

REPORT OF THE INTERSESSIONAL CORRESPONDENCE GROUP ON STRENGTHENING IWC FINANCING

Summary of Recommendations

<p>Recommendation 1: The IWC should adopt the draft Acceptance of Funds Policy (at Annex A), and the ICGSF should further consider the need for a Code of Ethical Fundraising as part of a future strategy for strengthening IWC financing</p>
<p>Recommendation 2: The Secretariat should develop the financial pages on the IWC website dedicated to informing the public and prospective donors about the IWC's financial processes and funding arrangements</p>
<p>Recommendation 3: The IWC should establish a Voluntary Conservation Fund (either by IWC DECISION or RESOLUTION at Annex B) and amend the Financial Regulations as set out at Annex C</p>
<p>Recommendation 4: The IWC should adopt the Terms of Reference proposed at Annex D for a Conservation Fund Project Steering Group.</p>
<p>Recommendation 5: The IWC Secretariat should work with relevant Committees and subgroups to improve the information about their work that is made available on the IWC website, including funding opportunities</p>
<p>Recommendation 6: Working with the ICGSF and relevant IWC chairs, the IWC Secretariat should identify and establish, or re-establish, relationships with key organisations to determine what scope there is for potential further partnerships or funding sources.</p>
<p>Recommendation 7: IWC Committees and subgroups wishing to resource projects should establish clearly budgeted work programmes and in parallel, identify potential funding or project partners.</p>
<p>Recommendation 8: The ICGSF should continue its role overseeing work to Strengthen IWC Financing, with a call for new members and specific expertise across the IWC family in fundraising. The ICGSF should review and report on progress to the F&A Committee, and consider further recommendations for longer-term IWC financing. Terms of Reference are proposed.</p>

Annexes

- ANNEX A:** International Whaling Commission DRAFT Acceptance of Funds Policy
- ANNEX B:** [Decision] or [Resolution] 2014- {...} on Establishing a Voluntary Conservation Fund
- ANNEX C:** Proposal to Amend Text of ICRW Financial Regulations
- ANNEX D:** Conservation Fund Project Steering Group DRAFT Terms of Reference
- Appendix 1: Conservation Project Eligibility Criteria
 - Appendix 2: Project Categories

REPORT OF THE INTERSESSIONAL CORRESPONDENCE GROUP ON STRENGTHENING IWC FINANCING

Proposals made by the Intersessional Correspondence Group on Strengthening IWC Financing (ICGSF) submitted by Australia, Costa Rica, Ecuador, France, Germany, Mexico, Monaco, UK, USA.

Introduction and summary of work to date

1. The ICG on Strengthening IWC Financing (ICGSF) was established at IWC/62, with the key and common purpose of finding ways to support the rebuilding and maintenance of healthy whale populations. In a difficult financial climate where IWC resources are already fully stretched, the challenge is to improve funding to support that goal without increasing the financial contributions of contracting governments.
2. In support of this, the ICGSF has been pursuing two main objectives: firstly, in the short term, creating the right environment to encourage external funders to contribute to the work of the Commission; and secondly, in the long term, identifying what needs to be done to improve the reliability of financing to support increasing and sustained programmes of work. The following Terms of Reference were agreed at IWC/64:

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| <ol style="list-style-type: none">1. Continue work on Terms of Reference 1 of the previous ICG, continuing to examine ways to integrate conservation funding into the overall budget considering both core and voluntary funding2. Consider the outputs and recommendations of the IFC reports, taking the level of need and ambition into account, as part of developing a long term strategy to strengthen funding for discussion at IWC/65. Investigate alternative models used by other organisations. Consider further work with IFC if appropriate.3. Draw up terms of reference for a Conservation Project Steering Group, for approval by Chairs of participating Committees and presentation at IWC/654. Prepare a template for project proposals in liaison with the Secretariat.5. Prepare a draft resolution to present to IWC/65 to establish a dedicated conservation fund to support healthy whale populations. Consider the development of a Code of Ethical Fundraising and Acceptance of funds policy.6. Strengthen relationships with other similar organisations to inform development of work7. Report to F&A Committee at IWC/65 |
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3. The F&A Committee is invited to consider, and, if appropriate, endorse the recommendations in this report, and advise whether the document tabled at **Annex B** should be a Decision or Resolution.

