

## **Guidelines for allocation and use of Commission Funds**

*Initial draft proposal prepared by the Secretary*

### **Background**

In 2012 the Commission moved to meeting on a two yearly (biennial) meeting schedule. At the same time it also established a Bureau, constituted through Rule M.9, to support the work of the Commission by providing advice to the Chair of the Commission and Secretariat on the work on-going under the Convention, especially at times when the Commission is not in session.

Work on-going under the Convention is supported either through the Commission's core funds, or increasingly through receipt of voluntary contributions. While core funds are administered and allocated through a formal budget round, voluntary contributions may arise at any time.

Recent developments in various Committees and Sub-committees have indicated a need to establish guidance on how voluntary funds can be disbursed in response to urgent situations when the Commission is not in session. Due to the increasing intersessional workload, voluntary contributions are being relied upon more often. It is sometimes the case that contributions for that work come in after the Commission meeting, but are required for the upcoming intersessional work.

### **Financial Administration – core funds**

Rule of Procedure H.2(a) states that the Secretary is responsible for the receipt and disbursement of all monies received by the Commission.

Rule of Procedure H.2.(c) requires the Secretary to prepare and submit a draft budget for a two year period to each biennial meeting. The Commission's approval of this budget also provides the mandate for the Secretary to issue invoices to Contracting Governments and to disburse funds according to the budget.

The budget developed through Rule of Procedure H.2.(c) routinely includes an allocation for research. Rule G of the Scientific Committee's Rules of Procedure requires the Committee to recommend, in priority order, those research proposals for Commission support as it judges best meets its objectives. In order to achieve this the Scientific Committee has established detailed procedures to compile and prioritise requests for research funding.

Financial Regulation C.5 requires the Commission's accounts, as administered by the Secretary, to be audited on an annual basis. This requires the auditor to certify that the financial statements are in accord with the books and records of the Commission.

### **Financial Administration – voluntary funds**

#### *Acceptance of Voluntary Funds*

Financial Regulation C.2 indicates that the Commission may accept funds from outside the regular contributions of Contracting Governments. This includes contributions from Contracting Governments, non-Contracting Governments, intergovernmental organizations and other entities, as appropriate. This rule states that 'The Commission may accept such funds to carry out programmes or activities decided upon by the Commission and/or to advance programmes which are consistent with the objectives and provisions of the Convention'.

A range of funds has been established, either via the Commission (e.g. the voluntary fund for small cetaceans, the voluntary fund for ASW, and the voluntary Conservation Fund) or via the Secretariat (e.g. the SORP fund, or the IWC's 'other work fund') in order to ensure voluntary contributions are held for the purposes intended by the donor.

The Secretary notifies the Commission on receipt of voluntary contributions every six months. In addition, a list of all contributions received is included as an appendix to the audited financial statements.

Furthermore, through the outputs from the Working Group on Strengthening IWC financing, the Commission has adopted an 'Acceptance of Funds Policy' which supports the provisions of Financial Regulation C.2.

#### *Disbursement of Voluntary Funds*

Once received into the Commission's account all funds, both core and voluntary, become the Commission's property. Core funds are disbursed through the Commission's budget process, and consequently guidance is required, due to the increased intersessional workload, in order to ensure that voluntary funds are disbursed according to the Commission's wishes.

#### **Development of proposals for disbursing voluntary funds**

Voluntary funds are provided for a specific purpose which should be defined by the donor and recorded by the Secretary at the time of donation. Any specific reporting requirements must also be understood and recorded.

#### *Contributions for programmes decided upon by the Commission and/or to advance programmes consistent with the Convention*

If a contribution is received to carry out programmes or activities decided upon by the Commission and/or to advance programmes which are consistent with the objectives and provisions of the Convention, as outlined in Financial Regulation C.2, but is not allotted to an existing voluntary fund the Secretary will take advice from the Chair of the Commission and the Chair of Finance and Administration as to which would be the most relevant Committee, Sub-committee or Working Group to handle the expected work programme. The Chair of that Committee, Sub-committee or Working Group will then oversee its distribution and assume responsibility for reporting to the Commission at its next meeting.

#### *Contributions to ongoing intersessional work through existing funds*

If a contribution is received to carry out programmes or activities already supported through an existing fund, the Secretary will contact the Chair of the relevant Committee, Sub-committee or Working Group.

If called for in the existing fund's term of reference, the Chair will then convene the relevant steering committee. The steering committee will then agree a process to allocate funds. This must include preparation of a budget for the available amount which takes into account bank charges and an appropriate allowance for over-spend. Funds can be allocated for any purpose as best meets the objectives of the fund's terms of reference and the work programme as endorsed by the Commission.

#### **Transfer of funds out of the IWC**

Expenditure from all voluntary funds will be authorised by the IWC's Secretary. In providing this authorisation the Secretary will ensure that:

- 1 Expenditure will not exceed the available funds;
- 2 The Chair of the relevant Committee, Sub-committee or Working Group has approved the expenditure;
- 3 That expenditure is in accordance with the recommendations of any relevant steering committees;
- 4 Where appropriate, contracts have been developed and agreed by all relevant parties;
- 5 That reporting requirements from both donor and grantor are fully understood; and
- 6 That a report on the income and expenditure is provided to the Commission at its next plenary meeting.