

## Summary and status of work to revise the financial contributions formula

(Prepared by the Secretariat)

### **This document and action required**

This document provides a brief summary and status of work done since the 51<sup>st</sup> Annual Meeting in Grenada, 1999 to revise the financial contributions formula. At the 54<sup>th</sup> Annual Meeting in Shimonoseki in 2002, while recognising that progress was being made, the Commission adopted an Interim Measure for the calculation of financial contributions to relieve the financial burden on less developed countries until a revised formula could be agreed<sup>1</sup>. However, work of the Task Force drew to a halt after the 55<sup>th</sup> Annual Meeting in Berlin in 2003 in view of activities taking place in relation to the Revised Management Scheme (RMS).

**Action Required:** *The F&A Committee is invited to:*

- (i) *review the status of work to revise the financial contributions formula; and, taking account of the intersessional work done on the RMS and the outcome of the meeting of the RMS Working Group at IWC/57,*
- (ii) *consider whether work to revise the formula should be revived and if so, to make specific recommendations to the Commission as appropriate.*

### **Summary and status of work to revise the financial contributions formula**

A proposal to revise the current contributions formula was first made by Antigua and Barbuda at the 51<sup>st</sup> Annual Meeting in Grenada in 1999. At its 52<sup>nd</sup> Annual Meeting in Adelaide in 2000, the Commission established a Task Force charged with developing a revised set of principles to guide the IWC in developing an alternative contributions formula. A summary of the events and agreements achieved between the 51<sup>st</sup> Annual Meeting in London 2001 and the 54<sup>th</sup> Annual Meeting in Shimonoseki in Japan in 2003 is provided in Annex 1. Membership of the Task Force has changed over the years as summarised in Annex 2. Current members are Antigua and Barbuda (Chair), Argentina (Vice-Chair), Chile, Japan, Nicaragua, Norway, Spain, UK, USA.

At its first meeting in May 2001, the Task Force noted: (1) the significance of the debate on the Revised Management Scheme and that the outcome could have substantial and long-term implications for membership, workload and funding of the organisation; and (2) that the introduction of a revised contributions formula might also have an impact in these areas. In addition, although some members of the group supported the incorporation of whalewatching as a factor in any new contributions formula, the Task Force recognised that the current disagreement within the Commission over its competency to cover whalewatching activities (which often include small cetaceans) would create problems in doing so. The Task Force therefore agreed that it should conduct its deliberations on the context of existing conditions within the IWC. It subsequently:

- (1) identified four guiding principles upon which it proposed a new contributions formula should be based (openness; stability; fairness; and user pays);
- (2) recommended that any new scheme should include the following four main elements: an annual membership component; a wealth factor related to capacity of a country to pay; consumptive use; and delegation size at Annual Meetings;
- (3) developed four possible models for consideration, each being illustrated by a number of simulations. These four models were reduced to three by the Contributions Sub-committee at IWC/53.

At its 53<sup>rd</sup> Annual Meeting in London July 2001, the Commission endorsed the guiding principles. It also agreed that the Contributions Task Force should continue to work to develop: (1) a new contributions formula based on the three models selected by the Contributions Sub-committee; and (2) performance criteria against which future models would be assessed.

At IWC/54, the number of models being considered by the Task Force was reduced to two (Models 7 and 8) as described in Annex 3. These models place Contracting Governments into bands (groups) for their capacity to pay ('wealth factor') and use bands to allocate shares for delegation size at Annual Meetings. With respect to taking into account whaling activity, both models convert catches into minke whale 'equivalents' and both present options on how to weight the different types of whaling. The Commission agreed that the Task Force

<sup>1</sup> The Interim Measure was proposed jointly by Argentina and Antigua and Barbuda and was adopted by a simple majority vote (21 votes in favour, 12 against and 10 abstentions).

should continue with its work intersessionally and it subsequently met twice between IWC/54 and IWC/55, i.e. in Cambridge in December 2002 and in Madrid in March 2003.

A summary of the status of discussions as of the end of IWC/54 is provided in Table 1. While some progress had been made in relation to all components of a revised contributions scheme, unresolved issues remained in relation to all components, including the two most difficult issues, i.e. the development of appropriate factors for wealth and treatment of whaling.

