



International
Whaling
Commission

The Red House
135 Station Road
Impington,
Cambridge
CB24 9NP, UK

tel: +44 (0) 1223 233971 | fax: +44 (0) 1223 232876
email: secretariat@iwcoffice.org | web: iwcoffice.org

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CIRCULAR COMMUNICATION TO COMMISSIONERS
AND CONTRACTING GOVERNMENTS
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Calculation of Financial Contributions from IWC Contracting Governments

At IWC/64 in 2012 the Commission adopted a budget for financial years 2012/13 and 2013/14, and this provided the basis for calculating financial contributions due from Contracting Governments for the 2012/13 Financial Year.

This Communication gives a summary of the formula for calculating contributions and an accompanying table of the amounts due from each Contracting Party (see Table One). Notes explain detailed calculations and procedures as appropriate. **This Communication constitutes the formal request for payment required by Financial Regulation E1.** Payment is due no later than 28 February 2013.

Invoices for the 2012/13 financial contributions, including statements of any amounts currently outstanding from previous financial years will be dispatched to individual Contracting Parties by the end of August 2012.

Simon Brockington
Executive Secretary

c.c. Intergovernmental Organisation observers to the IWC

Summary of the Financial Contributions Calculation¹

1 At each Biennial Meeting the Commission adopts a budget for the forthcoming two year period. This budget contains a figure for the total annual income due from Contracting Parties. The adopted budget for the 2012-2013 financial year is given at Note 1 below.

2 The contribution due from each Contracting Government is calculated in two stages. During the first stage an initial financial contribution is calculated by allocating shares to each Contracting Government for membership, the number of delegates attending the most recent annual meeting and any whaling activities which may have taken place (Table 1). Note 2 sets out the procedure for allocating shares for membership, attendance at the annual meeting and whaling activities.

The total income agreed in the budget is then divided by the total number of shares issued, and a first stage financial contribution is calculated for each Contracting Government (Table 1).

3 During the second part of the calculation the first stage total is modified by placing Contracting Governments into one of four capacity to pay groups (Tables 2 and 3). The capacity to pay groups are defined by thresholds for Gross National Income (GNI) and Gross National Income per capita (GNI per capita), with the lowest capacity to pay countries being allocated to Group One, and the highest to Group Four. An exception is made for very small countries which are placed into Group Two.

These thresholds for GNI and GNI per capita are adjusted each year to account for global inflation, and the allocation of Contracting Governments to capacity to pay groups is also updated using recent data available from the World Bank. Note 3 describes the annual revision to the thresholds and the updated allocations of Contracting Governments to each group.

4 Having been allocated to capacity to pay groups, the intermediate contributions due from the lowest capacity to pay countries (Group 1) are reduced by 62.5%, and the intermediate contributions due from the next lowest capacity to pay countries (Group 2) are reduced by 32.5%. Note 4 below describes the calculation used for these reductions.

5 This procedure results in a cash shortfall, which is re-distributed as follows:

Whaling countries	10%
Group 3 countries	30%
Group 4 countries	60%

The cash shortfall is added to the individual first stage contributions already calculated for the whaling countries and the Group 3 and 4 countries. The re-allocations are shown as part of Table One.

6 This results in a final figure for the financial contribution due from each Contracting Government, and an invoice is issued along with a statement of any outstanding payments from previous financial years. Payment terms and procedures for dealing with arrears of contributions are defined in the Commission's Financial Regulations E (Contributions) and F (Arrears of Contributions).

¹ The procedure for calculating financial contributions was developed between IWC/54 in 2002 and IWC/62 in 2010 during which time it was referred to as the 'interim measure'. The interim measure was formally adopted by the Commission at IWC/64 in 2012.

