

## Terms of Reference of the Budget and Management Committee

*(updated by BMC III 2009 & BMC II 2017)*

The Budget and Management Committee (BMC), approved by APEC Ministers at their Fifth meeting in the Seattle, has been established as a mechanism to advise the SOM and make recommendations to it on matters concerning APEC's budgets, administration, management and operations, including project management.

- A) i) To this end, the BMC, operating by consensus, shall:
- (a) assess the overall budget structure and make recommendations on the most appropriate balance between capital, project, and administrative expenditure.
  - (b) review the Secretariat's administrative budget and make recommendations to the Secretariat regarding its size and structure.
  - (c) review the project funding applications proposed by APEC fora in terms of SOM, SCE, EC and CTI priorities and the quality assessment of the proposals by the APEC Secretariat and, subject to available funding, approve proposals based on their priority and quality up to the value of \$200,000 and recommend to SOM for approval funding allocations over \$200,000.
  - (d) assess sourcing of overall project funding, especially in relation to possible private sector sources, and review approved project expenditure and propose any reallocations in the light of progress and changing priorities as determined by SOM, SCE, EC or CTI.
  - (e) evaluate, selectively, completed projects and report any significant findings to the SOM, SCE, EC and CTI.
  - (f) calculate, when required by senior officials, revised contribution levels for APEC members.
  - (g) recommend to CSOM for ministerial approval of the following year's budgets – including but not necessarily limited to the Administrative Account, Operational Account, APEC Support Fund, and the Trade and Investment Liberalisation and Facilitation Special Account – and the rates of contributions by Member Economies to the APEC Central Fund.
- ii) (a) evaluate Secretariat proposals on, and give advice to the Secretariat (process issues) and make recommendations to SOM (substantive issues) on, measures for improving APEC's administrative and operational efficiency, including in relation to project management, financial management, Secretariat staffing and IT systems.
- (b) assist SCE, CTI, EC and SOM, as requested, to develop recommendations for the improved efficiency and effectiveness of APEC.
- B) The BMC may approve supplementary expenditure of up to US\$ 20,000 in order to meet unforeseen requirements for approved projects.
- C) To enable the BMC to achieve its objectives with maximum efficiency:
- i) meetings shall be held at least twice a year in the margins of a SOM meeting or in Singapore, and shall be serviced by the Secretariat.
  - ii) BMC shall oversee intersessional project approval sessions and if needed approve projects at BMC meetings.
  - iii) BMC may form small working groups with a defined mandate and timeframe to advance particular issues within the BMC mandate.
- D) Participation:
- i) The BMC shall be open to all APEC members.

- ii) All members attending the BMC will enjoy the same rights of participation.
  - iii) The level of member representation should be consistent with the status of the BMC and the importance of its work.
  - iv) The BMC meeting shall be convened by the BMC Chair, or in his/her absence, by the BMC Vice-Chair.
  - v) The BMC Chair shall be a representative of the previous SOM Chair; the BMC Vice-Chair shall be a representative of the current SOM Chair.
  - vi) The Executive Director of APEC, or designate, shall attend meetings ex-officio and participate fully in BMC discussions, unless otherwise decided by BMC.
  - vii) The BMC may invite Senior Officials and other Secretariat officers to attend as appropriate. Chairs of other APEC Committees and the Chairs/Convenors/ Lead Shepherds of APEC sub-fora may be invited to attend BMC meetings as observers.
- E) Quorum for BMC's Meetings constitutes attendees from 14 economies. Should the BMC fail to meet quorum for two consecutive meetings, it shall be referred to Senior Officials for a decision on whether it should continue to exist.