At its meetings in December 2002 and March 2003, the Task Force took a 'fresh look' at the ways in which the revised scheme was being put together based on a document prepared by the Secretariat (TF/DEC 2002/01). The 'fresh look' involved some re-examination of certain aspects of the contribution scheme on which there had been broad agreement, but also suggested approaches on how to handle issues related to the treatment of whaling and the inclusion of whalewatching and small cetaceans as requested by the Commission at IWC/54. The status of the main agreements reached by the Task Force and remaining issues after these two meetings is summarised in Table 2. One of the biggest changes resulting from the 'fresh look' was the proposal to move away from banding data (i.e. in the case of economic data and attendance at meetings) to the use of the real data themselves. The use of actual economic data in particular was seen by the Task Force as having advantages over the use of bands in terms of stability and fairness<sup>2</sup>. The Task Force remained unable to reach agreement on the % of the total contribution that each of the four elements (membership, wealth/capacity to pay, use and meeting attendance) should represent. Further work also needs to be done to develop an appropriate index that will represent realistically the capacity-to-pay of Contracting Governments.

At IWC/55 in Berlin in June 2003, the Commission agreed that the Task Force should continue to try to make progress and that this should involve an intersessional meeting prior to IWC/56 in Sorrento. However, the Commission also agreed to allow Henrik Fischer, Chair of the Commission, to convene a small group of his choosing to explore ways of taking the RMS process forward, including consideration of how RMS costs might be apportioned. Given this intersessional work on the RMS and its potential implications for any revised contributions formula, the Commission Chair believed that it would be prudent to delay further work of the Task Force until these implications could be assessed. Consequently, while continuing to recognise the high priority the Commission gives to the development of a revised contributions formula, it was decided, after consultation with the Advisory Committee, to postpone the meeting of Task Force scheduled to take place prior to IWC/56.

At IWC/56 last year, the Commission agreed, via Resolution 2004-6, to significant intersessional work on the RMS. Accordingly no work was scheduled for the Contributions Task Force. The status of the work on revision of the contributions scheme therefore remains as it was at the end of IWC/55.

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<sup>2</sup> While the use of bands for economic data has an attraction of simplicity, it may result in problems of stability and fairness when countries are near a border and unfairness when the bands are broad. With modern computers the need for the banding approach for simplicity is largely unnecessary.

Table 1. Summary of (1) the status of discussions as of the end of IWC/54 on elements to be included in a new contributions scheme and (2) the remaining issues

