in IWC Plenary and private meetings of Commissioners, and translation into French and Spanish of: (1) Resolutions and Schedule amendments; (2) the Chair's summary reports of annual meetings; (3) Annotated Provisional Agendas; and (4) summaries of the Scientific Committee and working group reports. It was agreed that the lessons learned from this new situation would be reviewed at the meetings in Santiago in 2008 and Madeira in 2009.

Given that it now seems unlikely that the progress made in terms of the use of French and Spanish will be reversed, France proposed that the Rules of Procedure should already be brought in line with actual practice. Referring to document IWC/59/F&A 5 it pointed out that there is no universally-accepted definition of the term "working" language and that every organization gives its own meaning to the term. In any case, the current situation described above for the most part provides an acceptable and clear definition of "working" language in the context of current practice within IWC.

Based on these observations, France considered it appropriate to amend the Rules of Procedure to recognize French and Spanish in addition to English as IWC working languages, noting that practical and financial modalities would continue to be discussed this year and 2009, as agreed in 2007. It did not believe that such a change would disrupt these discussions but rather would be a positive sign and noteworthy progress for the IWC.

France therefore recommended that Rule of Procedure N.1 concerning languages of the Commission be revised as shown below. Changes are indicated in ***bold, italicised*** text.

From:	To:
N. Language of the Commission 1. English shall be the official and working language of the Commission but Commissioners may speak in any other language, if desired, it being understood that Commissioners doing so will provide their own interpreters. All official publications and communications of the Commission shall be in English.	N. <b><i>Languages</i></b> of the Commission 1. English shall be the official <b><i>language of the Commission. English, French and Spanish shall be the working languages of the Commission.</i></b> Commissioners may speak in any other language, if desired, it being understood that Commissioners doing so will provide their own interpreters. All official publications and communications of the Commission shall be in English. <b><i>Agreed publications and communications shall be available in English, French and Spanish.</i></b>



F&A Committee discussions and recommendations

While many countries spoke in support of France's proposal believing that such a move would reflect practice in other IGOs, several voiced concern. While these countries recognised that the proposal was intended to reflect current practice now within IWC, they had not expected the proposed rule changes given the agreement reached last year. In answer to a question about any budgetary implications the Secretariat informed the Committee that there are no budgetary implications. Some countries were also concerned that there was no adequate provision in the proposed revision to prevent expansion of the current practice regarding interpretation and translation into the use of French and Spanish in an equivalent way to English, which would be very costly.

Noting that there was clearly no consensus on the proposal from France and the preference expressed at the March 2008 intersessional meeting in Heathrow on the future of IWC to reach decisions by consensus, the Chair suggested that discussions be deferred to the private meeting of Commissioners on 22 June. In the meantime he encouraged further discussion among countries so that the matter could be decided by consensus. The F&A Committee agreed.

*3.4.2 Secretariat proposal to amend Rule of Procedure E.2.(a) and Financial Regulation F.2*

The Secretariat noted that at IWC/54 in 2002, the Commission adopted several amendments to its Rules of Procedure and Financial Regulations to tighten-up the link between payment of financial contributions and voting rights for existing and new Contracting Governments. Following IWC/54, the Secretariat realized that the amendments to Rule of Procedure E.2.(a) and Financial Regulation F.2 in relation to existing Contracting Governments had omitted unintentionally mention of a 'vote by postal or other means' and rectified this by amending the rules at IWC/55 in 2003. When reviewing the Rules of Procedure and Financial Regulations more recently, the Secretariat noted that the revisions to Rule of Procedure E.2.(a) and Financial Regulation F.2 adopted at IWC/55, rather than simply addressing the omission of mention of a 'vote by postal or other means', has the unintended effect of suspending an existing Contracting Government's right to vote if it has not paid its financial contribution prior to the due date. Consequently, under the current rules, if a vote by postal or other means occurs before the due date, then dues must be paid by this time, i.e. earlier than they would normally be due in order for an existing Contracting Government to be eligible to vote. While votes by postal or other means are rare, they could arise with little warning. If such votes were to occur, the present provision requiring early payment of dues could result in the denial of voting rights to several if not most Contracting Governments. The budgetary process of governments is not amenable to such surprises. The Secretariat therefore proposed the following revisions to the rules to correct for this. The Secretariat noted that while few changes are proposed to the actual words used in Rule of Procedure E.2.(a), they have been rearranged to improve clarity.

From:	To:
<p><u>Rule of Procedure E</u></p> <p>2. (a) The right to vote of representatives of any Contracting Government whose annual payments including any interest due have not been received by the Commission within 3 months of the due date prescribed in Regulation E.2 of the Financial Regulations or by the day before the first day of the next Annual or Special Meeting of the Commission following the due date, or, in the case of a vote by postal or other means, by the date upon which votes must be received, whichever date occurs first, shall be automatically suspended until payment is received by the Commission, unless the Commission decides otherwise.</p>	<p><u>Rule of Procedure</u></p> <p>2. (a) The right to vote of representatives of any Contracting Government <i>shall be suspended automatically when the annual payment of a Contracting Government including any interest due has not been received by the Commission by the earliest of these dates:</i></p> <ul style="list-style-type: none"> <li>• <i>3 months following the due date prescribed in Regulation E.2 of the Financial Regulations; or</i></li> <li>• <i>the day before the first day of the next Annual or Special Meeting of the Commission if such a meeting is held within 3 months following the due date; or</i></li> <li>• <i>in the case of a vote by postal or other means, the date upon which votes must be received if this falls within 3 months following the due date.</i></li> </ul> <p><i>This suspension of voting rights applies until payment is received by the Commission unless the Commission decides otherwise.</i></p>
<p><u>Financial Regulation F</u></p> <p>2. If a Contracting Government's annual payments, including any interest due, have not been received by the Commission within 3 months of the due date or by the day before the first day of the next Annual or Special Meeting of the Commission following the due date, or, in the case of a vote by postal or other means, by the date upon which votes must be received, whichever date occurs first, the right to vote of the Contracting Government concerned shall be suspended as provided under Rule E.2 of the Rules of Procedure.</p>	<p><u>Financial Regulation F</u></p> <p>2. If a Contracting Government's annual payments, including any interest due, have not been received by the Commission by the earliest of these dates:</p> <ul style="list-style-type: none"> <li>• 3 months following the due date; or</li> <li>• the day before the first day of the next Annual or Special Meeting of the Commission <i>if such a meeting is held within 3 months following the due date; or,</i></li> <li>• in the case of a vote by postal or other means, the date upon which votes must be received <i>if this falls within 3 months following the due date,</i></li> </ul> <p>the right to vote of the Contracting Government concerned shall be suspended as provided under Rule E.2 of the Rules of Procedure.</p>

The need for such provisions to appear in both the Rules of Procedure and the Financial Regulations was questioned and it was suggested that this should be reviewed at some later date. Noting this, the F&A Committee agreed with the proposed amendments and **recommends** to the Commission that they be adopted.

#### 4. FORMULA FOR CALCULATING CONTRIBUTIONS

##### 4.1 Introduction

###### 4.1.1 Background

The Secretariat recalled that at IWC/59 in Anchorage, no proposals were made to resume the work of the Contributions Task Force to develop a new financial contributions scheme and that the Interim Measure adopted at IWC/54 for calculating financial contributions therefore remains in place. However, noting that the cut-off points defining the capacity to pay groups of the Interim Measure had not been reviewed or revised since their introduction in 2002, the Commission agreed last year that the Secretariat should undertake such a review and develop a proposal, as appropriate for consideration by the F&A Committee at IWC/60.

The Interim Measure was introduced to alleviate the financial burden of developing countries. In calculating contributions, the Interim Measure takes account of: (1) membership; (2) whaling activities; (3) the size of delegations to the Commission's Annual Meeting; and (4) a country's capacity to pay. With respect to capacity to pay, Contracting Governments are allocated into one of four groups depending on their Gross National Income (GNI) and their GNI per capita (GNIPC) as follows:

- Group 1 – countries with GNI < US\$10,000,000,000 and GNIPC <US\$ 10,000;
- Group 2 – countries with GNI > US\$10,000,000,000 and GNIPC <US\$ 10,000;
- Group 3 – countries with GNI < US\$ 1,000,000,000,000 and GNIPC >US\$ 10,000;
- Group 4 – countries with GNI > US\$ 1,000,000,000,000 and GNIPC >US\$ 10,000.

