

Annex N

Budgetary Sub-Committee Operations

The following summarises the *modus operandi* for the Budgetary Sub-committee agreed by the Commission as of IWC/58.

Membership

Membership of the Budgetary Sub-committee (BSC) consists of:

- 2 members from 'capacity to pay' Group 1
- 2 members from 'capacity to pay' Group 2
- 2 members from 'capacity to pay' Group 3
- Japan, USA + one other from 'capacity to pay' Group 4
- membership is for 3 years (except for Japan and the USA who have a 'permanent' place since they are likely to be the two highest paying contributors under almost any formula for the calculation of financial contributions for the foreseeable future, being the highest payers now and probably in the future)
- any member that declines to serve will be replaced by the next member in alphabetical sequence within its Group
- new members of the Commission will be fitted into the cycle at the nearest alphabetical point after they have had a period in which to familiarise themselves with the organisation
- two 'open seats' (i.e. for any interested countries) as a fifth membership category.

Election of Chair and Vice-Chair

- The term for Chair and Vice-Chair is for three years and under normal circumstances the Vice-Chair would replace the outgoing Chair.
- Elections shall take place at the end of Sub-committee meetings.
- Any member is eligible to serve as Chair or Vice-Chair.

In the event that a BSC member coming to the end of their term is appointed as Chair or Vice-Chair, the member will be considered as no longer representing his/her government but rather present on the BSC in their capacity as Chair/Vice-Chair. A new country in the same capacity to pay group will be invited to join the BSC.

Open Seats

- The term for the 'open-seats' is two years (offering a balance between continuity and opportunity for wider participation in the BSC);
- A call for expressions of interest in taking an open seat when one becomes available will be made through a Circular Communication in advance of an Annual Meeting. The open seat(s) will be allocated at the F&A Committee meeting.
- If the level of demand in any one year for 'open seats' exceeds the number of seats available, then preference will be given to a country that has not served on the BSC before or served the longest time ago.

Contracting Governments as Observers to the BSC

- There is no restriction to contributing countries wishing to attend as observers.
- Non BSC members would not receive documents intersessionally but all documents will be made available to observers at the BSC meeting.
- Observers will not be eligible to be appointed as Chair or Vice-Chair.
- The Chair has discretion to invite comments from observers.