'Elements'	Current status of discussions	Remaining issues
<b>Annual Membership</b>	Should be set at a level to reflect a real commitment to the organisation without creating an obstacle to membership by developing countries. It will include participation of up to two (or three?) delegates per country at the Annual Meeting.	<ul style="list-style-type: none"> <li>• What % of the total contribution the Annual Membership fee should represent.</li> </ul>
<b>Wealth Component/ Capacity to Pay</b>	<p>Countries should be placed in four Groups using a combination of two economic measures, GNP and GDP/capita as follows:</p> <ul style="list-style-type: none"> <li>• Group 1: GNP &lt; US\$ 10 billion <b>and</b> GDP/capita &lt; US\$ 10,000</li> <li>• Group 2: GNP &gt; US\$ 10 billion <b>and</b> GDP/capita &lt; US\$ 10,000</li> <li>• Group 3: GNP &lt; US\$ 1,000 billion <b>and</b> GDP/capita &gt; US\$ 10,000</li> <li>• Group 4: GNP &gt; US\$ 1,000 billion <b>and</b> GDP/capita &gt; US\$ 10,000</li> </ul> <p>However, at least one country (Monaco) is unhappy with this grouping believing that it is unfair to countries with small economies but large per capita incomes<sup>3</sup>.</p>	<ul style="list-style-type: none"> <li>• Monaco objected to the current economic groupings since it considers that it is unfair to countries with small economies but large <i>per capita</i> incomes, and proposed some revisions in document TF/DEC 2002/02</li> <li>• What % of the total contribution the wealth component should represent.</li> </ul>
<b>User pays</b>	<p><b>Consumptive Use</b></p> <p>This should be based on the number of whales caught in the preceding year, expressed as 'minke whale units'.</p> <p>No agreement has yet been reached on whether all whaling should be treated equally or whether there should be differentiation between different whaling types (e.g. aboriginal subsistence whaling and 'other').</p>	<ul style="list-style-type: none"> <li>• Review of minke whale conversion formula</li> <li>• At IWC/54 the Commission instructed the Task Force to '<i>consider how whaling should be described taking into account the following points:</i>' <ul style="list-style-type: none"> <li>• <i>The difference between ASW and other whaling is a matter of scale;</i></li> <li>• <i>That there is no rational difference between ASW and other whaling;</i></li> <li>• <i>For ASW, the primary purpose is subsistence rather than profit;</i></li> <li>• <i>All whaling is equal;</i></li> <li>• <i>Whaling includes all whaling that has an economic return thus the definition includes commercial, scientific and bycatch;</i></li> <li>• <i>Local use should be treated differently to commercial use;</i></li> <li>• <i>Scientific whaling contributes valuable data to the IWC; and</i></li> <li>• <i>Bycatch is not whaling</i></li> </ul> </li> <li>• <i>and to propose how whaling could be weighted in any final contributions scheme'</i>, i.e. what % of the total contribution the whaling component should represent – the Task Force has considered 10-25%.</li> <li>• At IWC/54, the Commission also requested the Task Force to develop proposals including and excluding whalewatching and small cetaceans.</li> </ul>
<b>Meeting Attendance</b>	<p>This should be based on the following scale: 1-2 delegates (0 shares); 3-5 (1 share); 6-9 (2 shares); 10-15 (3 shares); 16-24 (4 shares); 25+ (5 shares).</p> <p>For the purposes of calculating financial contributions:</p> <ul style="list-style-type: none"> <li>• the IWC Chair should not be included in his/her delegation for the purposes of calculating financial contributions</li> <li>• the size of the host country's delegation should be assessed using an average of their delegation size over the previous three years.</li> </ul>	<ul style="list-style-type: none"> <li>• What % of the total contribution the meeting attendance component should represent. The Task Force has noted that meeting attendance is a volatile variable and could create instability in the system if too high a percentage is derived from this component.</li> </ul>

<sup>3</sup> At IWC/56 in Sorrento in 2004, the Commission agreed to recognised the status of 'very small countries' and Monaco and San Marino were transferred from Group 3 to Group 2 (see Resolution 2004-4)

Table 2. Summary of the status of (1) main agreements<sup>4</sup> reached by the Task Force and (2) remaining issues after its meetings in December 2002 and March 2003

Issue	Main agreements reached by the Task Force	Remaining issues
<b>ELEMENTS OF THE CONTRIBUTIONS FORMULA</b>		
<b>Annual Membership</b>	<ul style="list-style-type: none"> <li>The Task Force reconfirmed its earlier agreement that one of the elements of the contributions formula should be an annual membership charge that: (1) would be the same for all Contracting Governments (i.e. a flat fee); and (2) should be set at a level to reflect a real commitment to the organisation by Contracting Governments without creating an obstacle to membership by developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>The % of the total contribution this element should represent.</li> </ul>
<b>Wealth/capacity to pay</b>	<ul style="list-style-type: none"> <li>The Task Force agreed that there are real advantages in terms of stability and fairness in using actual economic data for each Contracting Government rather than to divide Contracting Governments into groups based on a combination of GNI and GNI <i>per capita</i>, i.e. the banding approach proposed earlier and used in the Interim Measure.</li> <li>Inclusion of a specific separate factor to take external debt into account was not supported by the Task Force.</li> <li>The Task Force agreed not to recommend use of purchasing power parity (ppp) at present in recognition of problems with the quality of some existing ppp data and that new data will be available following a data-collection exercise of the World Bank during 2003. However, the Task Force also agreed that the Finance and Administration Committee might wish to review the use of 'ppp' at some point in the future.</li> <li>The Task Force reaffirmed that the intention is to use the most recent data available from the World Bank and recognised that updating could be critically important, especially for countries whose economies are under strain.</li> <li>The Task Force agreed that to ensure transparency, it will be essential that documents defining the contributions scheme and presenting the contributions required from Contracting Governments, state clearly the exact source and effective date of economic data used.</li> </ul>	<ul style="list-style-type: none"> <li>Development of an appropriate index that will represent realistically the capacity to pay of Contracting Governments.</li> <li>Confirmation of how frequently the World Bank updates its data, whether there is a regular target date for publication of these data, and to what extent the target date is consistently achieved.</li> <li>The % of the total contribution this element should represent</li> </ul>
<b>Use</b>	<ul style="list-style-type: none"> <li>The Task Force determined that the data available for both whalewatching and small cetaceans are not sufficient or consistent enough to include in a contributions formula, and, in light of the difficulties presented by the question of competence in relation to both issues, agreed that neither should be included in any proposal it might make to the Commission.</li> <li>Regarding bycatch, some Task Force members believed that bycatch should not be taken into account while others believed that by-caught animals entering the market should be included, although they recognised the problems with the availability of good data. The Task Force was unable to reconcile these opposing views, and for the purposes of the present work did not include bycatch.</li> <li>The Task Force agreed that ship-strikes should not be included as removals.</li> <li>At its March 2003 meeting, while some Task Force members re-stated their principled positions with respect to how to treat different types of whaling, in a spirit of compromise and as a way to move forward but without conceding on their positions, the Task Force expressed their willingness to treat all whaling equally (i.e. give equal weighting) in any further simulations.</li> <li>The Task Force confirmed that they preferred to use minke whale units rather than actual numbers of whales caught, but agreed that the Scientific Committee should review the conversion factors from time to time (e.g. every 5 years).</li> <li>The Task Force, confirmed its previous agreement to use the catches from the previous year (converted to minke whale units).</li> </ul>	<ul style="list-style-type: none"> <li>The % of the total contribution this element should represent</li> </ul>