The short term: continuing to create the environment for external funding

4. The Commission has already taken a number of steps to improve financial and operational transparency, which will underpin donor confidence:

- improved the transparency of IWC financial reporting by moving to 'segment reporting' mechanisms; including voluntary donations within financial reports; and commissioning brief summaries of intersessional work completed by each IWC Committee to improve awareness.
 - agreed to establish a Conservation Fund Project Steering Group to guide the use of voluntary external funds in support of the rebuilding and maintenance of healthy whale populations, and endorsed the Project Categories and Eligibility Criteria that this Group should use in selecting potential projects
5. In line with these actions, the ICGSF proposes the following short term actions to further ensure financial transparency and operational openness.

Code of Ethical Fundraising and Acceptance of External Funds

6. The proposal to develop a Code was explored in IWC/64/F&A3, which highlighted that such Codes are best practice and commonly used in other International Governmental Organisations (IGOs) and organisations that accept external donations. However, the Association of Fundraising Professionals' 'International Statement of Ethical Principles in Fundraising' makes it clear that the purpose of a Code for Ethical Fundraising is distinct from the purpose of a policy that guides the Acceptance of External Funding. The ICGSF proposes that the IWC focuses on the development of an 'Acceptance of Funds Policy', but a 'Code of Ethical Fundraising' could be developed as part of a wider Strengthening IWC Financing strategy.
7. Paragraph C2 of the IWC's Financial Regulations allows for the acceptance of funds from outside the regular contributions of Contracting Governments, and establishes some basic principles. The Small Cetaceans Fund also extends these rules and sets out a procedure for the acceptance of contributions at Appendix 1 of the Financial Regulations. These established rules therefore provide a logical baseline of an IWC Policy on the Acceptance of External Funds, and it would be helpful to draw these out clearly in a single document for external donors to readily access and understand.
8. Other IGOs including the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the International Commission for the Conservation of Atlantic Tunas (ICCAT) similarly include provisions in their respective financial regulations for the acceptance of voluntary contributions by non-members, and also for the establishment of Trust Funds for those contributions.
9. In terms of *additional* guidelines, one example is the United Nations Framework Convention on Climate Change (UNFCCC), which has established an Adaptation Fund to finance specific project¹ work. The Fund has agreed *Guidelines for Accepting Unsolicited Donations for its Adaptation Fund Trust Fund*, and could

¹ <https://www.adaptation-fund.org/about>

provide a model for a similar IWC policy. As well as similar provisions to those already in the IWC Financial Regulations, there are a number of provisions to clarify the donor's position including a 'donation agreement' which, amongst other items, specifies that the donation does not establish membership or governance rights in the Adaptation Fund for the benefit of the Donor.

10. Taking appropriate parts of these various Regulations and Guidelines, and other examples as models, the ICGSF therefore proposes that the IWC adopts the draft Acceptance of Funds Policy set out at **Annex A**. This would apply to the acceptance of external funds for any purpose within the IWC.

Recommendation 1: The IWC should adopt the draft Acceptance of Funds Policy (at Annex A), and the ICGSF should further consider the need for a Code of Ethical Fundraising as part of a future strategy for strengthening IWC financing

Availability of Financial Information - Transparency

11. Many other IGOs have pages on their websites that provide publicly accessible and transparent information about the financial arrangements of their organisation. This includes information relating to how the organisation is financed, how the organisation has spent funds, and its financial reporting cycles.