At IWC56 in 2004, the Commission agreed to take into account the special position of Very Small Countries in calculating Financial Contributions (Resolution 2004-4). At IWC57 in 2005 the Commission agreed that the criteria shown below are appropriate to define a “very small country” and that they be applied in the calculation of Financial Contributions for the financial year 2005-06 onwards:

*A “very small country will have the following characteristics and as a “very small country” will be placed in capacity-to-pay Group 2.*

<i>(a) a population of less than 100,000, AND</i>
<i>(b) a GNI of less than USD 5 billion, AND</i>
<i>(c) a GNIPC of more than USD 10,000</i>

Countries placed in Group 1 pay the lowest financial contributions, while those in Group 4 pay the highest. World Bank data for GNI and GNIPC are used. These data are published around April each year but relate to earlier years e.g. the data published in April 2007 refers to 2005. The practice up to IWC/59 was to use the most recent April data to allocate countries into capacity to pay groups in the process of calculating the Financial Contributions to be agreed at the Annual Meeting one or two months later. The cut-off points defining the capacity to pay groups have remained unchanged since IWC/54 in 2002.

During IWC/59, the then accepted procedure for implementing the Interim Measure resulted in the sudden promotion of three countries to higher capacity to pay groups and therefore exposed them to higher levels of Financial Contribution for which they had very little notice and consequently no time in which to make budgetary allowance. After some discussion the Commission therefore agreed:

- (a) that Contracting Governments be allocated to capacity-to-pay groups using the World Bank data on GNI and GNIPC available on 31 December of the previous year and that this take effect for the calculation of the 2007/08 financial contributions. This would provide more time for governments to make sufficient budgetary provision.
- (b) noting that the cut-off points defining the capacity to pay groups had remained unchanged since 2002 and had not be revised to take account of inflation, that the Secretariat be asked to review the cut-off points and report back at IWC/60, including on how they could be reviewed on a periodic basis.

#### *4.1.2 How to adjust for inflation*

The Secretariat noted that to adjust the cut off-points for inflation requires application of an appropriate index. The World Bank uses an index for world inflation to adjust its GNIPC data. Following contact with the Bank, it advised that this index would also be suitable for the adjustment of its GNI data. The inflation index for 2007 will be released by the World Bank in July 2008. The latest index that is currently available is for 2006.

#### *4.1.3 How often should the IWC review and update the cut-off points to take inflation into account?*

The World Bank data available in December 2007 (to be used in the calculation of Financial Contributions for 2008/09) was published in April 2007 and refers to 2005. For the cut-off points be consistent with the published World Bank data (i.e. to 2005) then they should be adjusted from 2002 to 2005 levels.

Given that the GNI and GNIPC data and the inflation index are published by the World Bank on an annual basis, the Secretariat suggests that the cut-off points used in the Interim Measure also be reviewed and updated as appropriate on an annual basis. This is not an onerous task for the Secretariat and would be the fairest procedure for Contracting Governments.

#### *4.1.4 Where should the cut-off points be set for calculating financial contributions for 2008/09?*

Given that the most recent GNI and GNIPC data available are those for 2005 (published in April 2007), it would seem most appropriate to update the cut-off points defining capacity to pay groups set in 2002 to 2005 levels..

The application of the inflation index as used by the World Bank to bring the cut off values up to 2005 levels produces the following result (*please see Appendix 9 for details of the calculations*):

Group 1 - countries with GNI < US\$ 11,850,000,000 and GNIPC < US\$ 11,850  
 Group 2 - countries with GNI > US\$ 11,850,000,000 and GNIPC < US\$ 11,850  
 Group 3 - countries with GNI < US\$ 1,185,000,000,000 and GNIPC > US\$ 11,850  
 Group 4 - countries with GNI > US\$ 1,185,000,000,000 and GNIPC > US\$ 11,850

Note that the Secretariat has applied the inflation index to both GNIPC and GNI data (and rounded to give sensible numbers).

The criteria used to define a “very small country” would be adjusted for inflation as follows:

<i>(a) a population of less than 100,000, AND</i>
<i>(b) a GNI of less than USD 5.925 billion, AND</i>
<i>(c) a GNIPC of more than USD 11,850</i>

#### 4.1.5 Affect of revising the cut-off points on allocation to capacity to pay group

Appendix 10 shows two tables. The left hand table shows the allocation to capacity to pay group when the existing “cut-off points” are updated to 2005 levels are used together with the World Bank data available in December 2007, published in April 2007 and relating to 2005. The right hand table shows the allocation to capacity to pay group arising when the existing “cut-off points” are applied to the World Bank data available in December 2006, published in April 2006 and relating to 2004, i.e. the situation used for the calculation of Financial Contributions for the year 2007/08.

The tables in Appendix 10 show no difference in allocation to capacity to pay groups.

#### 4.1.6 Conclusion

The specific levels of GNI and GNIPC used to define the “cut-off points” for the capacity to pay groups in the Interim Measure agreed at IWC54 in 2002 have not been revised since that time to take account of inflation. The World Bank has provided the necessary index to adjust the “cut-off points” which originated in 2002, to 2005 levels. The application of the inflation-adjusted “cut-off points”, together with World Bank data published in April 2007 (and available for use in December 2007 preceding IWC60), produce an allocation to capacity to pay groups for 2008/09 unchanged from 2007/08. The Secretariat suggested that the “cut-off points” could be reviewed and updated annually which would be the fairest procedure for Contracting Governments.

### 4.8 F&A Committee discussions and recommendations to the Commission

The observation was made by several countries that the suggested process was logical, had no effect on the allocations to capacity to pay groups and in line with other forums and specifically the World Bank. It was also noted however that using 2005 data in the context of calculating contributions for 2008-2009 was rather odd.

Never the less the F&A Committee **recommends** to the Commission that:

1. That the existing “cut-off points” used to define “capacity to pay groups” be updated from 2002 to 2005 levels using the index provided by the World Bank.
2. That the updated “cut-off points” be used in the calculation of Financial Contributions for 2008-2009.
3. That the Secretariat should update the “cut-off points” annually using the index provided by the World Bank prior to the calculation of the next year’s Financial Contributions.

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

### 5.1. Review of the Provisional Financial Statement, 2007-2008

#### 5.1.1 Report of the Budgetary Sub-committee

The report of the Budgetary Sub-committee (IWC/60/F&A9) was introduced by its Chair Joji Morishita. The Provisional Financial Statement presented in IWC/60/5 was circulated to the Sub-committee in April 2008.

The Secretariat reported that fairly extensive notes and explanations accompanied the Provisional Financial Statement circulated in April 2008 and that no comments had received prior to the meeting. It drew attention to the key points made in that statement as shown below.

#### Income and Expenditure Account

**Income** – exceeds budget by £35k the chief factors being: (1) Financial Contributions from new members; (2) interest on late contributions; and (3) increase in interest receivable.

**Expenditure** - is projected to exceed budget by £ 13k. Increases in Other Meeting Costs of £ 20k, Small Cetacean costs of £3k and Publication costs of £ 1k were offset by savings in Secretarial Costs of £ 11k.

**Provisions**—are projected to be under budget by £7k.

**Result for the year** —a projected excess of expenditure over income of £ -61k which, after transfers between funds, translates into a deficit of £ -68k.

The balance on the General Fund is projected at about £ 1,309k at the end of the current financial year (31 August 2008). This represents about 143% of the target level (6 months expenditure: £1,829k x 50%).