<sup>4</sup> The Task Force noted that in the context of developing a revised contributions formula, 'nothing is agreed until everything is agreed'.

Issue	Main agreements reached by the Task Force	Remaining issues
<b>Meeting attendance</b>	<ul style="list-style-type: none"> <li>• The Task Force agreed that the use of real data based on the previous year's attendance by each Contracting Government is preferable to the use of bands.</li> <li>• The Task Force recalled the Commission's agreement at IWC/54 that attendance for the host country should be based on an average of the previous three years and that the Chair of the Commission be excluded for the purposes of calculating financial contributions.</li> <li>• The Task Force agreed that only delegates should be allowed entry into the Commission meeting rooms. Support Staff (who do not have access to the meeting rooms) may need distinguishing badges, e.g. to facilitate admission to the conference venue and/or delegation rooms.</li> </ul>	<ul style="list-style-type: none"> <li>• The % of the total contribution this element should represent</li> <li>• Whether there should be any free delegates and if so, how many.</li> </ul>
<b>PERFORMANCE CRITERIA</b>		
	<ul style="list-style-type: none"> <li>• The Task Force identified a number of statistics that may prove useful in characterising the performance of different simulations and that could be used to assess them in terms of the general principles of stability and fairness, i.e.: <ul style="list-style-type: none"> <li>○ The average, median (i.e. middle), maximum and minimum contribution;</li> <li>○ The standard deviation from the 'average' contribution;</li> <li>○ The 5<sup>th</sup> and 95<sup>th</sup> percentiles of contributions; <ul style="list-style-type: none"> <li>○ The 5<sup>th</sup> percentile means that 95% of countries are paying more than this particular value</li> <li>○ The 95<sup>th</sup> percentile means that 5% of countries are paying more than this particular value</li> </ul> </li> <li>○ The ratio of maximum to minimum contribution;</li> <li>○ The percentage of the budget contribution allocated to the top 5, 10, 15, 20 paying countries.</li> </ul> </li> <li>• The Task Force focused on two of these, i.e. the ratio of maximum to minimum contribution and the percentage of the budget allocated to the top 5 paying countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Which performance criteria to use and what the acceptable ranges of the criteria selected might be.</li> </ul>
<b>SELECTION OF A MODEL</b>		
	<ul style="list-style-type: none"> <li>• The Task Force noted that all recent simulations were run based on the structure of Model 7 (see Annex 2) and that it appeared that the group is converging on this as the model to put forward to the Commission.</li> </ul>	

## Annex 1

### Summary of the events and agreements regarding development of a new contributions scheme achieved between the 51<sup>st</sup> Annual Meeting and the 54<sup>th</sup> Annual Meeting

#### IWC/51, Grenada, 1999

- Antigua and Barbuda introduced its proposal to revise the IWC contributions formula based on the UN scheme
- Commission agreed to establish a Contributions Sub-committee to address this issue.