12. The IWC could also look at creating a financial webpage that could be used to provide prospective donors with information about key objectives and priorities of the IWC and guidance on how to make voluntary contributions to the IWC to help meet these objectives, including a link to an 'Acceptance of Funds Policy'. The web page could also include other general IWC financial information that is already available to the public, but perhaps difficult to access easily. This could include:

- an overview of how the IWC is funded
 - contributions from Contracting Governments
 - an overview of the contributions scheme
 - external funding, including links to relevant IWC documents such as the Financial Regulations and 'Acceptance of Funds Policy'
- information related to the IWC's budget, including:
 - dates of the financial year
 - how budgets are decided
 - the work of the Finance and Administration Committee and the Budgetary Sub-Committee
 - link to the most recent annual report containing the IWC's budget

Recommendation 2: The Secretariat should develop the financial pages on the IWC website dedicated to informing the public and prospective donors about the IWC's financial processes and funding arrangements

Ring-fenced Trust Funds and Steering Group

13. The concept of ring-fenced funding was explored in IWC/64/F&A3. Trust Funds are well established mechanisms in IGOs as well as private and civil society organisations, providing a transparent way to receive and administer externally donated funds for specific purposes managed separately from other operational finances. Trust funds give donors the confidence that their money is being used in a way that they are comfortable with, and also makes it easy for the public to engage (and support financially, if desired) with the work of a particular organisation. Some organisations may operate multiple Trust Funds for different purposes. The IWC has already established a ring-fenced Voluntary Small Cetaceans Fund, and at IWC64, the ICGSF was charged with bringing forward a Resolution to establish a voluntary IWC Fund to finance projects that support healthy whale populations.
14. A Resolution is not a requirement for the establishment of an IWC Trust Fund, although a clear decision to amend the Financial Regulations would be needed. The ICGSF therefore tables two options for the IWC to establish the Fund: a draft IWC DECISION or IWC RESOLUTION at **Annex B**. The F&A Committee is asked to consider the best approach and make relevant recommendations to the Commission. In support of this and to ensure transparency, the proposed changes required in the Financial Regulations are set out at **Annex C**. For consistency, the draft proposes to follow a similar structure to the existing Voluntary Small Cetaceans Fund.

Recommendation 3: The IWC should establish a Voluntary Conservation Fund (either by IWC DECISION or RESOLUTION at Annex B) and amend the Financial Regulations as set out at Annex C

15. To ensure that a Voluntary Conservation Fund is managed transparently, IWC64 agreed to establish a Conservation Fund Project Steering Group to oversee the selection of projects and distribution of Funds in accordance with the Project Categories and Eligibility Criteria that were also agreed by the Commission at IWC64. The ICGSF therefore proposes Terms of Reference for the Steering Group at **Annex D**.

Recommendation 4: The IWC should adopt the Terms of Reference proposed at Annex D for a Conservation Fund Project Steering Group.

The long term: strategy for long term strengthening of IWC Financing

16. Contributions from IWC Contracting Governments support the administration of the IWC and the work of the Scientific Committee. The IWC is – and should be – recognised as the global body of expertise on cetacean conservation and management. Much of this knowledge development comes through the Scientific Committee and supporting Research Fund. However, even with Contracting Government contributions, there is a lack of funding to deliver all proposed Scientific Committee research projects, while others are co-financed by funds voluntarily donated by Contracting Governments.

17. Other projects that seek to provide more practical (rather than research) assistance in addressing key threats to whales, in support of the aims of the IWC (for example, entanglement workshops, ship strikes, workshop on the euthanasia of large stranded whales and the development of conservation management plans) are not directly funded by Contracting Governments, but rely on voluntary donations to progress. There has been a noticeable increase in the number of these sorts of projects coming forward and originating from a range of IWC Committees and Sub-groups.
18. A strategy for strengthening IWC financing should include the long term aim of securing dependable sources of funding to enable the Commission to deliver future project needs, helping to increase the IWC's reputation as the key cetacean expert body.

