



INTERNATIONAL
WHALING COMMISSION

**Minutes of the Bureau Meeting
Wednesday 20 April 2022
Virtual Meeting**

16h00 to 19h00 UK time

Attendance:

Bureau Members:

Andrej Bibic	(Chair, Slovenia)
Amadou Teveliel Diallo	(Vice-Chair, Guinea)
Miguel Iniguez	(Argentina)
Lucia Scheinkman	(Argentina)
Francis Nunoo	(Ghana)
Michael Arthur-Dadzie	(Ghana)
Horace Walters	(St Lucia)
Branka Tavzes	(Slovenia)
Cat Bell	(CC & WGOE Vice-Chair, UK)
Mi Ae Kim	(United States)
Madison Harris	(United States)
Lisa Phelps	(WGOE Co-Chair, United States)
Ryan Wulff	(F&A Chair, United States)

Invited Participants:

Lorenzo Rojas-Bracho	(CC Chair, Mexico)
Alex Zerbini	(SC Chair, Brazil)
Lindsay Porter	(SC Vice-Chair, UK)
Adam Clark	(BSC, Australia)
Annie Robinson	(BSC, Australia)
Belinda Jago	(BSC, Australia)

Interpreter:

Yassine Oulamine (COMHAFAT)

Secretariat:

Rebecca Lent	(Executive Secretary)
Nikki Bartmeier	(Head of Finance and Administration)
Moussa Ki Sow	(Database Manager)
Iain Staniland	(Head of Science, Conservation, & Mgt)
Mark Tandy	(Head of External Affairs)

Apologies:

James Smith	Commissioner, UK
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1. Welcome and introduction

The Chair welcomed all to the virtual meeting and reminded participants that the Bureau meeting was convened in line with Rule of Procedure B.4. In addition, the Chair noted that Chairs and Vice-Chairs from the Scientific and Conservation Committees, and the Budgetary Sub-Committee were also invited to join this Bureau meeting, as allowed under the Rule of Procedure M.9.

2. Review and adoption of the bureau agenda and minutes of the previous bureau meeting

The agenda, which was circulated to the Bureau on 31 March 2022, was adopted with no changes to the agenda.

The minutes of the previous Bureau meeting held on 24 January 2022 had already been adopted by correspondence and can be accessed [here](#).

3. Appointment of rapporteur

It was agreed that, as usual, the Secretariat would serve as rapporteur for the Bureau meeting.

4. SC updates

4.1 Plans for the 2022 SC meeting (SC68D)

Alex Zerbin, SC Chair, and Lindsay Porter, SC Vice-Chair presented updates on the SC meeting. The SC meeting is being held virtually for the third year in a row, which continues to be a challenge. Pre-meetings are underway and there will be one post-meeting in-person in Copenhagen. The SC Chair and SC Vice-Chair will join the Secretariat at the Red House, as did the IWC Chair for the VSM.

The SC report will be produced three weeks after the last Plenary SC with the final report on hold until the in-person post-SC workshop report is ready. The complete SC68D report will be ready on or before 60-day deadline for IWC68.

Vice-Chair Lindsay Porter will lead the development of a two-year budget at SC68D. Over past few years a scoring and ranking system has been used for SC proposals. This will allow the SC to develop a list of projects ranked by priority for final decision depending on the budget. The SC will also need to address projects that have been put on hold due to the pandemic.

The Bureau then discussed the issue of participation of scientists from the Russian Federation in the SC meeting. It was noted that some delegates will have some guidance or instructions from their capitals with respect to their interventions when there are Russian delegates in international meetings. The Bureau advised the SC Chair and Vice Chair to allow time on the Plenary agenda for statements and discussion of this issue, and to query the Heads of Delegation ahead of the meeting to gather more information.

The IWC Chair requested that the SC leadership keep him informed of developments surrounding this issue during the SC meeting.

4.2 Plans for presenting the SC reports at IWC68

The SC Chair underscored the particular challenge ahead at IWC68 due to the need to present reports from four SC meetings. The former and current SC Chair are working on the most effective way to present these four reports. Feedback from the Bureau on priority topics would be very helpful. The former SC Chair (Robert Suydam) will present the SC68A-C reports and the current SC Chair will present the SC68D report.

A small intersessional group of SC members has launched a Scientific Committee Communications Initiative that will develop options for enhancing the effectiveness of the presentation of the SC

reports at Commission meetings. The Communications Initiative is led by Mike Double (Head of Australia Delegation to SC) and supported by the Secretariat. A brief document outlining the initiative will be presented at the Finance and Administration Committee meeting at IWC68 in order to garner discussion for a subsequent launch at IWC69.