#### IWC/52, Adelaide, 2000

##### Contributions Sub-committee

- No agreed terms of reference
- There was sympathy with taking into account wealth/capacity to pay, but the UN scheme was not considered appropriate by all and other 'issues' were suggested that should also be taken into account when revising the formula
- Sub-committee agreed to a full and wide debate that would consider all options and issues
- Sub-committee agreed to recommend to the F&A Committee that a Task Force be established.

##### F&A Committee

- There was wide support for looking at the options and issues raised by the proposal from Antigua and Barbuda
- F&A Committee established a Task Force charged with developing a revised set of principles to guide development of an alternative contributions formula

##### Task Force

- Discussed a number of parameters, and a number of potentially constructive elements were identified (including a wealth factor, revisions to how whaling dealt with, etc.)

##### Commission

- Agreed that the Task Force should continue to discuss the issues with a view to determining a number of parameters and specific recommendations for IWC/53.

#### Task Force Meeting, Cambridge, May 2001

- Developed proposals for guiding principles (openness, stability, fairness and user pays)
- Identified elements to be included in a formula (an annual membership fee; a wealth factor; consumptive use; delegation size at Annual Meetings)
- Considered some performance criteria
- Did further work on 4 models and various simulations of each (18 in total)

#### IWC/53, London, 2001

##### Contributions Sub-committee

- Agreed to reduce the number of models to 3
- Agreed that Task Force should continue to work with a view to achieving consensus
- Agreed that Task Force continue to develop performance criteria with a view to achieving consensus

During the discussions, South Africa considered that the issue could be addressed in two ways: (1) by a complete revision of the method of calculating contributions – this would be a difficult process particularly if consumptive and non-consumptive use were addressed; or (2) by a 'quick fix' solution – by making membership more affordable by retaining the existing formula but including a factor to address the wealth of countries.

##### F&A Committee and Plenary – *inter alia*:

- Endorsed the guiding principles proposed by the Task Force
- Invited Contracting Governments to provide written comments, information and relevant economic data to the Secretariat by 30 September 2001
- Agreed that the Task Force should continue its work & report back to IWC/54

**Task Force Meetings, Cambridge, December 2001 and Antigua, March 2002**

- proposed that the IWC Chair should not be included in his/her delegation for the purposes of calculating financial contributions.
- proposed that for the purposes of calculating financial contributions, the size of the host government's delegation for the year they host the Annual Meeting be based on an average of their delegation size over the previous three years.
- considered the view that external debt is an essential component to determine countries' real capacity to pay, noting that the World Bank defines a special category of highly-indebted countries. The Task Force noted this view, but did not address the matter further.
- some members expressed the view that the potential relevance of whalewatching to a contributions formula should again be brought to the attention of the Commission.
- carried out further simulations, considered three further models and developed 3 'consolidated models' with potential for further development, noting that all three are:
  - Straightforward and easy to use
  - Capable of adjustment so as to meet new performance criteria
  - Capable of being modified to accommodate a treatment of all whaling equally or differentiated by type.
- determined that more work was needed on performance criteria.

**IWC/54, Shimonoseki, 2002**F&A Committee and Plenary – *inter alia*:

- agreed that the IWC Chair should not be included in his/her delegation for the purposes of calculating financial contributions.
- agreed that for the purposes of calculating financial contributions, the size of the host government's delegation for the year they host the Annual Meeting be based on an average of their delegation size over the previous three years and that this procedure should be implemented with the effect from the current annual meeting;
- agreed that Models 7 and 8 should form the basis of further consideration in finalising the new contributions scheme.
- instructed the Task force to consider how whaling should be described, taking into account the following points:
  - The difference between ASW and other whaling is a matter of scale;
  - That there is no rational difference between ASW and other whaling;
  - For ASW the primary purpose is subsistence rather than profit;
  - All whaling is equal;
  - Whaling includes all whaling that has an economic return thus the definition includes commercial, scientific and bycatch;
  - Local use should be treated differently to commercial use;
  - Scientific whaling contributes valuable data to the IWC; and
  - Bycatch is not whaling.

and propose how whaling could be weighted in any final contributions scheme, and include proposals both including and excluding each of whale watching and small cetaceans'.