Ambition

19. Before deciding what the right approach should be, it is first important to identify the level of ambition that is appropriate to meet IWC needs. At present, the IWC only has a small number of unfunded or potential projects from a variety of Committees and subgroups, all with relatively modest financial requirements. As a Regulatory Convention, the IWC does not have a charitable remit and nor is it totally reliant on donations to support its continuation. It therefore does not have a role in the sort of serious fundraising that charities undertake. Further, it is unlikely that potential donors would want to contribute in good faith to a fund without knowing what their donation will be used for, or in the knowledge that their funds may remain dormant because there is a lack of projects to support.
20. However, the number of IWC projects coming forward has been increasing. The successful delivery of existing projects coupled with an increase in voluntary funding may inspire more project proposals to come forward across the IWC's work, raising IWC profile. In a 'snowball' effect, this may in turn attract the interest of external organisations seeking funding for projects that directly contribute to IWC work, and also the interest of further potential donors: success breeds success. This has been the emerging pattern within the Small Cetaceans Fund. There is – however – undoubtedly a natural ceiling to this, unless the IWC wishes to step outside of its current remit.
21. There is therefore a balance to be struck between the level of financing required against the number and size of potential IWC projects. The ICGSF therefore proposes that strengthening IWC financing is considered in the short, medium and long terms, reviewing progress and adjusting its approach as required. The IWC has already been addressing short term needs, including work outside of this group to improve operational effectiveness and the prioritisation of funds that rely on Contracting Government contributions; and this work should continue. The ICGSF has also addressed short term requirements to improve financial transparency and create an environment for encouraging voluntary donations. The medium term is therefore the focus for this phase.

Medium term: Building on existing strengths

22. The IWC has an established history of excellent research and implementation of practical projects, but few people are aware of the work that it has done to progress the state of cetacean knowledge, or the work it has delivered in tackling key threats. To improve IWC reputation for its work, and thus encourage the interest of potential donors and partners, the IWC should therefore provide more information on its successes. The recruitment of a communications expert and improvements to the IWC website have already begun to deliver some of what might be needed to achieve this aim.
23. For example, the IWC could build on, or establish dedicated website pages to explain not only the subgroups and committees that exist within the IWC, but also improve information about the work that they do and have delivered. For example, a Conservation Committee webpage should include the newly agreed Conservation Committee Work Plan; lists and case studies of projects that have been delivered; as well as projects that are planned but not yet started (perhaps because funding is limited). Similar approaches could be taken in other areas of IWC work – for example, completed and unfunded Scientific Committee Research projects.
24. This could help to improve ‘passive funding’ income: donors that are already associated with the IWC who have particular interests – such as Contracting Governments, NGOs and other observers that wish to see certain areas of work progressed and see that the IWC is the most appropriate body to do so.

Recommendation 5: The IWC Secretariat should work with relevant Committees and subgroups to improve the information about their work that is made available on the IWC website, including funding opportunities

Medium term: Building key relationships

25. To start generating ‘active funding’ income, the IWC should first seek to build on these existing relationships and actively approach such organisations to establish whether they would be willing to provide funding or initiate a partnership approach on relevant projects. This could include co-financing options as well as joint ‘promotion’ opportunities. For example: in considering the actions required to tackle ship strikes, the IWC could actively seek the engagement of existing IWC Governments and other associated organisations that are working towards the same aims. Joint projects could then be established and promoted by all project partners on websites, in correspondence etc. This action in itself will increase IWC outward reach and potentially bring in other interested parties. IWC Voluntary Trust Funds would provide the appropriate financial mechanism to manage such work.
26. Similarly, the IWC should also start exploring more strategic partnerships with international bodies, to identify where there is scope to join up planned project work. This could be specific – for example, in the case of ship strikes, approach IGOs such as the International Maritime Organisation, who already partner with other organisations to progress projects for which they have regulatory responsibility. More widely, there may be opportunities to join up with organisations that have direct or indirect interests in cetaceans, but where

multiple project objectives could be met. For example, IWC expertise in developing responsible whale watching industries could be of relevance to organisations seeking to develop sustainable coastal or regional economic growth strategies.