The Secretariat then commented briefly on changes that had occurred since the Provisional Financial Statement was prepared. It reported that increases in income are anticipated from:

- Financial Contributions of New Members £ 5.5 k (Romania £ 3.5k, Republic of Congo £ 2k);
- Voluntary Contributions (amounts rounded):
  - £9.3k from Italy towards ship-strike work arising from the Conservation Committee. This voluntary contribution and associated expenditure for Conservation Committee work will be regarded as part of the General Fund and as such will not be shown in the financial statements but will be reported as a note to the accounts.
  - £6k from New Zealand as their Government's voluntary contribution to the costs of the experts involved in the intersessional meeting held in Heathrow earlier in 2008 regarding the future of the IWC. This will be regarded as part of the General Fund and as such will not be shown in the financial statements but will be offset against Other Meeting Costs.
  - £2.5k from USA as a contribution to the Research Fund towards the Whalewatching Workshop.
  - Contributions to the Small Cetacean Research Fund from Ireland (£1.5k received) and the Netherlands (£5k committed) towards funding the attendance at the IWC/60 Scientific Committee of scientists from developing countries.
  - A number of indications have been made that further voluntary contributions may be made but are still to be confirmed.

It further noted that there will be a release from the provision for doubtful debts of approximately £60k from Costa Rica and that a further release of £32k from Uruguay is possible if Uruguay clears all of its debt from its previous membership of IWC. However, the net change in provision may be reduced by additions to provision made at the financial year end for any current debts still outstanding.

The Secretariat noted that the increase in 'Other Meeting Costs' was due to higher than budgeted expenditure (£40k) for the March 2008 Intersessional Meeting on the Future of IWC owing mainly to the decision to invite three outside experts to that meeting. The Secretariat further noted that at the request of the March meeting, the three experts have been invited to participate in the discussions at IWC/60 on the future of the organisation and that these costs have been also included under 'other meetings' rather than adding them to the costs of the Annual Meeting. The Sub-committee welcomed this explanation and clarification.

The Sub-committee noted that the projected out-turn for 2007-2008 is a generally satisfactory situation as currently presented with no problems foreseen. It accordingly recommended to the Finance and Administration Committee that the Provisional Financial Statement (Appendix 5) is forwarded to the Commission with a recommendation that it be approved subject to audit.

#### *5.1.2 Secretary's report on the collection of financial contributions*

The Secretariat referred to document IWC/60/F&A10. Total financial contributions and interest outstanding amounted to £ 457.1k, of which £ 47.7k referred to former members and £ 409.4k referred to current members. The Secretary's report on the collection of financial contributions was noted.

#### *5.1.3 Summary of Recommendations to the Commission*

The F&A Committee **recommends** that the Provisional Financial Statement is approved by the Commission subject to audit and further **recommends** that the Commission takes note of the "Secretary's report on the collection of financial contributions."

## 5.2 Secretariat offices

### 5.2.1 Report of the Budgetary Sub-committee

#### Introduction to the BSC by the Secretariat

The Secretariat noted that after some discussion at last year's meeting, the Commission agreed with the F&A Committee recommendation that the matter of Secretariat relocation away from the Cambridge area is closed for the time being and that it should only be re-opened if a positive decision to do so was taken at some point in the future. It further noted that as the lease on the Secretariat's current offices (The Red House) expires on 17 March 2009 a decision will need to be made at IWC/60 on what to do about Secretariat accommodation at least in the short-term (e.g. negotiate a new lease for the Red House or rent alternative accommodation).

The options available to the Commission include: (1) the re-negotiation of the lease on the current property; (2) renting alternative property in the Cambridge area; and (3) purchase of a property.

With respect to **rental of the current property**, the Secretariat noted that at the time of the negotiation of the present lease, the only option available was a long lease with full maintenance required and rent reviews that only allowed for rent increases (not decreases). Current market conditions suggest that a shorter lease should be negotiable, e.g. for a period of 10 years with a 5-year option for the tenant to break the lease. A lease of this duration might provide a balance between continuity and flexibility in case the Commission wished to pursue alternatives in the not so distant future. A committed period of 5 years would limit the IWC's fixed obligation if the organisation was to be subject to significant change but would offer continuity for 10 years if that was required.

The Secretariat reported that it has asked a firm of consulting surveyors and a law firm to advise it on the law and tactics relating to the renewal of its current lease. Their advice is that should the IWC wish to retain its current offices, it should open negotiations as soon as is practicable to take advantage of current rental conditions and negotiate a more favourable rent.

With respect to **rental of alternative accommodation**, it should be noted that the Red House is an unusual property but well suited to the needs of the Secretariat. Alternative rented property may possibly be available at a lower rent but this apparent advantage might be offset by the cost of adapting that property to the needs of the Secretariat and relocation expenses.

With respect to **property purchase**, the Secretariat recalled that there is a precedent for an inter-governmental organisation to own property i.e. the North Atlantic Salmon Conservation Organization, based in Edinburgh, Scotland. The advantage of having property to sell after many years of ownership, rather than having no assets after a period of rental has been recognised previously by the Budgetary Sub-committee and the F&A Committee. However the Secretariat noted that short-term problems associated with funding a property purchase (i.e. large deposit needed), whether alternative host government funding might be available and questions about the future of the organisation have made discussions regarding the purchase of property too wide-ranging to allow any consensus to emerge.

The Secretariat therefore concluded that the lack of consensus within the Commission regarding property purchase and continuing concerns regarding the future of the organisation suggests that the continued rental of property for the Secretariat is appropriate at present. The Red House is well suited to the needs of the Secretariat and so the re-negotiation of the lease at an expected lower rent looks preferable to relocating to alternative premises in the Cambridge area.

With respect to re-negotiation of the current lease, there is currently £ 13k allocated in the proposed 2008-2009 budget for professional services and maintenance work that can arise when a lease finishes. The current proposed allocation of £ 13k may be sufficient to cover the variables mentioned, however the addition of £ 5k to the proposed budget as a contingency for additional legal fees would be prudent.

#### Budgetary Sub-committee discussions and recommendations

Confirmation of information given in the Secretariat's report was given where requested.

In response to questions about the availability of rental property in the Cambridge area at lower cost than the Red House, the Chair and Secretariat referred to earlier reviews on this matter prepared for the Budgetary Sub-committee which had demonstrated that the cost of the Red House was not excessive compared with rental rates in the area. A survey done in preparation for the Budgetary Sub-committee meeting at IWC/57 in 2005 noted that rates for office rent in the Cambridge area varied between £16.60 and £18.00 per square foot, compared with a rate at that time for the Red House of £12.60 per square foot (see *Rep. Int. Whaling Comm.* 2005:126-128). Rental rates for industrial

property can be lower, but the Secretariat noted that costs converting such premises to office space would then be incurred.

The Secretariat noted that discussion on the topic of Secretariat offices has been going on for some time and that the number of alternatives available may now be very limited because of time constraints. The Secretariat further noted that UK law offered a window of opportunity for the landlord or the tenant to open negotiations for lease renewal. The Secretariat has been advised that advantage frequently goes to the party who initiates the proceedings. The window to initiate negotiations and secure the earliest reduction in rent will last until mid September 2008. If the Secretariat delays opening negotiations then the landlord may have time to find grounds not to renew the lease or at least to maintain the rent at the current higher than market level.

Following these discussions, the Budgetary Sub-committee agreed to recommend to the F&A Committee that the lease of the Red House should be re-negotiated and that the budget for doing so should be increased by £ 5k to allow for increased legal fees.

#### *5.2.2 F&A Committee discussions and recommendations to the Commission*

The F&A Committee noted the report from the Budgetary Sub-committee and **recommends** to the Commission that the lease of the current offices of the Secretariat (the Red House, Impington, Cambridge) be re-negotiated and that £ 5k be added to the proposed budget for 2008-2009 as a contingency for increased legal fees.

### **5.3 Consideration of estimated budgets, 2008/2009 and 2009/2010, including the budget for the Scientific Programme**

#### *5.3.1 Report of the Budgetary Sub-committee*

Review of the Proposed Budget for 2008-2009 and the forecast budget (Appendix 6).

This aspect of the work done by the BSC was introduced by its Chair Joji Morishita. He highlighted the main factors affecting their formulation as follows:

**Income** – as presented in IWC/60/5, income is projected to increase overall by about 1.8% (from £ 1,732 k in the 2007-2008 Approved Budget to £ 1,764k in the proposed budget for 2008-2009). This is due to increases in Financial Contributions, registration fees, staff assessments and a reduction in bank interest receivable.

