

Funding of work on discussions on the future of IWC up to and including IWC/61

On Tuesday 25 June, the Commission agreed to establish a working group to assist it in arriving at a consensus solution to the main issues it faces and thus to enable it to best fulfill its role with respect to the conservation of whale stocks and the management of whaling. The working group's primary task in this regard is to make every effort to develop a package or packages for review by the Commission.

The Commission also agreed that the Chair of the Commission will appoint a facilitator, one of the current experts¹ (based on their availability) to chair the working group under the supervision of the Chair. This will allow the Commission Chair to intervene in the event that discussions reach an impasse.

In developing Terms of Reference for the working group, it was envisaged that there would be at least one meeting of the group prior to an intersessional meeting of the Commission in 2009. At the intersessional meeting (probably in February/March 2009) time-frame, the Commission will direct the working group to continue working on a possible package or packages and develop a final report that will be distributed at least 5 weeks before IWC/61. The Chair of the Commission will report to all Contracting Parties on the progress made at the 2009 intersessional meeting. It has been suggested that the working group could meet immediately after the 2009 intersessional meeting (i.e. back-to-back).

When developing the proposed budget for 2008-2009 (see Appendix 6 of the F&A Committee report IWC/60/Rep 2), £60,000 was included 'other meetings' to provide for the event that the Commission decided to hold an intersessional meeting prior to IWC/61 of a similar size and nature as that held in March 2008 in London, Heathrow. No provision was made for other meetings – such as those now planned for the working group – or for the engagement of an outside facilitator.

Given that there have not yet been any decisions on the number and type of meetings of the working group or on who will be the outside facilitator and what their role will be, it is not possible to develop an accurate estimate of costs. However, the Secretariat in consultation with the Chair and Vice-Chair believes that it would be appropriate to set funds aside in the region of £150,000. This would include the £60,000 already provided for, leaving a shortfall of £90,000.

There are a number of options on how to provide for this shortfall including:

1. voluntary contributions;
2. increasing financial contributions;
3. using the Commission's reserves.

Option 1: Voluntary Contributions

Relying on receiving sufficient voluntary contributions to cover the shortfall of £90,000 is rather optimistic and not a responsible way to budget. In addition, given that Contracting Governments have committed to the programme of work, it may be more appropriate to institutionalise this effort by incorporating the associated costs into the Commission's budget.

Option 2: increasing financial contributions

Annex 1 provides a comparison of the following:

- A. the individual financial contributions of Contracting Governments for the current financial year, 2007-2008;
- B. indicative financial contributions of Contracting Governments for the 2008-2009 budget as proposed to the Commission by the F&A Committee;
- C. indicative financial contributions of Contracting Governments for the 2008-2009 budget increased by £90,000.

These numbers are indicative because they assume the same delegation size as that at IWC/59.

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Also shown are the differences between A and B, and the difference between A and C. The difference between A and C being the effect on individual financial contributions between the current financial year and 2008-2009 should £90,000 be added to the budget. For Group 1 countries, the increase in financial contributions for a non-whaling country is in the order of £250 (and £1,000 for a whaling country). For Group 2 countries, the increase is in the order of £450 for a non-whaling country (and £1,400 a whaling country). For Group 3, the increase is around £1,300 (and £2,800 for a whaling country) and for Group 4, the increase is around £5,000 (and in the range of £7,000 - £8,000 for a whaling country).

Option 3: using the Commission's reserves

The additional £90,000 could be met by using money from the Commission's reserves. However, before doing so it would be prudent to consider the effect of this on the level of reserves and on any implications to future financial contributions.

The target level for reserves is 50% of operating costs. The current level of reserves is higher than the target level and for the last few years the Commission has been adopting deficit budgets to bring reserves down to target level.

The effect on reserves of adding £90,000 to the Proposed Budget for 2008/09 (with no increase in Financial Contributions) is shown in the table below.

	Proposed Budget £	Proposed Budget +£90,000 £
Operational Expenditure	1,932,850	2,022,850
50 % Operational Expenditure (GF Target)	966,425	1,011,425
General Fund (GF) Budget	1,131,700	1,041,700
GF (Actual) / GF (Target)	117.10%	102.99%
Diff between GF Budget and GF Target	165,275	30,275

Using the assumptions in the proposed budget for 2008/09 as presented to the F&A Committee at IWC60, adding £90,000 to the budget with no increase in financial contributions will bring the level of reserves down to target level next year, rather than in 2009-2010 as in the forecast budget. Expenditure for the year may be increased and still leave the reserves near the target level (103%). However, should the Commission wish to keep the reserves at 50% of operating costs, it would no longer be able to adopt deficit budgets and consequently financial contributions would rise in later years. This would particularly be the case if further meetings and activities relating to discussions on the future of the organization continue into 2009-2010 (the current forecast budget makes no provision for intersessional meetings).

