

## Summary of the Financial Contributions Calculation<sup>1</sup>

- 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 financial year January – December 2016 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 biennial 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).

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<sup>1</sup> 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 Financial Year 1 January – 31 December 2016

		Membership	Whaling	Whaling	Meeting attendance	Total Shares	1st Stage Totals	Capacity to	Reduction	Reduction	Reduction	Add-on	Add-on	Add-on	Total payable for 2016
		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	17,999	1	-9,000	-2,250	-11,250			6,750
2	Argentina	2	0	0	2	1	3	17,999	3	0	0	0	4,635		22,634
3	Australia	2	0	0	10	3	5	29,999	4	0	0	0		34,430	64,430
4	Austria	2	0	0	2	1	3	17,999	3	0	0	0	4,635		22,634
5	Belgium	2	0	0	3	1	3	17,999	3	0	0	0	4,635		22,634
6	Belize	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500			4,500
7	Benin	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250			6,750
8	Brazil	2	0	0	3	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
9	Bulgaria	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900			8,100
10	Cambodia	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
11	Cameroon	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
12	Chile	2	0	0	2	1	3	17,999	3	0	0	0	4,635		22,634
13	China, P.R of	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900			8,100
14	Colombia	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
15	Congo, Rep	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500			4,500
16	Costa Rica	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
17	Cote d'Ivoire	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
18	Croatia	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
19	Cyprus	2	0	0	0	0	2	12,000	3	0	0	0	4,635		16,635
20	Czech Republic	2	0	0	1	1	3	17,999	3	0	0	0	4,635		22,634
21	Denmark	2	AS	2	8	3	7	41,999	3	0	0	0	6,695	4,635	53,328
22	Dominica	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500			4,500
23	Dominican Republic	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
24	Ecuador	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
25	Eritrea	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500			4,500
26	Estonia	2	0	0	1	1	3	17,999	3	0	0	0	4,635		22,634
27	Finland	2	0	0	1	1	3	17,999	3	0	0	0	4,635		22,634
28	France	2	0	0	3	1	3	17,999	4	0	0	0		34,430	52,430
29	Gabon	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850			12,150
30	Gambia, The	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500			4,500
31	Germany	2	0	0	3	1	3	17,999	4	0	0	0		34,430	52,430

Table 1: Financial Contributions for the Financial Year 1 January – 31 December 2016

		Membership	Whaling	Whaling	Meeting attendance		Total Shares	1st Stage Totals	Capacity to	Reduction	Reduction	Reduction	Add-on	Add-on	Add-on	Total payable for 2016
▼	▼	Shares ▼	Type ▼	Share ▼	Delegates ▼	Shares ▼	▼	£ ▼	Pay Group ▼	Stage 1 ▼	Stage 2 ▼	£ ▼	Whaling ▼	Group 3 ▼	Group 4 ▼	£ ▼
32	Ghana	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
33	Grenada	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
34	Guatemala	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900				8,100
35	Guinea	2	0	0	3	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
36	Guinea-Bissau	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
37	Hungary	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
38	Iceland	2	ST	3	4	2	7	41,999	3	0	0	0	6,695	4,635		53,328
39	India	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900				8,100
40	Ireland	2	0	0	1	1	3	17,999	3	0	0	0		4,635		22,634
41	Israel	2	0	0	1	1	3	17,999	3	0	0	0		4,635		22,634
42	Italy	2	0	0	3	1	3	17,999	4	0	0	0			34,430	52,430
43	Japan	2	FS&ST	5	33	5	12	71,998	4	0	0	0	6,695		34,430	113,123
44	Kenya	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900				8,100
45	Kiribati	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
46	Korea, Rep of	2	0	0	4	2	4	23,999	3	0	0	0		4,635		28,634
47	Lao PDR	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
48	Lithuania	2	0	0	0	0	2	12,000	3	0	0	0		4,635		16,635
49	Luxembourg	2	0	0	2	1	3	17,999	3	0	0	0		4,635		22,634
50	Mali	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
51	Marshall Islands	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
52	Mauritania	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
53	Mexico	2	0	0	3	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
54	Monaco	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
55	Mongolia	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
56	Morocco	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
57	Nauru	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
58	Netherlands	2	0	0	3	1	3	17,999	3	0	0	0		4,635		22,634
59	New Zealand	2	0	0	6	2	4	23,999	3	0	0	0		4,635		28,634
60	Nicaragua	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
61	Norway	2	ST	3	7	2	7	41,999	3	0	0	0	6,695	4,635		53,328
62	Oman	2	0	0	1	1	3	17,999	3	0	0	0		4,635		22,634