- endorsed the proposal for an intersessional meeting of the Task Force in the autumn of 2002 and noted the possibility that a further intersessional meeting might be necessary prior to the 54<sup>th</sup> Annual Meeting in Berlin.
- **in addition**, the Commission adopted an Interim Measure that had the effect of reducing substantially the financial contributions of less developed countries.

## Annex 2

## Contributions Task Force Membership

Period	Membership	Comments
IWC/52, 2000	Antigua and Barbuda (Chair) Australia Dominica Monaco South Africa USA	These countries took part in initial discussions at IWC/52 in Adelaide. Daven Joseph, Commissioner for Antigua and Barbuda, was appointed as Chair.
IWC/52 – IWC/53, 2001	Antigua and Barbuda (Chair) Australia Japan Monaco Norway South Africa St Lucia USA	At IWC/53 in London, it was agreed to expand membership to include one member from South America (Argentina) and one from Europe (Spain) to achieve a better geographical coverage.
IWC/53 – IWC/54, 2002	Antigua and Barbuda (Chair) Argentina Australia Japan Monaco Norway South Africa Spain USA	Monaco withdrew from the Task Force after IWC/54 in Shimonoseki.
IWC/54 – IWC/55, 2003	Antigua and Barbuda (Chair) Argentina Australia Japan Norway South Africa Spain USA	Australia and South Africa withdrew from the Task Force at IWC/55 in Berlin. In view of these withdrawals, the Commission agreed that Contracting Governments should be invited to nominate themselves onto the group to join remaining members. The Chair and Advisory Committee were asked to review the nominations received to ensure balance in the Task Force composition. Chile, Nicaragua and the UK subsequently joined the Task Force.
IWC/55 onwards	<u>Current membership:</u> Antigua and Barbuda (Chair) Argentina (Vice-Chair) Chile Japan Nicaragua Norway Spain UK USA	At IWC/56 in Sorrento, Anthony Liverpool (the new Commissioner for Antigua and Barbuda) was confirmed as Task Force Chair, and Eduardo Iglesias was appointed as Vice-Chair.

**Annex 3**  
**Models for a revised contributions formula identified at IWC/54 for further consideration (from IWC/54/TF1)**

**MODEL 7**

**n = variables which can be changed**

This model has four major components: membership, delegation size, consumptive use, and a wealth factor that is determined by allocating Contracting Governments to one of four classes depending on their GNP and GDP/capita.

		<u>Shares</u>																	
<b>Membership</b>	Flat rate fee for each Contracting Government	(n)																	
<b>Wealth factor</b>	<p>Countries are allocated to classes based upon GNP and GDP/<i>per capita</i> as follows:</p> <p>Class A GNP Less than US\$ 10 millions <b>and</b> GDP/capita less than US\$10,000</p> <p>Class B GNP greater than US\$10 millions and GDP/capita less than US\$ 10,000</p> <p>Class C GNP less than US\$ 1,000 billions <b>and</b> GDP/capita greater than US\$10,000</p> <p>Class D GNP greater than US\$ 1,000 billions <b>and</b> GDP/capita greater than US\$10,000</p> <p><b>*Note: The main distinction between Model 7 and Model 9 is the weighting to be applied to the shares for this component.</b></p>	<p>(n)<sup>o</sup></p> <p>(n)</p> <p>(n)</p> <p>(n)</p>																	
<b>Delegation size</b>	<p>1 – 2 delegates</p> <p>3 – 5 delegates</p> <p>6 – 9 delegates</p> <p>10 – 15 delegates</p> <p>16 –24 delegates</p> <p>25 or more delegates</p>	<p>0</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>																	
<b>Consumptive Use</b> (Catches of whales)	<p>All whaling treated equally <b>or</b> different treatment for different types of whaling as in options 1 &amp; 2.</p> <p>Catches are defined as number of whales taken in the previous year. Catches are converted to minke whale equivalents as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Species</u></th> <th style="text-align: left;"><u>'Minke equivalent'</u></th> </tr> </thead> <tbody> <tr><td>Gray</td><td style="text-align: center;">2</td></tr> <tr><td>Sperm</td><td style="text-align: center;">2</td></tr> <tr><td>Bryde's</td><td style="text-align: center;">2</td></tr> <tr><td>Bowhead</td><td style="text-align: center;">3</td></tr> <tr><td>Humpback</td><td style="text-align: center;">3</td></tr> <tr><td>Fin</td><td style="text-align: center;">5</td></tr> <tr><td>Sei</td><td style="text-align: center;">*</td></tr> </tbody> </table>	<u>Species</u>	<u>'Minke equivalent'</u>	Gray	2	Sperm	2	Bryde's	2	Bowhead	3	Humpback	3	Fin	5	Sei	*	<p><b>Option 1</b></p> <p>Weighting different types of whaling operations differently :-</p> <p>Aboriginal Subsistence:- Each (n) whales (or part of (n))</p> <p>'Other' i.e. all other types of whaling:- Each (n) whales (or part of (n))</p> <p>-----</p> <p><b>Option 2</b></p> <p>All types of whaling operations treated equally:- Each (n) whales (or part of (n))</p>	<p>(n)</p> <p>(n)</p> <p>-----</p> <p>(n)</p>
<u>Species</u>	<u>'Minke equivalent'</u>																		
Gray	2																		
Sperm	2																		
Bryde's	2																		
Bowhead	3																		
Humpback	3																		
Fin	5																		
Sei	*																		