Table 1

Financial Contributions for the Year Commencing 1 September 2012

		Membership	Whaling		Meeting attendance		Total Shares	1st Stage Totals	Capacity to	Reduction	Reduction	Reduction	Add-on	Add-on	Add-on	Total
		Shares	Type	Share	Delegates	Shares		£	Pay Group	Stage 1	Stage 2	£	Whaling	Group 3	Group 4	£
1	Antigua and Barbuda	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
2	Argentina	2	0	0	2	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
3	Australia	2	0	0	13	3	5	29,000	3	0	0	0		5,376		34,375
4	Austria	2	0	0	2	1	3	17,400	3	0	0	0		5,376		22,775
5	Belgium	2	0	0	2	1	3	17,400	3	0	0	0		5,376		22,775
6	Belize	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
7	Benin	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
8	Brazil	2	0	0	2	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
9	Bulgaria	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
10	Cambodia	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
11	Cameroon	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
12	Chile	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
13	China, P.R of	2	0	0	2	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
14	Colombia	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
15	Congo, Rep	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
16	Costa Rica	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
17	Cote d'Ivoire	2	0	0	1	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
18	Croatia	2	0	0	0	0	2	11,600	3	0	0	0		5,376		16,976
19	Cyprus	2	0	0	3	1	3	17,400	3	0	0	0		5,376		22,775
20	Czech Republic	2	0	0	1	1	3	17,400	3	0	0	0		5,376		22,775
21	Denmark	2	AS	2	9	3	7	40,599	3	0	0	0	7,168	5,376		53,143
22	Dominica	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
23	Dominican Republic	2	0	0	1	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
24	Ecuador	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
25	Eritrea	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
26	Estonia	2	0	0	1	1	3	17,400	3	0	0	0		5,376		22,775
27	Finland	2	0	0	1	1	3	17,400	3	0	0	0		5,376		22,775
28	France	2	0	0	3	1	3	17,400	4	0	0	0			36,863	54,262
29	Gabon	2	0	0	2	1	3	17,400	1	-8,700	-2,175	-10,875				6,525

30	Gambia, The	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
31	Germany	2	0	0	3	1	3	17,400	4	0	0	0		36,863		54,262
32	Ghana	2	0	0	1	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
33	Greece	2	0	0	0	0	2	11,600	3	0	0	0	5,376			16,976
34	Grenada	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
35	Guatemala	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
36	Guinea	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
37	Guinea-Bissau	2	0	0	2	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
38	Hungary	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
39	Iceland	2	ST	3	4	2	7	40,599	3	0	0	0	7,168	5,376		53,143
40	India	2	0	0	2	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
41	Ireland	2	0	0	1	1	3	17,400	3	0	0	0	5,376			22,775
42	Israel	2	0	0	1	1	3	17,400	3	0	0	0	5,376			22,775
43	Italy	2	0	0	4	2	4	23,200	4	0	0	0			36,863	60,062
44	Japan	2	FS&ST	7	30	5	14	81,199	4	0	0	0	7,168		36,863	125,229
45	Kenya	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
46	Kiribati	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
47	Korea, Rep of	2	0	0	6	2	4	23,200	3	0	0	0	5,376			28,575
48	Lao PDR	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
49	Lithuania	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
50	Luxembourg	2	0	0	1	1	3	17,400	3	0	0	0	5,376			22,775
51	Mali	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
52	Marshall Islands	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
53	Mauritania	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
54	Mexico	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
55	Monaco	2	0	0	1	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
56	Mongolia	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
57	Morocco	2	0	0	2	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
58	Nauru	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
59	Netherlands	2	0	0	3	1	3	17,400	3	0	0	0	5,376			22,775
60	New Zealand	2	0	0	3	1	3	17,400	3	0	0	0	5,376			22,775
61	Nicaragua	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
62	Norway	2	ST	3	7	2	7	40,599	3	0	0	0	7,168	5,376		53,143
63	Oman	2	0	0	1	1	3	17,400	3	0	0	0	5,376			22,775
64	Palau	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525