**Contracting Government Contributions** (see Table 13 in IWC/60/5) - the total contributions required from Contracting Governments is increased for 2008- 2009 to £ 1,442k (from £1,407k). This represents a total increase of 2.5%, but due to an increase in the number of member countries the majority of contribution changes per country will be less than this. (Note that Table 13 of IWC/60/5 shows two scenarios illustrating financial contributions of individual Contracting Governments depending on whether the cut-off points defining capacity to pay groups in the Interim Measure used to calculate financial contributions are updated to take account of inflation since they were established at IWC/54 in 2002 (see document IWC/60/F&A 4).

*The forecast budget for 2009-2010 is increased for by 2%.*

**Expenditure** – 4.1% has generally been used to allow for cost increases for 2008–2009 (*and for 2009-2010*) except where there are positive indications that different levels are required. This reflects current levels of inflation in the UK. Expenses are generally expected to be much the same as last year.

*The forecast budget is intended to show the general trend in reserve levels where budget deficits are shown in both years*

#### **Projected result for the year(s)**

	2008-2009	2009-2010
Balance of income and expenditure (deficit)	-169,100	-131,500
Surplus/ (Deficit) after transfers between Funds	-177,550	-140,550

#### **General Fund Reserves**

	2008-2009	2009-2010
Projected balance on General Fund at year-end	1,131,700	991,300
Target level – approximately 6 months costs	966,500	968,100
 % of Target level	 117	 102

**Reserves** - Concern was expressed at IWC57 that the level of reserves should be brought more in line with the “target level” of 50% of operating expenditure in any year. The proposed budget as currently drafted produces an operating deficit. *The forecast budget shows an increase in Financial Contributions of 2% and shows the cumulative effect on reserves of prudently moving towards the “target level”.*

The projected levels of the reserves at 117% and 102% indicate that deficit budgets for 2008/09 and 2009/10 are feasible, but that higher levels of Financial Contributions may be needed in future years in order to maintain reserves at the target level of 50% of operating costs (the General Fund being projected to have reached 102% of this target by the end of 2009/10).

With respect to the **Research Budget for 2008-2009** (Appendix 7), the Chair of the Scientific Committee reported that the Committee had identified projects totalling £341,670 which it considered necessary to properly carry out the Commission’s requirements. However, recognising the financial constraints that applied, the Committee had prepared a reduced list of items to get as near as possible to the target, which had been set at £305,400. The Sub-committee accepted the request from the Scientific Committee for the reduced budget (which is in line with the provision in the proposed budget) and recommended this to the F&A Committee.

Regarding **fees for observers**, in 1992, the Commission decided that fees for observers from non-member Governments and intergovernmental organisations should be held constant at £800 while the fee for NGO observers should increase annually. At IWC/59 last year, the Commission adopted changes to the procedure governing accreditation and participation of NGOs in IWC meetings (see section 3.2 for full explanation and level of fees set). On the basis of anticipated income from NGOs from their participation at IWC/60, the Secretariat had proposed that the level of fees set for IWC60 be used also for 2008-2009 since this would allow time to assess the level of income received under the new procedure. The Budgetary Sub-committee accepted the proposal to keep NGO fees for 2008-2009 at the same level as for 2007-2008.

Regarding press fees, the Sub-committee also accepted the increase proposed by the Secretariat from £50 to **£55**.

Having reviewed the proposed budget for 2008-2009, including the research budget and the level of fees for NGOs and press, the Budgetary Sub-committee recommended that this be adopted by the Commission, subject to consideration by the F&A Committee.

#### 5.3.2 F&A Committee discussions and recommendations

The lack of a host government (to date) for the Annual Meeting in 2010 was noted. The provision in the 2009-2010 forecast budget of £ 377k, while notional at this stage, was nevertheless thought inadequate to fund a meeting in the UK should this prove to be necessary. The Committee noted the need for the budget for the Annual Meeting in 2010 to be considered in discussions about the future of the organization.

The F&A Committee **recommends** that:

- the proposed budget for 2008-2009 (Appendix 6) be forward to the Commission for its adoption;
- that the Commission takes note of the Forecast Budget for 2009-2010;
- that for 2008-2009, the NGO fee continue to be set at £500 for the first observer from an organisation and at £250 for each additional observer and the media fee be set at £55.

#### 5.4 Other

##### 5.4.1 Report of the Budgetary Sub-committee

##### Cost implications of separating meetings of the Scientific Committee and Commission meetings

The Budgetary Sub-committee Chair noted that given the interest expressed during the March 2008 intersessional meeting on the future of IWC for separating the meeting of the Scientific Committee from the Commission meeting, it was considered appropriate for the Budgetary Sub-committee to consider the cost implications of doing so.

The Secretariat noted that it believed that there would be some increase in cost associated with *inter alia* organising, setting up and servicing two such large meetings (thus increasing the workload of the Secretariat) and increased travel and subsistence costs for those individuals from both the Secretariat and Contracting Governments who attend both the Scientific Committee and Commission meetings. The Secretariat had not had the opportunity to go into this matter in much depth, but felt that increased costs may be in the order of 1.2 to 1.5 times current costs, but also noted that any additional costs might be offset by the Commission meeting on a less frequent basis than annually (an issue that is under discussion by the Commission). The Secretariat also noted that separating the meetings may increase the choice of suitable venues (e.g. some venues would be suitable for the Scientific Committee and not the Commission and *vice versa*) with the possibility of reduced costs.



The Budgetary Sub-committee identified a number of other issues that would need to be addressed if the separation of the Scientific Committee and Commission meetings were to be seriously considered. These included: (1) how the current budgetary provision, already recognised as being insufficient to cover the costs of the current format of Annual Meetings, might be allocated between the sets of meetings; and (2) whether Contracting Governments would be interested in offering to host the Scientific Committee rather than the plenary, and if not whether it might be necessary to consider holding these meetings in the UK.

The Budgetary Sub-committee considered that it would be helpful if the Secretariat could develop a more detailed understanding of cost implications of separating the meetings and the Secretariat undertook to try to do so in time for the discussions on the future of the organisation.

Money owing from St. Kitts and Nevis in relation to IWC/58 in 2006

The Secretariat had reported that since IWC58, St Kitts and Nevis has had a debt outstanding with the IWC of £ 14.5k. During IWC58 the IWC incurred expenditure on behalf of St Kitts and Nevis to facilitate the smooth running of the Annual Meeting. While St Kitts and Nevis received voluntary contributions from other IWC members to try to make good the short-fall in the running costs of the meeting, unfortunately the assistance received was not sufficient to pay the balance owed to the IWC. The Chair of the Budgetary Sub-committee noted that prior to the F&A Committee meeting he had been advised that St Kitts and Nevis had agreed to enter into a repayment schedule with the IWC to clear their debt.

Possible costs of meetings during 2008-2009 associated with discussions on the future of the organisation

While recognising that provision had been included in the proposed budget for 2008-2009 for an intersessional meeting similar to that held in March 2008, it was noted that the Chair of the Commission's recommendations for an approach to future negotiations included the establishment of a smaller group that may also meet on one or more occasions in the intersessional period. When asked if it had estimates of what such meetings might cost, the Secretariat indicated that the preparation of these is in hand and should be available later in the week for discussions on the future of the organisation.

Budgetary Sub-committee operations

Andrea Nouak (Austria) and Walter Duebner (Germany) were elected by consensus as Chair and Vice Chair respectively of the Budgetary Sub-committee.

Attention was drawn to the provisional membership of the Budgetary Sub-committee (see Appendix 8). It was agreed that the Secretariat will confirm the willingness of the Governments listed to serve on the Sub-committee during the Annual Meeting (or shortly thereafter). Noting that the two open seats on the Sub-committee are vacant, the Secretariat undertook to invite expressions of interest after the Annual Meeting via Circular Communication to all Contracting Governments

The Chair of the Budgetary Sub-committee concluded the presentation of the Sub-committee report by thanking members and the Secretariat for their support over the four years that he had held the post.

*5.4.2 F&A Committee discussions and recommendations*

The Committee noted the report on these items.

The Chair of the F&A Committee thanked Joji Morishita for undertaking the important role of BSC Chair over the past four years, and further thanked Andrea Nouak for agreeing to assume the role of BSC Chair for the next three years.