Table 1: Financial Contributions for the Financial Year 1 January – 31 December 2016

		Membership	Whaling	Whaling	Meeting attendance		Total Shares	1st Stage Totals								Total payable for 2016
▼		Shares ▼	Type ▼	Share ▼	Delegates ▼	Shares ▼		£ ▼	Capacity to Pay Group ▼	Reduction Stage 1 ▼	Reduction Stage 2 ▼	Reduction £ ▼	Add-on Whaling ▼	Add-on Group 3 ▼	Add-on Group 4 ▼	£ ▼
63	Palau	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
64	Panama	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
65	Peru	2	0	0	1	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
66	Poland	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
67	Portugal	2	0	0	0	0	2	12,000	3	0	0	0		4,635		16,635
68	Romania	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900				8,100
69	Russian Federation	2	AS	2	3	1	5	29,999	2	-7,500	-2,250	-9,750	6,695			26,944
70	San Marino	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900				8,100
71	Senegal	2	0	0	0	0	2	12,000	2	-3,000	-900	-3,900				8,100
72	Slovak Republic	2	0	0	1	1	3	17,999	3	0	0	0		4,635		22,634
73	Slovenia	2	0	0	6	1	3	17,999	3	0	0	0		4,635		22,634
74	Solomon Islands	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
75	South Africa	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
76	Spain	2	0	0	1	1	3	17,999	3	0	0	0		4,635		22,634
77	St Kitts and Nevis	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
78	St Vincent & The G.	2	AS	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
79	St. Lucia	2	0	0	2	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
80	Suriname	2	0	0	0	0	2	12,000	1	-6,000	-1,500	-7,500				4,500
81	Sweden	2	0	0	2	1	3	17,999	3	0	0	0		4,635		22,634
82	Switzerland	2	0	0	2	1	3	17,999	3	0	0	0		4,635		22,634
83	Tanzania	2	0	0	2	1	3	17,999	2	-4,500	-1,350	-5,850				12,150
84	Togo	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
85	Tuvalu	2	0	0	1	1	3	17,999	1	-9,000	-2,250	-11,250				6,750
86	United Kingdom	2	0	0	10	3	5	29,999	4	0	0	0			34,430	64,430
87	Uruguay	2	0	0	2	1	3	17,999	3	0	0	0		4,635		22,634
88	USA	2	AS	2	13	3	7	41,999	4	0	0	0	6,695		34,430	83,124
		176		17	188	80	273	1,637,951		-316,491	-85,197	-401,688	40,169	120,506	241,013	1,637,951

Shortfall for re-distribution			-401,688			
Group 1	26	Whaling	6	10%	40,169	
Group 2	29	Group 3		30%	120,506	
Group 3	26	Group 4		60%	241,013	
Group 4	7				401,688	
	88					

