

## Methodology for Financial Contributions Calculation

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 Governments. The adopted budget is for financial year 1 January – 31 December.

The contribution due from each Contracting Government is allocated in two stages. During the first stage an initial financial contribution is calculated by allocating shares to each Government for:

- Membership
- The number of delegates at the most recent Biennial Meeting
- Whaling activities

See Annex A for more information on how shares are allocated.

The total budgeted income from Contracting Governments is then divided by the total number of shares issued and a first stage financial contribution is calculated for each Contracting Government.

The second part of the calculation takes the first stage totals and modifies them by placing each country into one of four 'Capacity to Pay' groupings. These 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 1 and the highest to Group 4. An exception is made for very small countries (population below 100,000) which are restricted to a maximum of Group 2.

The 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 the most recent data available from the World Bank for each country.

Having been allocated to a Capacity to Pay Group, there is a two-stage process to reduce the contribution for the two lowest groups. Group 1 countries are reduced by 50% and then a further 25%, resulting in a total reduction of 62.5% overall. Group 2 countries are reduced by 25% and then a further 10%, resulting in a total reduction of 32.5%.

This procedure results in a cash shortfall, which is redistributed as follows:

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

This cash shortfall is added to the individual first stage totals already calculated for these groups.

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).

## Annex A

### 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 (LS/ST)
	Aboriginal Subsistence	2 Shares (AS)
	Factory 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. For factory ship operations, the shares are allocated per vessel.

### Meeting Attendance

Meeting attendances is based on the number of delegates attending the Biennial Meeting immediately preceding the financial year for which contributions are to be calculated. Interpreters and support staff are not included in delegations for the purposes of calculating contributions.

A host government is allowed to have a number of additional delegates per share as outlined in the table below 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:

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.