## **6 OTHER MATTERS**

The Committee **agreed** that the Secretariat shall undertake a study to be presented to the next Annual Meeting on the feasibility and associated costs of off-setting the carbon emissions of the operation of the Secretariat and the meetings of the IWC and thus to become climate neutral.

## **7 ADOPTION OF REPORT**

The Report was adopted 'by post' on 22 June 2008.

**Appendix 1**

**FINANCE AND ADMINISTRATION COMMITTEE**  
**Wednesday 18 June 2008**

**List of Participants**

**Antigua & Barbuda**

Anthony Liverpool

**Argentina**

Miguel Iniguez

**Australia**

Lesley Gidding  
Clare Derrington

**Austria**

Andrea Nouak

**Belgium**

Alexandre de Lichtevelde

**Benin**

Joseph Ouake

**Brazil**

Jose Palazzo

**Chile**

Francisco Berguno

**Czech Republic**

Pavla Hycova

**Denmark**

Ole Samsing

**Finland**

Esko Jaakkola  
Penina Blankett

**France**

Stephane Louhaur  
Martine Bigan

**Germany**

Walter Duebner

**Iceland**

Stefan Asmundsson  
Gisli Vikingsson

**Italy**

Caterina Fortuna  
Chessa Agostina

**Japan**

Minoru Morimoto  
Joji Morishita  
Dan Goodman  
Hideaki Okada  
Takashi Koya

**Korea, Republic of**

Yeon Suk Lee  
Hyun-Jin Park  
Zang Geun Kim

**Luxembourg**

Pierre Gallego

**Mali**

Seydou Coulibaly

**Mexico**

Lorenzo Rojas Bracho

**Netherlands**

Maaïke Moolhuijsen

**New Zealand**

Geoffrey Palmer  
Alexander Gillespie

**Norway**

Halvard Johansen  
Einar Tallaksen

**Portugal**

Jorge Palmerin

**St. Lucia**

Vaughn Charles

**St. Vincent & the Grenadines**

Raymond Ryan

**Slovak Republic**

Katarina Slabeyova

**South Africa**

Herman Oosthuizen

**Spain**

Carmen Asencio

**Sweden**

Bo Fernholm

**Switzerland**

Martin Krebs

**UK**

Richard Cowan  
Luke Warwick  
Jennifer Lonsdale

**USA**

John Field  
Ryan Wulff  
Roger Eckert  
Heather Rockwell

**Secretariat**

Nicky Grandy  
Sean Moran  
Sandra Holdsworth  
Mark Tandy

## Appendix 2

### List of Documents

<b>F&amp;A Committee documents</b>			<b>Agenda item</b>	<b>Available in</b>	
				<b>French</b>	<b>Spanish</b>
IWC/60/F&A	1rev	Revised Draft Agenda			
	2	List of Documents			
	3	Exploration of possible approaches to the translation of IWC's website	3.3.2		
	4	The Interim Measure for calculating financial contributions: review of cut-off points defining capacity-to-pay groups	4		
	5	Secretariat proposal to amend Rule of Procedure E.2.(a) and Financial Regulation F.2	3.4		
	6	Scientific Committee Invited Participants 2008	5		
	7	Feedback and request for clarification on new accreditation and participation procedures for NGOs	3.2		
	8	Proposal from France to amend Rule of Procedure N.1 regarding working languages of the Commission	3.4	yes	yes
	9	Report of the Budgetary Sub-committee	5		
	10	Secretary's report on the collection of financial contributions for 2007-2008	5		
<b>Commission Documents</b>					
IWC/60/Rep	1	(Extract from the) Report of the Scientific Committee (as submitted to Budgetary Sub-Committee)	5.3		
IWC/60/	5	Financial Statements	5		

**Appendix 3**

**Agenda**

- 1 INTRODUCTORY ITEMS
  - 1.1 Appointment of Chair
  - 1.2 Appointment of Rapporteurs
  - 1.3 Review of Documents
- 2 ADOPTION OF THE AGENDA
- 3 ADMINISTRATIVE MATTERS
  - 3.1 Annual Meeting Arrangements and Procedures
    - 3.1.1 Need for a Technical Committee
    - 3.1.2 Frequency of meetings
    - 3.1.3 Other
  - 3.2 NGO accreditation and participation
  - 3.3 Website
    - 3.3.1 Linking IWC's website to those of Contracting Governments
    - 3.3.2 Translation of IWC's website
  - 3.4 Amendments to the Rules of Procedure, Financial Regulations and Rules of Debate
- 4 FORMULA FOR CALCULATING CONTRIBUTIONS
5. FINANCIAL STATEMENTS, BUDGETS AND OTHER MATTERS ADDRESSED BY THE BUDGETARY SUB-COMMITTEE
  - 5.1 Review of the provisional financial statement, 2007/2008
    - 5.1.1 Report of the Budgetary Sub-committee
    - 5.1.2 Secretary's report on the collection of financial contributions
    - 5.1.3 F&A Committee discussions and recommendations
  - 5.2 Secretariat offices
    - 5.2.1 Report of the Budgetary Sub-committee
    - 5.2.2 F&A Committee discussions and recommendations
  - 5.3 Consideration of estimated budgets, 2008/2009 and 2009/2010, including the budget for the Scientific Programme
    - 5.3.1 Report of the Budgetary Sub-committee
    - 5.3.2 F&A Committee discussions and recommendations
  - 5.4 Other
- 6 OTHER MATTERS
- 7 ADOPTION OF THE REPORT

#### Appendix 4

##### Size and cost of current IWC website and options to be considered with respect to translation

###### SIZE AND COST

The IWC website at [www.iwcoffice.org](http://www.iwcoffice.org) has a total of 201 working pages<sup>1</sup> comprising some 196,000 words. The total site is currently 640Mbytes in size and costs £240 per year to host. The workload to maintain the website is equivalent to one full time staff member (cost of around £30,000/year including salary and benefits).

###### OPTIONS REGARDING TRANSLATION OF THE WEBSITE

###### Option 1: Fully tri-lingual website

It would seem sensible to continue to use the English version of the website as the 'primary' version and then to translate into French and Spanish from this.

To move to a fully tri-lingual website it would first be necessary to translate the current pages. At this stage it is assumed that only the actual web pages (HTML), web-based forms (ASP) and other interactive content would be translated. PDF documents available on the website would remain in English only as the majority of these are Scientific Committee documents. The estimated cost of the translation of the existing website is shown below.

###### Estimated translation costs for IWC website

Total working pages	Words	Rate	Amount per language	Amount for two languages (French and Spanish)
201	196172	£93.00 per 1000 words	£18,244	£36,488

The rate for translation is taken from a mean calculated last year by the Secretariat with regards to the translation of documents (see IWC/59/F&A 5).

The text from the pages would have to be extracted and provided to the translation company/translator in a portable form (PDF, text file etc.), who would, in turn, return the translated text to the Secretariat to insert into the appropriate place on the site. One translation company contacted estimated that it would take one translator per language approximately 4 months to complete the entire site. Further time would then be needed for the Secretariat to create, check and publish the pages (approx 1 month).

The translations would only be accurate up to the date of completion. As indicated above, any updates to pages would then need notifying to the translators to translate the text, return it and so forth.

The costs involved include the translation of the site plus a doubling (approx) of the current web hosting-related overheads. This equates to approximately £37,000 in total (i.e. £36,488 + (2 x £240)). In addition to this would be the cost of updates. This is very difficult to estimate but could be in the region of 10% of the site per year (i.e. around £4,000 per year translation costs plus Secretariat staff time).

If this option were to be taken it would be advisable for it to coincide or follow the planned website overhaul/rebuild to avoid replication of work mentioned in section 3 above.

###### Option 2: Partially-translated website

Rather than move to a fully tri-lingual website, the Commission may wish to consider:

- making part of the website available in French and Spanish in a similar way as already done by some other IGOs who have more than one working language, e.g. by focusing on the most popular pages viewed by the website's audience;
- improving machine translation for those parts of the website that are not translated.

Partial translation could be considered as either a long-term option or a shorter-term option as part of a phased-in introduction of a fully tri-lingual website.

###### Translating the most popular pages

<sup>1</sup> Actual HTML or equivalent pages, not including static documents such as PDFs or Word Docs.