27. The IWC should also start exploring the use of external funding from recognised Government linked sources such as the Global Environment Fund (GEF), EU LIFE funding and other National Government Funding pots. As an example, since 1999 LIFE has funded 15 projects aimed at marine mammals. To date, the IWC's relationship with the GEF has been relatively passive, and to directly secure resources to support specific projects and go through application processes, IWC Committees will need to take a more active approach, working with the Secretariat. Depending on the fund, this may come at an initial resource cost (e.g. going through lengthy application processes), so projects that require funding would need to be clearly identified as good candidates. Accessing such funding could also draw on the expertise of existing IWC partners – such as NGOs – many of whom may already tap into these sources and have the requisite expertise to assist, or partner in developing large project proposals.
28. The ICGSF does not think it is appropriate at this time to reach out to other private Trust Funds, or to partner with private companies, in order to draw in funding. However, the IWC may wish to revisit this option when reviewing success of this initial medium term phase of work. Similarly, the ICGSF considers that other types of fundraising options used by other organisations (such as fundraising events, donor pledges etc) are not appropriate for consideration.

Recommendation 6: Working with the ICGSF and relevant IWC chairs, the IWC Secretariat should identify and establish, or re-establish, relationships with key organisations to determine what scope there is for potential further partnerships or funding sources.

Next steps and IWC financing in the long term.

29. To be able to properly target the right organisations, it is first necessary to identify what current and future funding gaps will exist in the IWC. Therefore, it would be helpful for Committees and groups within the IWC that wish to improve access to funding to begin to build this into their work planning and budgeting processes. For example: the Conservation Committee has already established an initial work plan, but it should also now identify the potential budget required to complete different work streams and any relevant projects. Alongside this, it would also be helpful for subgroups to seek to identify potential partners within the IWC family – and outside - that may have an interest in specific work, so these organisations can subsequently be approached.
30. In this way, the IWC could start to build a clear portfolio of projects which need funding. From this basis and if appropriate, in the future the IWC could consider the development of a 'Case for Support' – a simple document used by many organisations to outline specific project funding needs that can be used to appeal to donors.

Recommendation 7: IWC Committees and subgroups wishing to resource projects should establish clearly budgeted work programmes and in parallel, identify potential funding or project partners.

31. At this time, it would be difficult to justify a business case for the recruitment of a specialist dedicated wholly to fundraising in the IWC Secretariat, unless a willing Contracting Government were to provide voluntary funding, or a seconded expert, to resource this for a trial period. This may become a more credible long term option depending on the success of this first phase of work.
32. Instead, it is hoped that the IWC can draw on existing expertise within Governments, IWC partners and with the support of the Secretariat to take this work forwards jointly, exploring avenues further. The ICGSF proposes that the Group maintains its role in reviewing and overseeing the development of this work, and seeks to expand membership to bring specific expertise from across the IWC family to advise on the strengthening of IWC financing, report on progress and make further recommendations about the longer term financing strategy for IWC.

Recommendation 8: The ICGSF should continue its role overseeing work to Strengthen IWC Financing, with a call for new members and specific expertise across the IWC family in fundraising. The ICGSF should review and report on progress to the F&A Committee, and consider further recommendations for longer-term IWC financing. Terms of Reference are proposed.

Proposed revised Terms of Reference for the Intersessional Correspondence Group on Strengthening IWC Financing

1. Oversee and review the implementation of medium term actions needed to strengthen IWC financing.
2. Advise and assist the Secretariat in identifying appropriate organisations for the purposes of helping to strengthen IWC financing, and in approaching and building relationships with these organisations.
3. Consider and if appropriate develop a Code of Ethical Fundraising.
4. Advise and assist the Secretariat in making applications for external funds to support relevant IWC projects.
5. Continue to examine ways to integrate conservation funding into the overall budget considering both core and voluntary funding.
6. Report to the Finance and Administration Committee on progress, making any recommendations for further work as needed towards long term IWC financing.

