

CIRCULAR COMMUNICATION TO COMMISSIONERS  
AND CONTRACTING GOVERNMENTS  
IWC.CCG.204

**New Formula for Calculating Financial Contributions: Request for Comments**

At the 53<sup>rd</sup> Annual Meeting in London, the Commission reviewed the report of the Finance and Administration Committee (IWC/53/15) concerning the intersessional work by the Contributions Task Force to develop proposals for an alternative contributions formula. (This work was reported in IWC/53/F&A 4, a copy of which is attached).

On the recommendation of the Finance and Administration Committee, the Commission:

1. **Endorsed** the guiding principles for any new scheme, i.e. *Openness, Stability, Fairness and 'user pays'*
2. **Noted that:**
  - subject to reservations made, considerable progress had been made in reducing the number of models from 18 to 3
  - there were underlying differences in the three models which had been presented which would make a merger of these options difficult to achieve
  - some blending of the various models may be possible
  - further work should continue and that a report on progress should be made to IWC/54
  - factual errors should be removed in the models
3. **Agreed:**
  - (1) to include two additional members in the Task Force – one from each of South America and Europe
  - (2) that the Task Force should undertake further work at an intersessional meeting in Cambridge before IWC/54 to try and reach consensus.
  - (3) that a date for the Task Force meeting should be set at the earliest opportunity
  - (4) that Contracting Governments should provide written comment, information and relevant statistics on certain economic data to the Secretariat by 30 September 2001
  - (5) that there was a need to continue development work on performance criteria
  - (6) that the Commission should strive to achieve consensus on this matter as soon as possible.

The purpose of this Circular is to:

- inform members of progress since the Annual Meeting and the preparatory work needed before the Task Force meeting;
- indicate the action now required from Contracting Governments.

## **Progress and preparatory work required**

### Task Force Membership

Argentina and Spain have indicated their willingness to serve on the Task Force. Membership now comprises: Antigua and Barbuda; Argentina; Australia; Japan; Monaco; Norway; South Africa; Spain; USA; Secretariat.

### Task Force intersessional meeting

The Secretariat is working with the Task Force to identify a convenient date. The intention is still to hold the meeting as early as possible in the autumn.

### Preparatory work required for the Task Force meeting

The three models identified as the basis for further work by the Task Force all include a 'wealth' component relating to 'ability to pay'. In order to develop a clear rationale for correctly assigning Contracting Governments to the appropriate wealth category it is essential to have data that are verified and supported by Governments (see action required for governments below). Once the information is to hand, the Secretariat will include it in a reference database for use by the Task Force.

The Secretariat will need to re-work the three models to reflect the changes in the membership of the Commission since the exercise was started and also to base the calculations upon a contributions requirement close to that projected in the Forecast Budget for 2002-2003, rather than the purely illustrative figure of £1,000,000 used to date. At the same time, the economic data provided or verified by Contracting Governments will enable the errors that are known to exist, to be removed.

## **Action required from Contracting Governments**

In London, the Commission agreed that Contracting Governments should *'provide written comment, information and relevant statistics on certain economic data to the Secretariat by 30 September 2001'*. To simplify the process and to achieve a degree of consistency in members' responses a reply form has been prepared and is attached. You are invited to comment on the approaches used in the models in general and/or approaches adopted in particular models. **Please note that you will be asked to check economic data for your country via a separate communication.**

In completing the form, please frame your comments on the basis of the application of the guiding principles rather than from the standpoint of currently illustrated results for your own Government. In a situation where the nature of the exercise is intended to reduce the financial burden on some members it is inevitable that there will be consequential increases for others.

Please ensure that your Government's comments are returned to the Secretariat **no later than 30 September** so that the necessary preparation can be done before the Task Force meeting.

Dr. Nicky Grandy  
Secretary to the Commission

cc: Non-member Government Observers (for information)



3. Each of the models under consideration has a component for whaling. Should this be based upon a simple distinction between whaling and non-whaling or be scaled according to the extent (e.g. number or weight of whales caught) or type (e.g. commercial, aboriginal) of the whaling carried out?

4. Appendix 5 of IWC/53/F&A4 identifies the following 10 attributes of the models under consideration that have potential as 'performance criteria'. You may wish to indicate which of these you consider should be used and the optimum range for each which would indicate satisfactory performance.

<b>PERFORMANCE CRITERIA</b>	<b>Use? Yes/No</b>	<b>Range of results which could indicate satisfactory performance</b>
Highest contribution		
Highest contribution as % of total		
Lowest contribution (participating member)		
Lowest contribution as % of total		
Ratio highest/lowest contribution		
Top 5 contributors as % of total		
Membership as % of total		
Capacity to pay as % of total		
Whaling as % of total		
Meeting attendance as % of total		
Other? (please specify)		

5. Other comments?