Table 3 below lists the 20 most popular pages from the IWC website based upon discrete page views (hits) over a 12 month period (01/01/07 to 01/01/08). This list does not include menu and sub-menu pages which, for obvious reasons, tend to have high hit counts. A definitive list of pages would need to be agreed, based on importance, but these pages provide a good starting point.

These translated pages could be available on the website as:

- PDFs as is the practice for some of the IGOs listed above (e.g. ICATT); or
- As web pages that directly mirror those already available in English.

The advantage of making them available as PDFs is that this approach removes any website design implications and therefore reduces costs. Although the functionality of the documents would be reduced (i.e. no menus, reduced image sizes etc.) this is the approach that would be recommended by the Secretariat. The timescale for providing such translated material is dependent only on the receipt of the material itself.

**Twenty most popular IWC website pages based on discrete page views (hits)**

Description	URL	Words	Hits*	Rank
<b>COMMISSION INFORMATION</b>				
Commission Background	<a href="http://www.iwcoffice.org/commission/iwcmain.htm">http://www.iwcoffice.org/commission/iwcmain.htm</a>	2225	53403	1
The Convention	<a href="http://www.iwcoffice.org/commission/convention.htm">http://www.iwcoffice.org/commission/convention.htm</a>	3045	20870	4
The Schedule	<a href="http://www.iwcoffice.org/commission/schedule.htm">http://www.iwcoffice.org/commission/schedule.htm</a>	8717	10222	8
Rules of Procedure	<a href="http://www.iwcoffice.org/commission/procedure.htm">http://www.iwcoffice.org/commission/procedure.htm</a>	10494	4151	19
<b>WHALE INFORMATION</b>				
Whale Taxonomy	<a href="http://www.iwcoffice.org/conservation/cetacea.htm">http://www.iwcoffice.org/conservation/cetacea.htm</a>	783	7236	11
Lives of Whales	<a href="http://www.iwcoffice.org/conservation/lives.htm">http://www.iwcoffice.org/conservation/lives.htm</a>	2493	13715	5
Population Estimates	<a href="http://www.iwcoffice.org/conservation/estimate.htm">http://www.iwcoffice.org/conservation/estimate.htm</a>	811	30521	3
<b>ANNUAL MEETINGS</b>				
2008 Meeting	<a href="http://www.iwcoffice.org/meetings/meeting2008.htm">http://www.iwcoffice.org/meetings/meeting2008.htm</a>	642	4666	17
2007 Meeting	<a href="http://www.iwcoffice.org/meetings/meeting2007.htm">http://www.iwcoffice.org/meetings/meeting2007.htm</a>	2157	32024	2
2006 Meeting	<a href="http://www.iwcoffice.org/meetings/meeting2006.htm">http://www.iwcoffice.org/meetings/meeting2006.htm</a>	2044	11092	6
2005 Meeting	<a href="http://www.iwcoffice.org/meetings/meeting2005.htm">http://www.iwcoffice.org/meetings/meeting2005.htm</a>	2723	3743	20
<b>CONSERVATION &amp; MANAGEMENT</b>				
Environment	<a href="http://www.iwcoffice.org/conservation/environment.htm">http://www.iwcoffice.org/conservation/environment.htm</a>	1254	10302	7
RMS	<a href="http://www.iwcoffice.org/conservation/rms.htm">http://www.iwcoffice.org/conservation/rms.htm</a>	3431	4279	18
RMP	<a href="http://www.iwcoffice.org/conservation/rmp.htm">http://www.iwcoffice.org/conservation/rmp.htm</a>	1301	4781	16
Catch Limits and Catches Taken	<a href="http://www.iwcoffice.org/conservation/catches.htm">http://www.iwcoffice.org/conservation/catches.htm</a>	950	9894	9
Sanctuaries	<a href="http://www.iwcoffice.org/conservation/sanctuaries.htm">http://www.iwcoffice.org/conservation/sanctuaries.htm</a>	549	6822	12
Welfare	<a href="http://www.iwcoffice.org/conservation/welfare.htm">http://www.iwcoffice.org/conservation/welfare.htm</a>	1020	6183	13
Whalewatching	<a href="http://www.iwcoffice.org/conservation/whalewatching.htm">http://www.iwcoffice.org/conservation/whalewatching.htm</a>	862	5154	14
Scientific Permits	<a href="http://www.iwcoffice.org/conservation/permits.htm">http://www.iwcoffice.org/conservation/permits.htm</a>	6622	7445	10
Aboriginal Subsistence Whaling	<a href="http://www.iwcoffice.org/conservation/aboriginal.htm">http://www.iwcoffice.org/conservation/aboriginal.htm</a>	460	4838	15
*01/01/07 to 01/01/08	Total	<b>52583</b>	<b>251341</b>	

The cost to translate all of the pages listed above would amount to approx £9,800 for two languages, i.e. 2 x (£52,583 words at £93.00 per 1000 words). Recognising that the Commission may wish to translate fewer or more pages, this figure is simply provided as a guide. There would be a smaller increase in web hosting-related overheads than for Option 1. The level of updates and notification for these pages would be also be significantly smaller and hence so would the increase in workload compared with Option 1.

There would also be the cost of keeping the translated pages up-to-date. Rather than notifying the translator of updates to these pages as they occur, a periodic list of updates could be communicated on a regular basis (e.g. monthly). This would allow the Secretariat to adjust its workflow accordingly to accommodate any busy periods. The onus would be on the Secretariat to keep accurate records of all website updates made during that period. Obviously this approach would result in some of the translations being out of date for a short period of time.

Translations provided by Contracting Governments could continue to be made available as at present (e.g. as has been done for texts of the Convention and Schedule) which would have no cost implications for the Commission.

Improving machine translation

The rest of the site would continue to have the possibility for machine translation, but the level of accuracy could be increased. Some translation companies offer bespoke software that provides the same level of translation as the current service initially, but in collaboration with the Secretariat, the dictionary database could be customised and machine translations made more accurate. One company quoted an increase in accuracy from 75% to 95% using this technology. The necessity of this could be decided once the accuracy of the current translator has been verified. There would be a cost involved with using this service (approx £15 - 30 per month for both languages) and the design implications mentioned earlier may persist. Further time would be required to create and tailor the custom dictionary and input from scientists may be required to help build a portfolio of appropriate technical terms.

**Option 3: Phased-in approach to fully tri-lingual website**

This option would begin with Option 2 with a move to fully-translated pages (as in Option 1) at the decision of the Commission. As with Option 1, it would be advisable to wait until the website overhaul/rebuild to do this. The costs initially would therefore be the same as those for Option 2, but would obviously increase as more of the website was translated and made available as proper web pages.

**TIMESCALE**

Option 1: Fully tri-lingual website

Website overhaul/rebuild = 6 months (would be slightly longer if 3 rather than 1 language is involved)  
Translation (if 2 translators used) = 4 months  
Creation/checking/publishing of pages = 1 month  
Total = 11 months from when the work is started

The timing of this overhaul/rebuild has not yet been fixed, but it is hoped that it would start within the next 12 months.

Option 2: Partially-translated website (assuming use of PDFs)

The first task here would be to agree on which pages should be translated. This could be done at IWC/60 in Santiago. The translated PDFs could then be made available on the website as and when they are ready.

Option 3: Phased in approach to fully tri-lingual website

This would begin as for Option 2, but the timing of any transition to a fully tri-lingual website would need to be determined by the Commission.