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

Country Name	2013 GNI, Atlas method (current US\$) in billions	2013 GNI per capita, Atlas method (current US\$)	Capacity to pay group	Country Name	2013 GNI, Atlas method (current US\$) in billions	2013 GNI per capita, Atlas method (current US\$)	Capacity to pay group
Antigua and Barbuda	1.17	13,050	1	Kiribati	0.30	2,720	1
Argentina	604.74	14,220	3	Korea, Rep.	1,298.96	25,870	3
Australia	1,512.60	65,410	4	Lao PDR	9.84	1,490	1
Austria	427.31	50,390	3	Lithuania	44.67	15,100	3
Belgium	518.23	46,340	3	Luxembourg	37.97	69,880	3
Belize	1.50	4,350	1	Mali	10.52	630	1
Benin	8.16	790	1	Marshall Islands	0.23	4,300	1
Brazil	2,514.14	12,310	2	Mauritania	5.14	1,330	1
Bulgaria	52.86	7,280	2	Mexico	1,209.23	9,770	2
Cambodia	14.43	960	2	Monaco*	..		2
Cameroon	28.63	1,290	2	Mongolia	12.48	4,360	1
Chile	268.33	15,270	3	Morocco	101.58	2,990	2
China	9,143.76	6,740	2	Nauru			1
Colombia	367.64	7,770	2	Netherlands	858.01	51,060	3
Congo, Rep.	11.53	2,620	1	New Zealand	174.58	39,300	3
Costa Rica	46.04	9,780	2	Nicaragua	10.63	1,790	1
Cote d'Ivoire	29.42	1,360	2	Norway	529.60	104,260	3
Croatia	57.34	13,470	2	Oman	65.92	16,870	3
Cyprus	23.72	27,520	3	Palau	0.21	10,000	1
Czech Republic	199.41	18,970	3	Panama	41.33	10,860	2
Denmark	346.69	61,740	3	Peru	190.52	6,230	2
Dominica	0.49	6,860	1	Poland	511.29	13,440	2
Dominican Republic	60.06	5,840	2	Portugal	222.85	21,310	3
Ecuador	90.68	5,790	2	Romania	180.85	9,050	2
Eritrea	3.12	620	1	Russian Federation	1,981.67	13,810	2
Estonia	23.69	17,970	3	San Marino*	..		2
Finland	266.03	48,910	3	Senegal	14.89	1,050	2
France	2,870.82	43,550	4	Slovak Republic	96.42	17,810	3
Gabon	16.16	9,790	2	Slovenia	47.83	23,220	3
Gambia, The	0.93	500	1	Solomon Islands	1.02	1,830	1
Germany	3,810.52	47,250	4	South Africa	393.82	7,410	2
Ghana	45.81	1,750	2	Spain	1,395.89	29,940	3
Grenada	0.79	7,490	1	St. Kitts and Nevis	0.75	13,730	1
Guatemala	51.59	3,290	2	St. Lucia	1.29	7,060	1
Guinea	5.42	450	1	St. Vincent & the Grenadines	0.72	6,540	1
Guinea-Bissau	1.00	570	1	Suriname	5.05	9,470	1
Hungary	131.21	13,260	2	Sweden	592.83	61,750	3
Iceland	15.10	46,650	3	Switzerland	733.45	90,670	3
India	1,952.85	1,530	2	Tanzania	40.14	840	2
Ireland	198.11	43,080	3	Togo	3.63	520	1
Israel	273.47	33,930	3	Tuvalu	0.06	5,840	1
Italy	2,134.28	35,430	4	United Kingdom	2,666.43	41,590	4
Japan	5,899.91	46,330	4	Uruguay	53.29	15,640	3
Kenya	51.52	1,180	2	USA	17,113.83	54,070	4

**Table 3: Allocation to Capacity to Pay Groups**

<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>	<b>Group 4</b>
GNI Less than US\$14.057 billions <b>and</b> GNI/capita less than US\$ 14,057	GNI greater than US\$14.057 billions <b>and</b> GNI/capita less than US\$14,057 OR 'Very Small Country*' (population < 100,000 AND GNI < US\$7.029 billion AND GNIPC > US\$14,057)	GNI less than US\$1,405.70 billions <b>and</b> GNI/capita greater than US\$14,057	GNI greater than US\$1,405.70 billions <b>and</b> GNI/capita greater than US\$14,057
Antigua and Barbuda	Brazil	Argentina	Australia
Belize	Bulgaria	Austria	France
Benin	Cambodia	Belgium	Germany
Congo, Rep	Cameroon	Chile	Italy
Dominica	China, P.R of	Cyprus	Japan
Eritrea	Colombia	Czech Republic	United Kingdom
Gambia, The	Costa Rica	Denmark	USA
Grenada	Cote d'Ivoire	Estonia	
Guinea	Croatia	Finland	
Guinea-Bissau	Dominican Republic	Iceland	
Kiribati	Ecuador	Ireland	
Lao PDR	Gabon	Israel	
Mali	Ghana	Korea, Rep of	
Marshall Islands	Guatemala	Lithuania	
Mauritania	Hungary	Luxembourg	
Mongolia	India	Netherlands	
Nauru	Kenya	New Zealand	
Nicaragua	Mexico	Norway	
Palau	Monaco (*)	Oman	
Solomon Islands	Morocco	Portugal	
St Kitts and Nevis	Panama	Slovak Republic	
St Vincent & The G.	Peru	Slovenia	
St. Lucia	Poland	Spain	
Suriname	Romania	Sweden	
Togo	Russian Federation	Switzerland	
Tuvalu	San Marino (*)	Uruguay	
	Senegal		
	South Africa		
	Tanzania		
<b>26</b>	<b>29</b>	<b>26</b>	<b>7</b>

**Note 1. Budget for the financial year January – December 2016.**

The budget for the financial year January – December 2016 as agreed by the Commission at its 65<sup>th</sup> Biennial Meeting is reproduced below:

<b>INCOME</b>	<b>2016 (Jan-Dec) £</b>
<b>Core Income</b>	
Contributions from member governments	1,637,951
Interest on overdue financial contributions	9,700
Unspent research funds	0
Observers registration fees	46,000
UK taxes recoverable	19,400
Staff Assessments	196,750
Interest receivable	7,000
<b>General Fund Voluntary Income</b>	
Support for Scientific meeting	50,000
Support for Commission Meeting	50,000
Archive uploading to website	0
Technical Advisor on reduction of accidental human impacts	20,000
<b>Total income</b>	<b>2,036,801</b>
<b>EXPENDITURE</b>	
Secretariat	1,270,715
Publications	8,000
Scientific Committee Meeting	200,500
Biennial Commission Meeting	246,250
Bureau Meeting	5,000
Research expenditure	315,800
Scientific Committee support	0
<b>Total expenditure</b>	<b>2,046,265</b>
<b>PROVISIONS</b>	
Doubtful debts (including cancelled financial contributions)	76,000
Severance pay	39,236
Dilapidations	2,333
<b>Total provisions</b>	<b>117,569</b>
<b>Surplus / (-) deficit for year</b>	<b>(127,033)</b>

The budget indicates that total contributions due from Contracting Governments during the 2016 financial year are to be set at £1,637,951.

## **Note 2. Allocation of shares for membership, attendance at the biennial 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 animals<sup>2</sup>. 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 manner<sup>3</sup>

### **Meeting attendance**

Meeting attendance is based on the number of delegates attending the Biennial Meeting immediately preceding the financial year for which contributions are to be calculated. Interpreters are not included in delegations for the purposes of calculating contributions<sup>4</sup>.

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 follows<sup>5</sup>:

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 shares<sup>6</sup>.

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<sup>2</sup> See Annual Report of the International Whaling Commission 2010 page 36.

<sup>3</sup> See Reports of the International Whaling Commission 32 page 37; 41 page 43 and 42 page 42.

<sup>4</sup> See Report of the International Whaling Commission 42 page 50.

<sup>5</sup> See Annual Report of the International Whaling Commission 2007 page 61.

<sup>6</sup> 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 inflation<sup>7</sup>. Table 4 indicates the thresholds used for the 2016 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 2016 (US\$)						
Group 1	GNI	< 14.057 billion	And	GNI/capita	< 14,057	26
Group 2	GNI	> 14.057 billion	And	GNI/capita	< 14,057	29
Group 3	GNI	< 1,405.70 billion	And	GNI/capita	> 14,057	26
Group 4	GNI	> 1,405.70 billion	And	GNI/capita	> 14,057	7
					Total	88

Economic data and Capacity to Pay Groups 2014-2015 (US\$)						
Group 1	GNI	< 13.918 billion	And	GNI/capita	< 13,918	27
Group 2	GNI	> 13.918 billion	And	GNI/capita	< 13,918	31
Group 3	GNI	< 1391.84 billion	And	GNI/capita	> 13,918	24
Group 4	GNI	> 1391.84 billion	And	GNI/capita	> 13,918	6
					Total	88

Economic data and Capacity to Pay Groups 2013-2014 (US\$)						
Group 1	GNI	< 13.767 billion	And	GNI/capita	< 13,767	29
Group 2	GNI	> 13.767 billion	And	GNI/capita	< 13,767	29
Group 3	GNI	< 1376.7 billion	And	GNI/capita	> 13,767	23
Group 4	GNI	> 1376.7 billion	And	GNI/capita	> 13,767	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 is from 31 December 2013<sup>8</sup>.

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/capita<sup>9</sup>. The thresholds for defining very small countries are updated annually<sup>10</sup> and these updates are given in Table 5.

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

	2016	2014-15	2013-2014
Population size of AND	100,000	100,000	100,000
GNI (US\$) billion AND	<7.029	<6.959	<6.883
GNI/capita US\$	>14,057	>13,918	>13,767

<sup>7</sup> 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.

<sup>8</sup> See Annual Report of the International Whaling Commission 2007 page 61.

<sup>9</sup> See Annual Report of the International Whaling Commission 2005 page 56.

<sup>10</sup> 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/54/59<sup>11</sup>, 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%.

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<sup>11</sup> See also discussion at Annual Report of the International Whaling Commission 2002 page 98.