5. Working Group on Operational Effectiveness (WG-OE): Status of Papers, Proposals to Table at IWC68

The WG-OE Co-Chairs Lisa Phelps (USA) and Cat Bell (UK) provided an update to the Bureau, noting that the schedule was impacted by the decision to hold a virtual SC68D meeting. The Co-Chairs are planning a virtual meeting of the drafting groups shortly after the SC meeting, to be followed by a full virtual WG-OE meeting which will allow revision and submission of revised draft papers in time for the 60-day deadline prior to IWC68.

The WG-OE Co-chairs are also working with the Secretariat to explore the option of holding an in-person WG-OE meeting (half-day) as one of the pre-meetings to IWC68. Whilst the Commission meeting fund might not be able to cover such an additional pre-meet, there are funds left from voluntary contributions to the WG-OE that could be used. The WG-OE Co-chairs also noted that the 5th draft paper proposing modifications to the Rules of Procedure on voting rights would be ready to circulate to the WG-OE within the next month.

The WG-OE Co-chairs requested the guidance and support of the Bureau members to ensure that the five papers are well socialized prior to IWC68 so that the proposals are well understood, and delegations arrive ready to discuss. The Secretariat offered its assistance in organizing meetings in a variety of geographical locations, much as was done in 2021. There are a number of organisations that can support such events, e.g., for Africa (via COMHAFAT), Caribbean and BAG countries (with Bureau members), Pacific, and the EU. This outreach could include presentation of the draft budget options.

6. Preparations for IWC68

6.1 Reminder of key dates for the meeting

The Bureau members were reminded of the deadlines for IWC68 documents:

- 100-day deadline = 9 July (Draft IWC68 Agenda) – noting this indicates a Bureau meeting is needed around the end of June.
- 90-day deadline = 19 July (for ASW)
- Chair will ask for comments on the draft IWC68 Agenda by 8 August
- 60-Day deadline = 18 August for annotated IWC68 agenda in all three languages, draft Resolutions or Schedule Amendments, WG-OE and Budget proposals. Submissions are requested by 8 August in order to ensure time for translation and posting.

6.2 Expected Resolutions and Schedule Amendments and other possible decisions

The Chair noted that while the deadline for proposed Resolutions and Schedule Amendments is not until 18 August, it would be helpful to know relatively soon whether Bureau members are aware of any such proposals. The Chair underscored that decisions will be necessary on the budget for 2023/24 in addition to the WG-OE proposals. The Bureau was informed of a possible proposal relevant to the South Atlantic Whale Sanctuary, however this is still under discussion by the proponents. Additional information may be available by the time of the late June/early July Bureau meeting.

6.3 Other preparations for IWC68

The Bureau discussed the possible challenges that may arise at IWC68 from the current situation with Russia. The SC meeting could shed light on what might be expected at IWC68 with regards to this issue, however it is likely to require more time for opening statements. There was mention of the importance of contacting IWC68 participants to ask them directly of the process required of their capitals.

The Secretariat noted that an in-person meeting (with a possible hybrid component) is now ensured, and the contracts and arrangements will be formalized in the immediate future, pending any objections from the Bureau. The hotel that will serve as the venue has assured the Secretariat that there will be sufficient space for distancing.

The Alternate Commissioner from Slovenia noted that they are looking forward to hosting the IWC68 meeting. She is in contact with the relevant Ministries for arrangements regarding information on visas and Covid requirements (for which there are none at this time).

The Secretariat noted that the Norwegian Commissioner has been asked to replace the Chair of the Infractions Committee, who has stepped down. The Secretariat also noted the need to manage expectations regarding how voting rights will be addressed at the start of IWC68.

7. IWC Budget

7.1 Update on status of contributions

Nikki Bartmeier, Head of Finance and Administration at the Secretariat, provided an update on the status of contributions from member countries. Many contributions are outstanding, which causes financial problems for the Commission, both in terms of the impact on overall General Fund as well as cash flow issues. Nevertheless, the Commission is quorate for a vote, which would not fully reflect the membership of the Commission.

The contributions for the year 2021 have been sent by 67% of the member countries, of which 16 were paid after the deadline. Currently 59 countries have the right to vote while 29 countries still have arrears to pay. This same update document underscores the option under the Rules of Procedure for a country to arrange a system of payments towards paying off their contributions, and for any increase in required contributions to be paid by December of the year in which they are due.

The Chair noted that the improvement in pandemic situation may help with the payments in future years.