Appendix 5

Provisional Financial Statement 2007-2008

Income and Expenditure Account		Projected Out-turn	
Income	Approved Budget		
	£	£	£
Contracting Government contributions			
	1,407,000		1,414,080
Recovery of Arrears	0		0
Interest on overdue financial contributions	0		20,300
Voluntary contributions	2,000		2,000
Sales of publications	17,500		18,000
Sales of sponsored publications	1,500		1,000
Observers' registration fees	48,400		47,900
UK taxes recoverable	24,700		21,920
Staff assessments	162,800		162,800
Interest receivable	67,600		78,500
Sundry income	1,000		1,000
	<u>1,732,500</u>		<u>1,767,500</u>
<b>Expenditure</b>			
Secretariat	1,041,900		1,030,560
Publications	37,700		38,750
Annual meetings	347,900		347,900
Other meetings	79,800		99,840
Research expenditure	293,350		293,350
Small cetaceans	1,000		4,280
Sundry	0		0
	<u>1,801,650</u>		<u>1,814,680</u>
<b>Provisions</b>			
Unpaid interest on overdue contributions	0		0
Severance Pay Provision	21,300		14,000
Provn for other doubtful debts	0		0
	<u>1,822,950</u>		<u>1,828,680</u>
<b>Excess of expenditure over income</b>	-90,450		-61,180
Net Transfers from or to (-):			
Sponsored Publications Fund	-2,800		-2,000
Research Fund	-5,300		-8,050
Small Cetaceans Fund	-600		2,770
<b>Surplus/Deficit (-) for the year after transfers</b>	<u>-99,150</u>		<u>-68,460</u>



Appendix 6

Proposed Budget 2008 - 2009; Forecast 2009 - 2010

Income and Expenditure Account

	Proposed Budget 2008-2009		Forecast Budget 2009-2010	
Income	£	£	£	£
Contracting Government contributions		1,442,400		1,471,300
Recovery of Arrears		0		0
Interest on late financial contributions		0		0
Voluntary contributions		2,000		2,000
Sales of publications		18,750		19,500
Sales of sponsored publications		1,050		1,100
Observers' registration fees		49,800		51,750
UK taxes recoverable		22,800		23,750
Staff assessments		169,000		178,900
Interest receivable		56,950		55,400
Sundry income		1,000		1,000
		<u>1,763,750</u>		<u>1,804,700</u>
<b>Expenditure</b>				
Secretariat	1,092,100		1,121,900	
Publications	38,000		35,500	
Annual meetings	362,100		376,950	
Other meetings	100,600		42,250	
Research expenditure	305,400		317,900	
Small cetaceans	1,050		1,050	
Sundry	<u>0</u>		<u>0</u>	
	1,899,250		1,895,550	
<b>Provisions</b>				
Unpaid interest on overdue contributions	0		0	
Severance Pay Provision	33,600		40,650	
Provn for other doubtful debts	<u>0</u>		<u>0</u>	
		<u>1,932,850</u>		<u>1,936,200</u>
Excess of expenditure over income		-169,100		-131,500
<b>Net Transfers from or to (-):</b>				
Sponsored Publications Fund		-2050		-2,100
Research Fund		-6350		-6,900
Small Cetaceans Fund		<u>-50</u>		<u>-50</u>
<b>Surplus/Deficit (-) for the year after transfers</b>		<u>-177,550</u>		<u>-140,550</u>

**Appendix 7**  
**Scientific Committee funding requirements for 2008-2009**

	Plenary Item first	Short title	Requested (£)	Reduced (£)
		<b>RMP</b>		
1	Item 5.1; Annex D	RMP MSYR intersessional meeting	3,000	3,000
2	Item 6.2; Annex D	Second Intersessional Workshop for the North Atlantic fin whale <i>implementation</i>	10,000	8,000
3	Item 5,8 Annex D, E	Continue augmentation of the committee's computing capabilities with respect to RMP and AWMP <i>implementations</i>	20,000	20,000
4	Item 6; Annex D	Investigate the apparent anomalies between the results of allozyme analyses and DNA-based analyses	18,000	14,500
		<b>AWMP</b>		
5	Item 9	Workshop on Greenland Fisheries	10,000	8,000
		<b>IA</b>		
6	Item 10.1.2; Annex G	Continue development of statistical catch-at-age estimators for Antarctic minke whales	2,000	2,000
7	Item 10.1.2; Annex G	Independent reading of Antarctic minke whale earplugs	10,000	10,000
8	Item 10.1.1; Annex G	Workshop to complete abundance estimates for Antarctic minke whales using the IWC/SOWER data	8,000	8,000
9	Item 10.1.1; Annex G	Import and analysis of 2007/08 SOWER data	10,000	10,000
10	Item 10.1.1; Annex G	SOWER 2008/09 cruise and planning meeting	67,700	67,700
		<b>SH</b>		
11	Item 10.2; Annex H	Workshop on modelling methodologies for mixing and substructure of humpback whale populations	10,000	10,000
12	Item 10.2; Annex H	Development of additional humpback whale assessment models	2,000	2,000
13	Item 10.2; Annex H,	Antarctic humpback whale catalogue	6,600	6,600
14	Item 10.3; Annex H	SH blue whale photo-ID catalogue	7,800	7,800
		<b>SD</b>		
15	Item 11.2; Annex I	Progress on the TOSSM project	17,000	17,000
		<b>BC</b>		
16	Item 7.1.3, Annex J	Develop web based system for data entry into IWC global ship strike database	2,000	2,000
		<b>E</b>		
17	Item 12.2; Annex K	Workshop on Climate Change Implications for Cetaceans	45,000	22,500
18	Item 12.3 Annex K	Pollution Modelling Workshop: Development of Phase II of Pollution 2000+	1,000	1,000
19	Item 12.5; Annex K	State of the Cetacean Environment Report (SOCER)	3,000	2,000
		<b>SP</b>		
20	Item 17.2.2	JARPN II review Workshop	15,000	15,000
		<b>WW</b>		
21	Item 15.1; Annex M	LaWE Steering Group meeting	3,000	3,000
		<b>DNA</b>		
22	Item 16; Annex N	Sequence assessment for species assignment for sequences deposited in GenBank in 2007	2,500	2,500
		<b>OTHER</b>		
23	Item 19.2.	Participation in conference on marine mammal protected areas	15,270	10,000
24	<b>ALL</b>	Invited Participants to the 2009 Annual Meeting	52,800	52,800
		<b>Total</b>	341,670	305,400

Appendix 8

**Current and future membership of Budgetary Sub-committee  
based on Contracting Governments as of 1 June 2008**

	Term of membership (years)	Current membership*	Future membership assuming no country declines to serve		
		2007-2008	2008-2009	2009-2010	2010-2011
<b>Group 1</b>	3	Benin(3) Gabon(3)	The Gambia Grenada	The Gambia Grenada	The Gambia Grenada
<b>Group 2</b>	3	Morocco(1) Monaco (resigned)	Morocco Oman	Morocco Oman	Panama Oman
<b>Group 3</b>	3	Belgium(2) Denmark(2)	Belgium Denmark	Cyprus Greece	Cyprus Greece
<b>Group 4</b>	3	Germany(3) Japan USA	Italy Japan USA	Italy Japan USA	Italy Japan USA
<b>Open seats</b>	2	<i>vacant</i>	<i>vacant</i>	<i>vacant</i>	<i>vacant</i>
<b>Chair</b>		Joji Morishita (Japan)	Andrea Nouak (Austria)		
<b>Vice-Chair</b>		Andrea Nouak (Austria)	Walter Duebner (Germany)		

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

## Appendix 9

### Calculation of updated “cut-off points”

The application of the index as used by the World Bank to bring the 2002 cut off values up to 2005 levels is achieved as follows:

**Standard Table**

Cut-off point (COP) 2002 Levels	2002 Index	2005 Index	Actual (COP) 2005 Level	Rounded (COP) 2005 Level	Rnd / Act %
A	B	C	$A \times (C/B) = D$	$E = D$ (rounded)	$E/D$ (%)
10,000,000,000 (GNI)	241.5	285.6	11,826,086,957	11,850,000,000	100.20%
1,000,000,000,000 (GNI)	241.5	285.6	1,182,608,695,652	1,185,000,000,000	100.20%
10,000 (GNIPC)	241.5	285.6	11,826	11,850	100.20%

**Very Small Country Table**

Cut-off point (COP) 2002 Levels	2002 Index	2005 Index	Actual 2005 Level	Rounded 2005 Level	Rnd / Act %
A	B	C	$A \times (C/B) = D$	$E = D$ (rounded)	$E/D$ (%)
5,000,000,000 (GNI)	241.5	285.6	5,913,043,478	5,925,000,000	100.20%
10,000 (GNIPC)	241.5	285.6	11,826	11,850	100.20%

Appendix 10

**Allocation to capacity to pay group arising from the use of updated "cut-off points" to 2005 levels and WB data available as at 31 December 2007 (2005 data \*\*)**  
(alternative to calculate Financial Contributions for 2008/09)  
**World Bank – World Development Indicators Database (extract)**