Comment

Assuming that the additional £90,000 will not be sought via voluntary contributions, this could be funded through a (relatively modest) increase in financial contributions for 2008-2009. An increase in financial contributions (beyond the level in the current Proposed Budget for 2008/09 might be avoided by taking money from reserves, while still leaving reserves near the target level (103%). However, if the Commission wished to maintain the reserves at 100%, it would no longer be able to adopt deficit budgets and financial contributions would have to rise in 2009-2010. This increase would be higher if significant expenditure is required in 2009-2010, e.g. for meetings and activities associated with continuing work on the future of the organization.

If the Commission identifies the possibility of significant expenditure in 2009/10 above the level in the current Forecast Budget, it might be prudent to allow for lower increases in Financial Contributions over two years rather than a large increase in a single year, which might present difficulties to Contracting Governments when assessing their other spending priorities.

Annex

Increases in Financial Contributions (indicative) if the Proposed Budget for 08/09 (as presented to F&A at IWC60) is increased by £90k and recovered by way of Financial Contributions

(Group 1 Countries)

	Country	Capacity to Pay Group	Fin.Con. 07/08 £ (A)	Fin.Con. 08/09 £ (B)	Fin.Con. 08/09 £ (C)	Change £(B) - £(A)	Change £(C) - £(A)
			Actual	Prop. Bu	Prop.Bu + £90k	PropBu 08/09 less Act 07/08	Prop Bu 08/09 + £90k less Act 07/08
1	Antigua and Barbuda	1	5,906	5,795	6,157	-111	251
2	Belize	1	5,906	5,795	6,157	-111	251
3	Benin	1	5,906	5,795	6,157	-111	251
4	Cambodia	1	5,906	5,795	6,157	-111	251
5	Congo, Rep	1	0	5,795	6,157	5,795	6,157
6	Dominica	1	5,906	5,795	6,157	-111	251
7	Gabon	1	5,906	5,795	6,157	-111	251
8	Gambia, The	1	5,906	5,795	6,157	-111	251
9	Grenada	1	5,906	5,795	6,157	-111	251
10	Guinea	1	5,906	5,795	6,157	-111	251
11	Guinea-Bissau	1	5,906	5,795	6,157	-111	251
12	Kiribati	1	5,906	5,795	6,157	-111	251
13	Lao PDR	1	5,906	5,795	6,157	-111	251
14	Mali	1	5,906	5,795	6,157	-111	251
15	Marshall Islands	1	5,906	5,795	6,157	-111	251
16	Mauritania	1	5,906	5,795	6,157	-111	251
17	Mongolia	1	5,906	5,795	6,157	-111	251
18	Nauru	1	5,906	5,795	6,157	-111	251
19	Nicaragua	1	3,938	3,864	4,105	-74	167
20	Palau	1	5,906	5,795	6,157	-111	251
21	Senegal	1	5,906	5,795	6,157	-111	251
22	Solomon Islands	1	3,938	3,864	4,105	-74	167
23	St Kitts and Nevis	1	5,906	5,795	6,157	-111	251
24	St Vincent & The Grenadines.	1	15,420	15,484	16,450	64	1,030
25	St. Lucia	1	5,906	5,795	6,157	-111	251
26	Suriname	1	5,906	5,795	6,157	-111	251
27	Togo	1	5,906	5,795	6,157	-111	251
28	Tuvalu	1	5,906	5,795	6,157	-111	251
Total			165,040	168,095	178,583	3,055	13,543

Increases in Financial Contributions (indicative) if the Proposed Budget for 08/09 (as presented to F&A at IWC60) is increased by £90k and recovered by way of Financial Contributions

(Group 2 Countries)

	Country	Capacity to Pay Group	Fin.Con. 07/08 £ (A)	Fin.Con. 08/09 £ (B)	Fin.Con. 08/09 £ (C)	Change £(B) - £(A)	Change £(C) - £(A)
			Actual	Prop. Bu	Prop.Bu + £90k	PropBu 08/09 less Act 07/08	Prop Bu 08/09 + £90k less Act 07/08
1	Argentina	2	10,631	10,432	11,083	-199	452
2	Brazil	2	10,631	10,432	11,083	-199	452
3	Cameroon	2	7,088	6,954	7,388	-134	300
4	Chile	2	10,631	10,432	11,083	-199	452
5	China, P.R of	2	10,631	10,432	11,083	-199	452
6	Costa Rica	2	10,631	10,432	11,083	-199	452
7	Cote d'Ivoire	2	10,631	10,432	11,083	-199	452
8	Croatia	2	10,631	10,432	11,083	-199	452
9	Czech Republic	2	10,631	10,432	11,083	-199	452
10	Ecuador	2	10,631	10,432	11,083	-199	452
11	Guatemala	2	10,631	10,432	11,083	-199	452
12	Hungary	2	10,631	10,432	11,083	-199	452
13	India	2	10,631	10,432	11,083	-199	452
14	Kenya	2	7,088	6,954	7,388	-134	300
15	Mexico	2	10,631	10,432	11,083	-199	452
16	Monaco	2	10,631	10,432	11,083	-199	452
17	Morocco	2	10,631	10,432	11,083	-199	452
18	Oman	2	10,631	10,432	11,083	-199	452
19	Panama	2	10,631	10,432	11,083	-199	452
20	Peru	2	10,631	10,432	11,083	-199	452
21	Romania	2	0	10,432	11,083	10,432	11,083
22	Russian Federation	2	23,295	23,211	24,659	-84	1,364
23	San Marino	2	10,631	10,432	11,083	-199	452
24	Slovak Republic	2	10,631	10,432	11,083	-199	452
25	South Africa	2	14,175	13,909	14,777	-266	602
26	Tanzania	2	0	10,432	11,083	10,432	11,083
27	Uruguay	2	0	10,432	11,083	10,432	11,083
Total			264,266	290,956	309,111	26,690	44,845