ANNEX A

International Whaling Commission DRAFT Acceptance of Funds Policy

Background

The International Whaling Commission (the Commission) welcomes the contribution of voluntary funds to support its work. The following guidelines should be observed by entities or individuals considering providing voluntary contributions to the Commission. These guidelines are established by the Commission and should be read in conjunction with the Commission's Financial Regulations. In case of any inconsistency between this Policy and the Financial Regulations, the Financial Regulations shall prevail.

Objective

The objectives of these guidelines are to:

- i. provide guidance to governments, organisations or individuals interested in contributing funds to the Commission; and
- ii. ensure that funds are only accepted from appropriate sources in order to advance programs and activities that are consistent with the objectives and provisions of the International Convention for the Regulation of Whaling (the Convention).

Guidelines

These guidelines apply to all potential voluntary contributions to the Commission that are in addition to the annual contributions received from Contracting Governments as part of the Commission's regular budgetary process.

1. The Commission is able to accept funds from the following:
 - Contracting Governments to the Commission.
 - Governments that are not parties to the Commission.
 - Intergovernmental Organisations
 - Non-government Organisations
 - Other entities as appropriate
2. The Commission is unable to accept funds from sources identified in Financial Regulation C2(b) as follows:
 - Sources that are known, through evidence available to the Commission, to have been involved in illegal activities, or activities contrary to the provisions of the Convention².
 - Individual companies directly involved in legal commercial whaling under the Convention³.

² IWC Financial Regulation C.2(b.i)

³ IWC Financial Regulation C.2(b.iI)

- Organisations which have deliberately brought the Commission into public disrepute⁴.
3. Voluntary contributions to the Commission should be for the following purposes:
 - To carry out programs or activities decided upon by the Commission.
 - Advance programs and activities which are consistent with the objectives and provisions of the Convention.
 4. Voluntary contributions to the Commission may be further earmarked by the donor for specific projects or purposes that fall within the aims and objectives of any of the established Commission Funds. The Commission may not accept funds for which the earmarks would undermine the Commission's ability to carry out objectives established by the Commission.
 5. The following process will be followed by the Commission when accepting voluntary contributions:
 - Donor proposes voluntary contribution, in writing, to the Commission's Executive Secretary.
 - Acceptance of contributions will be subject to the Commission's Financial Rules of Procedure (C.2) for accepting voluntary contributions.
 - The contribution will be administered by the Secretariat of the Commission in accordance with Commission procedures.
 - The Secretariat will notify all members of the Commission on receipt of such voluntary contributions providing information about the donor, donation amount and any earmarked purpose.
 - When the contribution is expended the Secretariat will inform the donors of their utilisation unless other arrangements were made with the donor.
 6. The following provisions will apply to entities or individuals providing contributions to the Commission:
 - No access to the Commission's information or documentation will be granted to entities or individuals providing voluntary contributions over and above that available to the public, or that would be available to the donor in the normal course
 - Entities or individuals providing voluntary contributions will require the prior approval of the Executive Secretary to issue press briefings and other material on the voluntary contribution.

⁴ IWC Financial Regulation C.2(b.iII)

ANNEX B

65th Annual Meeting, 2014

[*DECISION*] OR [*RESOLUTION*] 2014-[...]

on Establishing a Voluntary Conservation Fund

RECALLING Resolution 2011-1 on improving the effectiveness of the operation of the International Whaling Commission (IWC);

NOTING the benefits, in terms of operational effectiveness and transparency, of maintaining separate voluntary funds for distinct purposes and activities relating to the work of the IWC, and NOTING ALSO the widespread use of voluntary funds by other intergovernmental organisations;

RECALLING ALSO Resolution 1994-2 which, *inter alia*, established an IWC voluntary fund to allow for the participation from developing countries in small cetaceans work;

RECOGNISING the need for funding to undertake research and projects to support the rebuilding and maintenance of healthy populations of whales;

WELCOMING the voluntary donations made to date by contracting governments and other parties to support this work;

RECOGNISING the need to provide a mechanism to encourage further donations to support that work in future, and, to that end, ensure financial and operational transparency;

RECALLING the work of the Intersessional Correspondence Group on Strengthening IWC Financing, including the recommendations endorsed by the Commission at its 64th Annual Meeting;