7.2 Proposal for the 2023/24 budget, to be considered at IWC68

A biennial budget for the years 2023/24 must be adopted at IWC68. The BSC presented three options for achieving a balanced budget rather than the nearly £500K deficit that would be expected under 'status quo' for this period (see Annex 1). To achieve this balance, it is necessary to either reduce expenditure, to increase the contributions of member countries, or to do a combination of both. The BSC document offers three options along these same lines for achieving the goal of a zero-deficit budget, as agreed by the Bureau some time ago.

As with the WG-OE proposals, the BSC will conduct outreach via virtual meetings with Commissioners and other stakeholders to 'socialize' these budget options. This pre-consultation will help ensure that Commissioners arrive at IWC68 ready to engage and resolve the budget situation. Whilst additional consultation will occur, the proposals will stay largely as drafted in order to reach the goal of a balanced budget. The BSC's goal is to have a draft BSC document submitted by the 90-day deadline of 19 July 2022. The BSC invited the SC and the Bureau to submit their comments in the coming weeks.

Bureau members expressed their appreciation for the work of the BSC and underscored the need to balance the budget by making use of the valuable information and analyses conducted by the BSC. A document outlining the three options will be made available along with the Bureau minutes to all Commission stakeholders.

8. Updates from the Secretariat

8.1 Covid and teleworking

The Secretariat continue to work mostly from home given the high case rate of Covid in the area.

8.2 Personnel update

A Strandings Coordinator has been hired. Ms Emma Neave-Webb will be working half-time and is funded with Voluntary Conservation Funds.

8.3 Other

The Secretariat noted several draft agreements to be brought to the Commission, including a Letter of Intent with the Indian Ocean Tuna Commission, a Memorandum of Understanding (MoU) with the UNEP SPAW protocol in the Caribbean, a MoU with CCAMLR for scientific activities and an MoU with COMHAFAT/ATLAFCO.

The Red House has been on the market for a year with no offer above the minimum sale price.

The Secretariat proposed using Voluntary Assistance Funds to finance one pilot internship to launch an initiative developed jointly with COMHAFAT/ATLAFCO for hosting interns from African member countries. This is consistent with the Financial RoP for this fund and would be subject to placing first priority on the use of VAF funds for travel to IWC and subsidiary body meetings. The Bureau supported this pilot internship proposal in collaboration with COMHAFAT/ATLAFCO.

9. Date of next Bureau Meeting – late June/early July 2022.

This will be a meeting to finalise the proposed IWC68 Agenda and to further examine the options for budget proposals.

10. AOB

Nothing to report.

Meeting was adjourned at 18h00 UK time.

Annex 1

An update on the 2023/2024 IWC Biennium Budget

Background

The Commission is facing a financial deficit of at least £497k in the next biennium (i.e., 2023/2024). If the Commission does not balance its biennial budget, it will become insolvent in 2025. The Commission is in this position due to consistently adopting deficit budgets (i.e., the Commission agreeing that expenditure should exceed income), freezing member contribution fees (i.e., fees have not adjusted for inflation in almost a decade), and increased operating costs due to inflation (Fig. 1). As a consequence, the Commission's General Fund and reserves are depleting.