\* Still to be determined, together with additional species as necessary.

**MODEL 8**  
**n = variables which can be changed**

This model allocates the total amount required in contributions in specified proportions to Membership, Whaling and Meeting Attendance and integrates a wealth factor with the membership component. The basic allocations are:

	Percentage of Total contributions required
Membership	<b>(n)</b>
Whaling	<b>(n)</b>
Meeting Attendance	<b>(n)</b>

**Membership**

The annual membership component is modified to reflect capacity to pay. A wealth factor is allocated to each Contracting Government as shown below. A basic share is calculated by dividing the defined total sum for membership (n% of the total required in contributions) by the sum of the wealth factors. The basic share for each member is then adjusted by multiplying it by that country's wealth factor.

<b>Wealth:</b>	<b>Factor</b>
GNP Less than US\$ 10 millions <b>and</b> GDP/capita less than US\$10,000	<b>(n)</b>
GNP greater than US\$10 millions and GDP/capita less than US\$ 10,000	<b>(n)</b>
GNP less than US\$ 1,000 billions <b>and</b> GDP/capita greater than US\$10,000	<b>(n)</b>
GNP greater than US\$ 1,000 billions <b>and</b> GDP/capita greater than US\$10,000	<b>(n)</b>

**Whaling**

Shares are allocated to each Contracting Government conducting whaling operations as follows:

All whaling treated equally <b>or</b> different treatment for different types of whaling as in options 1 & 2.		<b>Option 1</b> Weighting different types of whaling operations differently Aboriginal Subsistence:- Each <b>(n)</b> whales (or part of <b>(n)</b> )  'Other' i.e. all other types of whaling:- Each <b>(n)</b> whales (or part of <b>(n)</b> )	<b>(n)</b>
Catches are defined as number of whales taken in the previous year. Catches are converted to minke whale equivalents as follows:			
<u>Species</u>	<u>'Minke equivalent'</u>	<b>Option 2</b> All types of whaling operations treated equally:- Each <b>(n)</b> whales (or part of <b>(n)</b> )	<b>(n)</b>
Gray	2		
Sperm	2		
Bryde's	2		
Bowhead	3		
Humpback	3		
Fin	5		
Sei	*		

\* Still to be determined, together with additional species as necessary

The value of a basic share for whaling is calculated by dividing the defined total sum for whaling (n% of the total required) by the sum of the whaling shares. The basic share is then multiplied by the number of shares acquired by each whaling country

**Attendance**

Shares are allocated to each Contracting Government attending the Annual Meeting as shown below. The value of a basic share for attendance is calculated by dividing the defined total sum for attendance (5% of the total required) by the sum of the attendance shares. The basic share is then multiplied by the number of share acquired by each attending country.

<b>Delegation size</b>	<b>Shares</b>
1 – 2 delegates	<b>0</b>
3 – 5 delegates	<b>1</b>
6 – 9 delegates	<b>2</b>
10 – 15 delegates	<b>3</b>
16 – 24 delegates	<b>4</b>
25 or more delegates	<b>5</b>

**Total contribution**

The monetary values resulting from the three calculations are added together to give the total contribution due from each Contracting Government.