Now therefore the Commission:

DECIDES to establish a Voluntary Conservation Fund to support the Commission's conservation initiatives that provide for the proper and effective conservation and development of whale populations; and

WELCOMES contributions to this fund from contracting governments and other parties

ANNEX C

Proposal to Amend Text of ICRW Financial Regulations

C. General Financial Arrangements

1. There shall be established a Research Fund ~~and~~ a general Fund, ~~and~~ a Voluntary Fund for Small Cetaceans *and a Voluntary Conservation Fund*

NEW *1.(d) The details of the Voluntary Conservation Fund are given in Appendix 2*

NEW *Appendix 2 to the Financial Regulations*

VOLUNTARY CONSERVATION FUND

Purpose

The purpose of this voluntary fund is to support the International Whaling Commission's conservation initiatives, consistent with the purpose and provisions of the International Convention for the Regulation of Whaling, particularly in providing for the proper and effective conservation and development of whale populations. This is a dedicated IWC fund, to ensure financial transparency in monitoring and auditing the use of any voluntary contributions made for the purposes above.

Voluntary Contributions

The Commission welcomes contributions to the fund from Contracting Governments, non-Contracting Governments, international organisations, non-governmental organisations and other entities as appropriate.

Acceptance of contributions from entities other than Contracting Governments will be subject to the Commission's procedures for voluntary contributions as described in the Financial Regulations.

Donors, including Contracting Governments, may further specify a particular purpose for their contribution in accordance with the agreed Project Categories that are eligible for utilisation of this fund. The Commission may not accept funds for which the earmarks would undermine the Commission's ability to carry out objectives established by the Commission.

The Secretariat will administer the use of such funds in accordance with Commission procedures, including relevant audit processes. The Secretariat will notify all Contracting Governments on receipt of such voluntary donations, providing information about the donor, donation amount and any earmarked purpose. The Secretariat will inform donors as appropriate when their contribution has been utilised unless other arrangements have been made.

Distribution of Funds

A Conservation Fund Project Steering Group will oversee the selection of projects and distribution of funds in accordance with the guidance in the terms of reference for the Group and:

- the established Project Categories
- the established Eligibility Criteria¹

The Steering Group will submit a prioritised list of projects that are recommended for funding to the Finance and Administration Committee for consideration and subsequent agreement by the Commission. The Steering Group will also be responsible for monitoring and reporting on progress.

¹ Project Categories and Eligibility Criteria were agreed by the 64th meeting of the Commission. On the advice of the Conservation Fund Project Steering Group, the Commission may decide to revise these documents as required to ensure they remain relevant.

ANNEX D

CONSERVATION FUND PROJECT STEERING GROUP

TERMS OF REFERENCE

The Conservation Fund Project Steering Group (the Steering Group) is responsible for enhancing cooperation between the International Whaling Commission's Scientific and Conservation Committees in an effort to oversee the selection and prioritisation of projects to support the rebuilding and maintenance of healthy whale populations.

Membership

The Steering Group is open to all contracting governments but shall include the Chair and/or Vice Chair (or their nominated representatives) of both the Scientific Committee and the Conservation Committee.

The Chair of the Steering Group shall be elected from amongst its members and may hold the position for a period of up to four years. The current chair may be re-elected if the group so chooses.

Duties

The main duties of the Steering Group include:

- overseeing the selection and prioritisation of conservation projects;
- identifying the resource requirements of each project proposal;
- recommending projects for funding to the Finance and Administration Committee;
- liaising with Contracting Governments and external partners to develop a compendium of conservation projects; and
- monitoring and reporting on project outcomes.

The Steering Group will assess all project applications to ensure each application meets the eligibility criteria agreed at IWC64 in 2012 (**APPENDIX 1**). The Steering Group will also identify resource requirements of each project and receive advice from the Finance and Administration Committee on the amount of funding available for conservation projects.