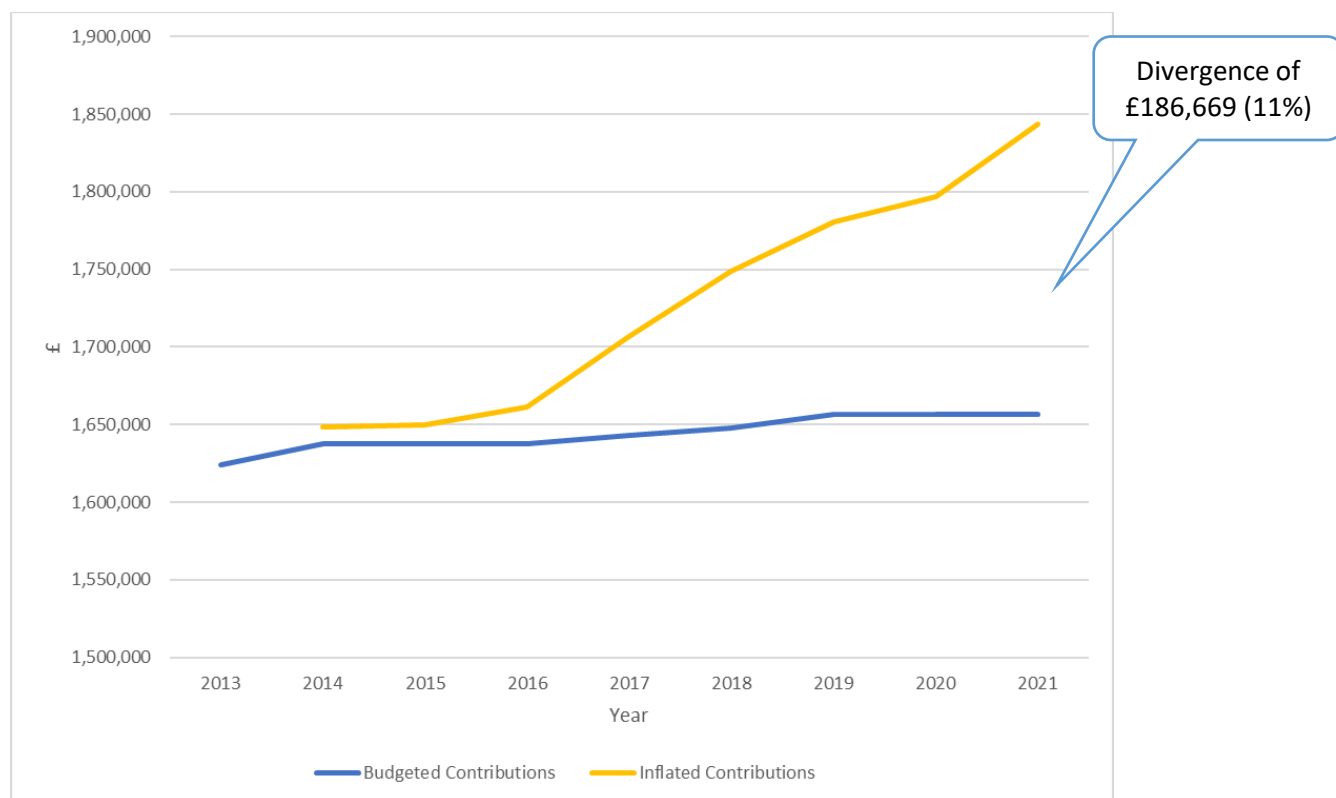


Fig. 1 - The graph above shows that budgeted contributions (in blue) from 2013 to 2021 (8 years) have only increased by 2%. By applying annual inflation in the UK to the 2013 budgeted contribution (£1,623,972), the 2021 contribution budget should have been £1,843,269, which represents a divergence of £186,669 or 11%, demonstrated in yellow on the graph.

Balancing the budget

To address this, in 2019 the IWC Bureau directed the Budgetary Sub-Committee (BSC) to only submit balanced budget proposals (where expenditure equals income) to the Commission. The BSC established two discussion groups to propose changes to the usual business of the IWC to mitigate the budget crisis. One group focused on the Commission meeting and the Secretariat budgets, and the other group focused on the SC research and meeting budgets.

The BSC has developed a draft budget proposal for IWC68 based on the predicted deficit, advice from the discussion groups, detailed review of the Commission's finances and cashflow, advice from the Scientific Committee and Secretariat, and consideration of the Commission's broader operating context (current global circumstances and position of member countries, etc).

Proposed Options to Balance the Budget

There are three possible options to balance the 2023/24 budget that the Commission will consider at IWC68. All options are intended to establish a new status quo, that is, the Commission will not return to previous patterns of expenditure. These three options are summarized in Table 1 below, and the breakdown of proposed savings for Options 1 and Option 3 is presented in Table 2¹.

Table 1 – BSC Proposed Options to Balance the 2023/24 IWC Budget

Option 1: Reduce Expenditure	Option 2: Increase Income	Option 3: Reduce Expenditure /Increase Income
<p>This option includes permanently reducing expenditure by 8% in 2023, 17% in 2024. In practice, it includes:</p> <ul style="list-style-type: none"> ● Moving to biennial SC meetings after an in-person meeting in 2023* ● No IP budget in non-meeting years ● An additional 1% reduction to the research fund. ● Significant reduction to Secretariat running costs ● Bureau meetings virtual except at Commission meetings. ● Virtual pre-meets for Commission meetings ● Reduction of Commission meetings by 1 day. ● Bad debt provision reduction. <p>*Depending on the SC’s preference, an in-person SC could be held in 2023 or 2024 (aligned with Commission years, or in ‘off’ years). This option does NOT include budget for full virtual meetings in ‘off years’. However, in renewal years for ASW quotas (e.g. 2024), funds will be provided for an SC workshop as needed.</p>	<p>Raise annual contributions by 15% in 2023 (establishing a new baseline income).</p> <ul style="list-style-type: none"> ● Expenditure will remain at current levels. ● Future deficits will be avoided through the use of zero-based budgeting approaching (i.e. the Commission will adopt budgets that reflect the true cost of activities and the contributions formula is applied to the total of the agreed expenditure budget, so that deficits are ruled out by definition). 	<p>Raise annual contributions by 2% in 2023, 13% in 2024. Permanently reduce expenditure by 7% in 2023, 6% in 2024. This includes:</p> <ul style="list-style-type: none"> ● Moving to biennial SC meetings after a transitional period (e.g. after in-person or virtual annual meetings in 2023/24), with some intersessional workshops supported** ● Reduced IP budget. ● Moderate reduction to Secretariat running costs ● Bureau meetings virtual except at Commission meetings. ● Virtual pre-meets for Commission meetings ● Reduction of Commission meetings by 1 day. ● Bad debt provision reduction. <p>** Depending on the level of member increases supported, this option could include budget for full virtual SC meetings in ‘off years’, and/or intersessional workshops. However, this is not guaranteed.</p>