65	Panama	2	0	0	7	2	4	23,200	2	-5,800	-1,740	-7,540				15,660
66	Peru	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
67	Poland	2	0	0	1	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
68	Portugal	2	0	0	0	0	2	11,600	3	0	0	0		5,376		16,976
69	Romania	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
70	Russian Federation	2	AS	2	2	1	5	29,000	2	-7,250	-2,175	-9,425	7,168			26,742
71	San Marino	2	0	0	0	0	2	11,600	2	-2,900	-870	-3,770				7,830
72	Senegal	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
73	Slovak Republic	2	0	0	0	0	2	11,600	3	0	0	0		5,376		16,976
74	Slovenia	2	0	0	1	1	3	17,400	3	0	0	0		5,376		22,775
75	Solomon Islands	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
76	South Africa	2	0	0	2	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
77	Spain	2	0	0	1	1	3	17,400	4	0	0	0			36,863	54,262
78	St Kitts and Nevis	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
79	St Vincent & The G.	2	AS	0	2	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
80	St. Lucia	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
81	Suriname	2	0	0	0	0	2	11,600	1	-5,800	-1,450	-7,250				4,350
82	Sweden	2	0	0	2	1	3	17,400	3	0	0	0		5,376		22,775
83	Switzerland	2	0	0	1	1	3	17,400	3	0	0	0		5,376		22,775
84	Tanzania	2	0	0	1	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
85	Togo	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
86	Tuvalu	2	0	0	1	1	3	17,400	1	-8,700	-2,175	-10,875				6,525
87	United Kingdom	2	0	0	10	3	5	29,000	4	0	0	0			36,863	65,862
88	Uruguay	2	0	0	3	1	3	17,400	2	-4,350	-1,305	-5,655				11,745
89	USA	2	AS	2	13	3	7	40,599	4	0	0	0	7,168		36,863	84,630
		178		19	196	83	280	1,623,972		-339,294	-90,768	-430,063	43,006	129,019	258,038	1,623,972

			Shortfall for re-distribution	-430,063			
	Group 1	29	Whaling	6	10%	43,006	
	Group 2	29	Group 3	24	30%	129,019	
	Group 3	24	Group 4	7	60%	258,038	
	Group 4	7				430,063	

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Table 2
Data for GNI and GNI/capita for all Contracting Governments