Contracting Governments - May 08	World Bank data (pub Apr07)		Capacity to Pay Group
	GNI	GNI/capita	
	US\$ billion	US\$	
1 Antigua and Barbuda	0.7592	9,480	1
2 Argentina	173.1	4,470	2
3 Australia	673.2	33,120	3
4 Austria	306.2	37,190	3
5 Belgium	378.7	36,140	3
6 Belize	1	3,570	1
7 Benin	4.3	510	1
8 Brazil	662	3,550	2
9 Cambodia	6.1	430	1
10 Cameroon	16.4	1,000	2
11 Chile	95.7	5,870	2
12 China, P.R of	2300	1,740	2
13 Costa Rica	20.3	4,700	2
14 Cote d'Ivoire	15.7	870	2
15 Croatia	36.9	8,290	2
16 Cyprus	13.6	16,510	3
17 Czech Republic	114.8	11,220	2
18 Denmark	261.8	48,330	3
19 Dominica	0.2621	3,670	1
20 Ecuador	34.7	2,620	2
21 Finland	196.9	37,530	3
22 France	2200	34,600	4
23 Gabon	6.9	5,010	1
24 Gambia, The	0.442	290	1
25 Germany	2900	34,870	4
26 Greece	220.3	19,840	3
27 Grenada	0.3965	3,750	1
28 Guatemala	30.3	2,400	2
29 Guinea	3.9	420	1
30 Guinea-Bissau	0.2824	180	1
31 Hungary	101.6	10,070	2
32 Iceland	14.4	48,570	3
33 India	804.1	730	2
34 Ireland	171.1	41,140	3
35 Israel	128.7	18,580	3
36 Italy	1800	30,250	4
37 Japan	5000	38,950	4
38 Kenya	18.4	540	2
39 Kiribati	0.095	970	1

**Allocation to capacity to pay group arising from the use of "cut-off points" at 2002 levels and WB data available as at 31 December 2006 (2004 data \*\*)**  
(as used to calculate Financial Contributions for 2007/08)  
**IWC.CCG.640 - extract from Table 5**

Contracting Governments - Aug 07	World Bank data (pub Apr06)		Capacity to Pay Group
	GNI	GNI/capita	
	US\$ billion	US\$	
1 Antigua and Barbuda	0.7592	9,480	1
2 Argentina	137.3	3,580	2
3 Australia	544.3	27,070	3
4 Austria	263.9	32,280	3
5 Belgium	326	31,280	3
6 Belize	1.1	3,940	1
7 Benin	3.7	450	1
8 Brazil	551.6	3,000	2
9 Cambodia	4.8	350	1
10 Cameroon	13	810	2
11 Chile	84.2	5,220	2
12 China, P.R of	1900	1,500	2
13 Costa Rica	19	4,470	2
14 Cote d'Ivoire	13.6	760	2
15 Croatia	30.3	6,820	2
16 Cyprus	13.6	16,510	3
17 Czech Republic	93.3	9,130	2
18 Denmark	220.2	40,750	3
19 Dominica	0.2621	3,670	1
20 Ecuador	28.9	2,210	2
21 Finland	171.9	32,880	3
22 France	1900	30,370	4
23 Gabon	5.6	4,080	1
24 Gambia, The	0.4137	280	1
25 Germany	2500	30,690	4
26 Greece	185	16,730	3
27 Grenada	0.3965	3,750	1
28 Guatemala	26.9	2,190	2
29 Guinea	3.8	410	1
30 Guinea-Bissau	0.2502	160	1
31 Hungary	84.6	8,370	2
32 Iceland	11.1	37,920	3
33 India	673.2	620	2
34 Ireland	139.6	34,310	3
35 Israel	118	17,360	3
36 Italy	1500	26,280	4
37 Japan	4700	37,050	4
38 Kenya	16.1	480	2
39 Kiribati	0.095	970	1

**IWC/60/Rep 2**  
**Agenda Items 19-21**

Contracting Governments - May 08	World Bank data (pub Apr07)		Capacity to Pay Group
	GNI	GNI/capita	
	US\$ billion	US\$	
40 Korea, Rep of	765	15,840	3
41 Lao PDR	2.6	430	1
42 Luxembourg	25.6	56,380	3
43 Mali	5.2	380	1
44 Marshall Islands	0.1851	2,930	1
45 Mauritania	1.8	580	1
46 Mexico	753.4	7,310	2
47 Monaco #1 *1 *3	11.86	11,849	2
48 Mongolia	1.8	690	1
49 Morocco	52.6	1,740	2
50 Nauru *1*2	0.1	7,270	1
51 Netherlands	642	39,340	3
52 New Zealand	106.3	25,920	3
53 Nicaragua	4.9	950	1
54 Norway	281.5	60,890	3
55 Oman	23	9,070	2
56 Palau	0.1542	7,670	1
57 Panama	15	4,630	2
58 Peru	74	2,650	2
59 Portugal	181.3	17,190	3
60 Romania	84.6	3,910	2
61 Russian Federation	638.1	4,460	2
62 San Marino #2 *1 *3	11.86	11,849	2
63 Senegal	8.2	700	1
64 Slovak Republic	42.8	7,950	2
65 Slovenia	34.9	17,440	3
66 Solomon Islands	0.2967	620	1
67 South Africa	223.5	4,770	2
68 Spain	1100	25,250	3
69 St Kitts and Nevis	0.3259	6,980	1
70 St Vincent & The G.	0.4207	3,530	1
71 St. Lucia	0.6844	4,180	1
72 Suriname	1.1	2,540	1
73 Sweden	369.1	40,910	3
74 Switzerland	411.4	55,320	3
75 Togo	2.2	350	1
76 Tuvalu *1*2	0.003	825	1
77 United Kingdom	2300	37,740	4
78 Uruguay	15.1	4,360	2
79 USA	12900	43,560	4

Contracting Governments - Aug 07	World Bank data (pub Apr06)		Capacity to Pay Group
	GNI	GNI/capita	
	US\$ billion	US\$	
40 Korea, Rep of	673.1	14,000	3
41 Lao PDR	2.3	390	1
42 Luxembourg	25.6	56,380	3
43 Mali	4.3	330	1
44 Marshall Islands	0.1421	2,320	1
45 Mauritania	1.6	530	1
46 Mexico	704.9	6,790	2
47 Monaco #1 *1 *3	10.1	9,999	2
48 Mongolia	1.5	600	1
49 Morocco	46.9	1,570	2
50 Nauru *1*2	0.1	7,270	1
51 Netherlands	523.1	32,130	3
52 New Zealand	81.2	19,990	3
53 Nicaragua	4.5	830	1
54 Norway	237.8	51,810	3
55 Oman	23	9,070	2
56 Palau	0.1373	6,870	1
57 Panama	13.4	4,210	2
58 Peru	65	2,360	2
59 Portugal	149.3	14,220	3
60 Russian Federation	488.5	3,400	2
61 San Marino #2 *1 *3	10.1	9,999	2
62 Senegal	7.2	630	1
63 Slovak Republic	34.9	6,480	2
64 Slovenia	29.5	14,770	3
65 Solomon Islands	0.2625	560	1
66 South Africa	165.3	3,630	2
67 Spain	919.1	21,530	3
68 St Kitts and Nevis	0.3259	6,980	1
69 St Vincent & The G.	0.4026	3,400	1
70 St. Lucia	0.6844	4,180	1
71 Suriname	0.9967	2,230	1
72 Sweden	322.3	35,840	3
73 Switzerland	366.5	49,600	3
74 Togo	1.9	310	1
75 Tuvalu *1*2	0.003	825	1
76 United Kingdom	2000	33,630	4
77 USA	12200	41,440	4

# = Very Small Country Status (#1 population: (July 2006 est.): 32,543 #2 population (September 2006): 30,002) - Data from US State Dept

\*1 = No World Bank data. \*2 Data (if any) provided by Lonely Planet Travel Guide \*3 Data shown is arbitrary to fit into Group 2.

Source (unless indicated otherwise) : World Development Indicators database, published April 2006 and April 2007

\*\* Data from earlier years may be used where necessary