The Steering Group shall prioritise projects, and recommend in priority order, the proposals it judges best meet the objectives of supporting the rebuilding and maintenance of healthy whale populations set out in the eligibility criteria. Projects relating to the categories agreed by the Commission (**APPENDIX 2**) will be considered a high priority. The Steering Group shall also aim to ensure that projects are representative of different regions, so that funding can be targeted at particular range state areas where it may be difficult to secure local financial support.

The Steering Group shall submit a prioritised list of conservation projects to the Commission for agreement, through the Finance and Administration Committee.

Recommendation making

Consistent with the Commission's Rules of Procedure, the Steering Group will make every effort to reach consensus on its recommendations. Where this is not possible, the Steering Group will report this to the Commission.

Meetings

The Steering Group shall primarily undertake its work electronically, but may meet face-to-face to facilitate decision making on the prioritisation and agreement of conservation projects.

Appendix 1

Conservation Project Eligibility Criteria

The following criteria were agreed at IWC64 in 2012 (refer to IWC64/F&A3).

Eligibility criteria have been developed with a view towards identifying projects that:

- a) are consistent with the IWC's cetacean conservation aims and objectives;
- b) are likely to attract potential funding partners;
- c) can demonstrate clear conservation outcomes;
- d) are cost effective; and
- e) have sound project management parameters.

It is envisaged that these eligibility criteria will allow IWC Contracting Governments and external partners to develop a compendium of conservation projects to be taken forward under the auspices of the IWC. The IWC will distribute the compendium to potential donors, with the aim of attracting funding or funding partners.

Eligibility Criteria

Projects eligible for IWC endorsement will be those that can be demonstrated to be consistent with the principles also established for financial arrangements in the Financial Regulations paragraph C2(a) (*programmes or activities decided on by the Commission and/or to advance programmes and activities which are consistent with the objectives and provisions of the Convention*), particularly projects supporting the objectives of the conservation committee, AND:

- a) can be demonstrated to deliver concrete cetacean conservation outcomes, with additional priority given to projects targeting cetacean populations and species most at risk;
- b) clearly identify conservation targets and milestones;
- c) are technically and financially coherent and feasible and provide value for money;
- d) have identified funding partners and institutional affiliations (with in-kind contributions clearly demarcated);
- e) have identified a project team and team members' credentials with clear illustration of the capacity to produce quality research that will be communicated to a wide range of stakeholders;
- f) have been endorsed by the process to be determined in accordance with the fifth term of reference;
- g) have the endorsement of one or more range states;
- h) are consistent with legislative responsibilities of any relevant range states;
- i) incorporate mechanisms to ensure periodic review and reporting;
- j) have an outreach and capacity building component targeting identified stakeholders and local communities (where appropriate);

- k) meet appropriate ethical guidelines with respect to the treatment of animals involved, ensuring interference with cetaceans is within acceptable levels and does not cause distress to cetacean individuals intersecting with the project;
- l) research methods are non-lethal only;
- m) fund only actions that are not otherwise the core responsibility or business of governments or industry, and that do not subsidise commercial enterprises.

Projects will not be considered eligible if they, or associated participants and project partners, can be demonstrated to support work that is inconsistent with the principles also established for financial arrangements in the Financial Regulations, particularly paragraph C2(b)(i)(ii)(iii), (*known to have been involved in illegal activities, or activities contrary to the provisions of the Convention; Individual companies involved in commercial whaling; Organisations that have brought the Commission into disrepute*) or that conflict with the objectives of the conservation committee.

Appendix 2

Categories of Projects to be Prioritised by the Conservation Project Steering Group

The International Whaling Commission agreed in 2012 (IWC/64/F&A 3) that the following categories of project are prioritised by the Conservation Steering Group in the first instance:

- a) Projects supporting **conservation management plans**
- b) Projects supporting **whale watching**
- c) Projects addressing **bycatch & entanglement**
- d) Projects addressing **ship strikes**
- e) Projects addressing **stranded cetaceans**, including euthanasia
- f) Projects addressing **pollution**
- g) Projects addressing **emerging issues** and new threats to whale populations