		World Bank data		Capacity to Pay Group			World Bank data		Capacity to Pay Group
		GNI	GNI/capita				GNI	GNI/capita	
		US\$ billion	US\$				US\$ billion	US\$	
1	Antigua and Barbuda	0.94	10,590	1	46	Kiribati	0.20	2,010	1
2	Argentina	343.64	8,500	2	47	Korea, Rep of	972.30	19,890	3
3	Australia	1,030.26	46,200	3	48	Lao PDR	6.50	1,050	1
4	Austria	391.51	46,690	3	49	Lithuania	37.84	11,390	2
5	Belgium	493.53	45,360	3	50	Luxembourg	39.03	77,160	3
6	Belize	1.29	3,740	1	51	Mali	9.15	600	1
7	Benin	6.95	780	1	52	Marshall Islands	0.20	3,640	1
8	Brazil	1,830.39	9,390	2	53	Mauritania	3.57	1,030	1
9	Bulgaria	47.16	6,250	2	54	Mexico	1,008.00	8,890	2
10	Cambodia	10.69	760	1	55	Monaco (#1)	6.47	183,150	2
11	Cameroon	23.17	1,180	2	56	Mongolia	5.15	1,870	1
12	Chile	173.18	10,120	2	57	Morocco	92.58	2,850	2
13	China, P.R of	5,720.81	4,270	2	58	Nauru	0.10	7,270	1
14	Colombia	255.27	5,510	2	59	Netherlands	814.76	49,050	3
15	Congo, Rep	8.70	2,150	1	60	New Zealand	128.19	29,350	3
16	Costa Rica	31.72	6,810	2	61	Nicaragua	6.42	1,110	1
17	Cote d'Ivoire	22.98	1,160	2	62	Norway	411.78	84,290	3
18	Croatia	61.38	13,870	3	63	Oman	53.59	19,260	3
19	Cyprus	23.65	29,430	3	64	Palau	0.13	6,560	1
20	Czech Republic	188.26	17,890	3	65	Panama	24.51	6,970	2
21	Denmark	327.37	59,050	3	66	Peru	136.71	4,700	2
22	Dominica	0.46	6,760	1	67	Poland	474.89	12,440	2
23	Dominican Republic	49.90	5,030	2	68	Portugal	232.91	21,880	3
24	Ecuador	55.67	3,850	2	69	Romania	168.21	7,840	2
25	Eritrea	1.79	340	1	70	Russian Federation	1,403.85	9,900	2
26	Estonia	19.37	14,460	3	71	San Marino (#2)	1.57	50,400	2
27	Finland	255.98	47,720	3	72	Senegal	13.53	1,090	1
28	France	2,749.82	42,390	4	73	Slovak Republic	91.46	16,830	3
29	Gabon	11.66	7,740	1	74	Slovenia	48.97	23,860	3
30	Gambia, The	0.77	450	1	75	Solomon Islands	0.55	1,030	1
31	Germany	3,521.98	43,110	4	76	South Africa	304.59	6,090	2
32	Ghana	30.08	1,230	2	77	Spain	1,462.89	31,750	4
33	Greece	304.96	26,940	3	78	St Kitts and Nevis	0.62	11,740	1
34	Grenada	0.72	6,930	1	79	St Vincent & The Grenadines	0.69	6,300	1
35	Guatemala	39.40	2,740	2	80	St. Lucia	1.14	6,560	1
36	Guinea	3.97	400	1	81	Suriname	4.00	7,640	1
37	Guinea-Bissau	0.89	590	1	82	Sweden	469.95	50,110	3
38	Hungary	128.61	12,850	2	83	Switzerland	559.73	71,530	3
39	Iceland	10.38	32,710	3	84	Tanzania	23.37	530	2
40	India	1,553.94	1,330	2	85	Togo	2.96	490	1
41	Ireland	183.74	41,000	3	86	Tuvalu	0.04	4,600	1
42	Israel	207.20	27,170	3	87	United Kingdom	2,387.06	38,370	4
43	Italy	2,125.84	35,150	4	88	Uruguay	35.56	10,590	2
44	Japan	5,334.37	41,850	4	89	USA	14,645.63	47,390	4
45	Kenya	31.81	790	2					

Very small country status #1 population (2010) 40,000 & #2 population (2010) 30,000

Table 3
Allocation to Capacity to Pay Groups

Group 1	Group 2	Group 3	Group 4
GNI < US\$13.55 billion and GNI/capita < US\$ 13,550	GNI > US\$13.55 billion and GNI/capita < US\$13,550 Or 'Very Small Country*' (population < 100,000 and GNI < US\$6.775 billion and GNI/capita > US\$13,550)	GNI < US\$1355 billion and GNI/capita > US\$13,550	GNI > US\$1355 billion and GNI/capita > US\$13,550
Antigua and Barbuda	Argentina	Australia	France
Belize	Brazil	Austria	Germany
Benin	Bulgaria	Belgium	Italy
Cambodia	Cameroon	Croatia	Japan
Congo, Rep	Chile	Cyprus	Spain
Dominica	China, P.R of	Czech Republic	United Kingdom
Eritrea	Colombia	Denmark	USA
Gabon	Costa Rica	Estonia	
Gambia, The	Cote d'Ivoire	Finland	
Grenada	Dominican Republic	Greece	
Guinea	Ecuador	Iceland	
Guinea-Bissau	Ghana	Ireland	
Kiribati	Guatemala	Israel	
Lao PDR	Hungary	Korea, Rep of	
Mali	India	Luxembourg	
Marshall Islands	Kenya	Netherlands	
Mauritania	Lithuania	New Zealand	
Mongolia	Mexico	Norway	
Nauru	Monaco (*)	Oman	
Nicaragua	Morocco	Portugal	
Palau	Panama	Slovak Republic	
Senegal	Peru	Slovenia	
Solomon Islands	Poland	Sweden	
St Kitts and Nevis	Romania	Switzerland	
St Vincent & The Grenadines	Russian Federation		
St. Lucia	San Marino (*)		
Suriname	South Africa		
Togo	Tanzania		
Tuvalu	Uruguay		
29	29	24	7