The options described above, or the financial figures provided in Table 2, are not yet finalized, but do provide appropriate detail.

The proposed budget cuts are balanced across the Commission, with cuts proposed to the Secretariat running costs, Bureau, Commission and SC meeting budgets, and the SC Research Fund. If you would like more information about the impacts to these budget streams, please contact the BSC directly (whales@awe.gov.au).

The Budget Reform Strategy

Budget values after 2024 have not been addressed, as the Commission need to review and approve the Budget Reform Strategy being presented at IWC68 to agree the future of budgeting.

The BSC has developed a separate Budget Reform Strategy, as part of the Working Group on Operational Effectiveness (WG-OE) package of reform proposals. The Budget Reform Strategy will establish best practice financial principles to ensure that after a balanced budget is agreed for 2023/24, the Commission’s finances will remain sustainable in the long term. Two principles from the strategy relevant to this proposal are: 1) Balanced Budgets, 2) Zero-Based Budgeting.

¹ Breakdown for Option 2 is not shown because no savings are required in that option. Under Option 2, the SC would operate under the current budget.

Table 2 - Breakdown of proposed budget savings in the IWC under Options 1 (left) and 3 (right)

Option 1	2023/24 Status Quo Budget £	2023/24 Proposed Savings £	2023/24 Proposed Budget £	Option 3	2023/24 Status Quo Budget £	2023/24 Proposed Changes £	2023/24 Proposed Budget £
INCOME				INCOME			
All Income				All Income			
Financial Contributions	(3,313,200)	0	(3,313,200)	Financial Contributions	(3,313,200)	(248,499)	(3,561,699)
Interest on Financial Contributions	(12,300)	0	(12,300)	Interest on Financial Contributions	(12,300)	0	(12,300)
Interest Receivable on Cash Balances	(800)	0	(800)	Interest Receivable on Cash Balances	(800)	0	(800)
Meeting Fund Reserves Transfers	(125,000)	0	(125,000)	Meeting Fund Reserves Transfers	(125,000)	0	(125,000)
TOTAL INCOME	(3,451,300)	0	(3,451,300)	TOTAL INCOME	(3,451,300)	(248,499)	(3,699,800)
EXPENDITURE				EXPENDITURE			
Secretariat Running Costs	2,885,474	(159,927)	2,725,547	Secretariat Running Costs	2,885,474	(86,525)	2,798,948
Bureau Meeting Costs	24,725	(24,000)	725	Bureau Meeting Costs	24,725	(24,000)	725
Commission Meeting Costs	290,700	(78,000)	212,700	Commission Meeting Costs	290,700	(78,000)	212,700
Scientific Committee - Meeting Costs	271,941	(130,941)	141,000	Scientific Committee - Meeting Costs	271,941	(9,041)	262,900
Scientific Committee - Research Budget Costs	475,746	(104,418)	371,328	Scientific Committee - Research Budget Costs	475,746	(51,220)	424,526
TOTAL EXPENDITURE	3,948,586	(497,286)	3,451,300	TOTAL EXPENDITURE	3,948,586	(248,786)	3,699,799
TOTAL (SURPLUS) / DEFICIT	497,286	(497,286)	(0)	TOTAL (SURPLUS) / DEFICIT	497,286	(497,286)	(0)

Next Steps

It is important to consider all the options to move the Commissions work forward in an efficient manner under a reduced budget scenario.

The BSC will present a revised draft budget to the Bureau in June/July 2022 and will circulate a proposal to the Commission in July, 90 days prior to IWC68.

Over the next several months, the BSC will also approach Contracting Governments directly to discuss the budget and invite discussion. The Commission will then discuss the proposal at IWC68 in October 2022. The Commission may opt for a variation of one of the options proposed but must agree a balanced 2023/24 budget.