Increases in Financial Contributions (indicative) if the Proposed Budget for 08/09 (as presented to F&A at IWC60) is increased by £90k and recovered by way of Financial Contributions

(Group 3 Countries)

	Country	Capacity to Pay Group	Fin.Con. 07/08 £ (A)	Fin.Con. 08/09 £ (B)	Fin.Con. 08/09 £ (C)	Change £(B) - £(A)	Change £(C) - £(A)
			Actual	Prop. Bu	Prop.Bu + £90k	PropBu 08/09 less Act 07/08	Prop Bu 08/09 + £90k less Act 07/08
1	Australia	3	26,855	26,722	28,389	-133	1,534
2	Austria	3	21,605	21,570	22,916	-35	1,311
3	Belgium	3	21,605	21,570	22,916	-35	1,311
4	Cyprus	3	21,605	21,570	22,916	-35	1,311
5	Denmark	3	48,181	48,001	50,996	-180	2,815
6	Finland	3	21,605	21,570	22,916	-35	1,311
7	Greece	3	21,605	21,570	22,916	-35	1,311
8	Iceland	3	48,181	48,001	50,996	-180	2,815
9	Ireland	3	21,605	21,570	22,916	-35	1,311
10	Israel	3	21,605	21,570	22,916	-35	1,311
11	Korea, Rep of	3	26,855	26,722	28,389	-133	1,534
12	Luxembourg	3	21,605	21,570	22,916	-35	1,311
13	Netherlands	3	26,855	26,722	28,389	-133	1,534
14	New Zealand	3	26,855	26,722	28,389	-133	1,534
15	Norway	3	48,181	48,001	50,996	-180	2,815
16	Portugal	3	21,605	21,570	22,916	-35	1,311
17	Slovenia	3	21,605	21,570	22,916	-35	1,311
18	Spain	3	21,605	21,570	22,916	-35	1,311
19	Sweden	3	21,605	21,570	22,916	-35	1,311
20	Switzerland	3	21,605	21,570	22,916	-35	1,311
Total			532,828	531,304	564,455	-1,524	31,627

Increases in Financial Contributions (indicative) if the Proposed Budget for 08/09 (as presented to F&A at IWC60) is increased by £90k and recovered by way of Financial Contributions

(Group 4 Countries)

	Country	Capacity to Pay Group	Fin.Con. 07/08 £ (A)	Fin.Con. 08/09 £ (B)	Fin.Con. 08/09 £ (C)	Change £(B) - £(A)	Change £(C) - £(A)
			Actual	Prop. Bu	Prop.Bu + £90k	PropBu 08/09 less Act 07/08	Prop Bu 08/09 + £90k less Act 07/08
1	France	4	54,784	56,228	59,736	1,444	4,952
2	Germany	4	60,034	61,379	65,209	1,345	5,175
3	Italy	4	60,034	61,379	65,209	1,345	5,175
4	Japan	4	118,110	118,718	126,126	608	8,016
5	United Kingdom	4	65,284	66,531	70,682	1,247	5,398
6	USA	4	86,610	87,810	93,289	1,200	6,679
Total			444,856	452,045	480,251	7,189	35,395

*Increases in Financial Contributions (indicative) if the Proposed Budget for 08/09 (as presented to F&A at IWC60) is increased by £90k and recovered by way of Financial Contributions
(All Group Countries)*

		Capacity to Pay Group	Fin.Con. 07/08 £ (A)	Fin.Con. 08/09 £ (B)	Fin.Con. 08/09 £ (C)	Change £(B) - £(A)	Change £(C) - £(A)
			Actual	Prop. Bu	Prop.Bu + £90k	PropBu 08/09 less Act 07/08	Prop Bu 08/09 + £90k less Act 07/08
		Total G1	165,040	168,095	178,583	3,055	13,543
		Total G2	264,266	290,956	309,111	26,690	44,845
		Total G3	532,828	531,304	564,455	-1,524	31,627
		Total G4	444,856	452,045	480,251	7,189	35,395
Total		Total All	1,407,000	1,442,400	1,532,400	35,400	125,400