Note 1. Budget for the 2012/2013 Financial Year

The budget for the 2012/2013 Financial Year, as agreed by the Commission at its 64th Annual Meeting is reproduced below:

Income: Continuing Operations	Approved Budget 2012/13
Contributions from member governments	1,623,972
Interest on overdue financial contributions	8,000
Voluntary contributions ²	-
Sales of publications	10,000
Sales of sponsored publications	300
Observer's registration fees	0
UK taxes recoverable	24,000
Staff assessments	175,463
Interest receivable	5,000
Sundry income	250
	<hr/>
	1,846,985
Expenditure	
Secretariat	1,103,935
Publications	15,600
Annual meetings	262,000
Other meetings	42,150
Research expenditure	315,800
	<hr/>
	1,739,485
Provisions	
Cancelled financial contributions	23,500
Provision for doubtful debts	60,000
Severance pay provision	24,000
	<hr/>
	107,500
Surplus / (-) deficit for the year	<hr/>
	0

The budget indicates that total contributions due from Contracting Governments during the 2012/2013 financial year are to be set at £1,623,972.

² Voluntary contributions are not included in the budgeting process since expenditure arising from voluntary contributions will balance income. Therefore work undertaken through voluntary contributions will not affect the size of the general fund.

Note 2. Allocation of shares for membership, attendance at the annual meeting and whaling activities.

Shares are allocated as follows:

Membership		2 shares
Whaling	Land station/small type	3 shares (ST)
	Aboriginal Subsistence	2 shares (AS)
	Factory ship (per ship)	2 shares (FS)
Meeting attendance	1-3 delegates	1 share
	4-7 delegates	2 shares
	8-13 delegates	3 shares
	14-22 delegates	4 shares
	23+ delegates	5 shares

Whaling Shares

Whaling shares are allocated on the basis of the catch in the season immediately preceding the financial year for which the contributions are to be calculated.

Whaling shares for land station/small-type whaling and for aboriginal whaling are allocated for any number of those operations conducted by a Contracting Government except that shares for aboriginal subsistence whaling shall not be allocated in cases where catches in any five year period do not exceed 20 animals³. For factory ship operations the shares are allocated per vessel. This was not specifically recorded in 1992 when the current procedure was introduced as a modification of the previous procedure which did explicitly allocate shares in this manner⁴.

Meeting attendance

Meeting attendance is based on the number of delegates attending the Annual Meeting immediately preceding the financial year for which contributions are to be calculated. Interpreters are not included in delegations for the purposes of calculating contributions⁵.

A host government is allowed to have an additional number of delegates per share at (a) the meeting before the one it hosts; and (b) at the meeting that it hosts. This applies to all host governments, regardless of their capacity to pay group. The number of shares for a host government is as follows⁶:

1-6 delegates	1 share
7-10 delegates	2 shares
11-16 delegates	3 shares
17-25 delegates	4 shares
25+ delegates	5 shares

The Chair of the IWC is not counted in his/her delegation for the purposes of allocating meeting shares⁷.

³ See Annual Report of the International Whaling Commission 2010 page 36.

⁴ See Reports of the International Whaling Commission 32 page 37; 41 page 43 and 42 page 42.

⁵ See Report of the International Whaling Commission 42 page 50.

⁶ See Annual Report of the International Whaling Commission 2007 page 61.

⁷ See Annual Report of the International Whaling Commission 2002 page 48.

Note 3. Procedure for the annual revision of capacity to pay thresholds and the allocation of Contracting Parties to each group.

Contracting Governments are allocated into capacity to pay groups dependent upon Gross National Income (GNI) and Gross National Income per capita (GNI/capita). The thresholds for the capacity to pay groups are adjusted each year to take account of world inflation⁸. Table 4 indicates the thresholds used for the 2012/2013 classification, with the thresholds used for the two previous financial years also provided for comparison.

Table 4: Revision of thresholds for the capacity to pay groups

Economic data and Capacity to Pay Groups 2012-2013 (US\$)						
Group 1	GNI	< 13.55 billion	And	GNI/capita	< 13,550	29
Group 2	GNI	> 13.55 billion	And	GNI/capita	< 13,550	29
Group 3	GNI	< 1355 billion	And	GNI/capita	> 13,550	24
Group 4	GNI	> 1355 billion	And	GNI/capita	> 13,550	7
					Total	89

Economic data and Capacity to Pay Groups 2011-2012 (US\$)						
Group 1	GNI	< 13.46 billion	And	GNI/capita	< 13,460	29
Group 2	GNI	> 13.46 billion	And	GNI/capita	< 13,460	30
Group 3	GNI	< 1346 billion	And	GNI/capita	> 13,460	23
Group 4	GNI	> 1346 billion	And	GNI/capita	> 13,460	7
					Total	89

Economic data and Capacity to Pay Groups 2010-2011 (US\$)						
Group 1	GNI	< 13.15 billion	And	GNI/capita	< 13,150	28
Group 2	GNI	> 13.15 billion	And	GNI/capita	< 13,150	30
Group 3	GNI	< 1315 billion	And	GNI/capita	> 13,150	23
Group 4	GNI	> 1315 billion	And	GNI/capita	> 13,150	7
					Total	88

Allocation of Contracting Parties to capacity to pay groups

The data for GNI and GNI per capita obtained from the World Bank and allocation to capacity to pay group for each Contracting Party are given in Tables 2 and 3. The data for GNI and GNI per capita are from 31 December of the previous year⁹.

Very small countries are automatically placed into capacity to pay group 2. These countries are defined in terms of their population size in addition to their GNI and GNI/capita¹⁰. The thresholds for defining very small countries are updated annually¹¹ and these updates are given in Table 5.

Table 5. Annual update of defining characteristics of a very small country

	2012-2013	2011-2012	2010-2011
Population size of AND	100,000	100,000	100,000
GNI (US\$) billion AND	<6.777	<6.730	<6.575
GNI/capita US\$	>13,550	>13,460	>13,150

⁸ See Annual Report of the International Whaling Commission 2008 page 44. The index of world inflation used to correct the capacity to pay thresholds is the SDR (Special Drawing Rights) deflator expressed in US\$, since this index is used by the World Bank Atlas method as a measure of world inflation.

⁹ See Annual Report of the International Whaling Commission 2007 page 61.

¹⁰ See Annual Report of the International Whaling Commission 2005 page 56.

¹¹ See Annual Report of the International Whaling Commission 2008 page 44.

Note 4. Calculation of reduction for Contracting Parties in capacity to pay groups 1 and 2.

The first stage contributions identified in Table 1 are reduced for Contracting Parties in capacity to pay groups 1 and 2 by 62.5% and 32.5% respectively. These amounts were agreed at IWC/54 during discussion on document IWC/54/59¹², which stated that the reductions should take place as a two stage process. During the first stage of the process Group 1 countries payments are reduced by 50%, and during the second stage by a further 25%, resulting in a 62.5% total reduction.

Group 2 countries payments are reduced initially by 25%, and then by a further 10%, giving an overall reduction of 32.5%.

¹² See also discussion at Annual Report of the International Whaling Commission 2002 page 98.