

 <p>Agreement on the Conservation of Albatrosses and Petrels</p>	<p>Fourth Meeting of the Parties <i>Lima, Peru, 23 – 27 April 2012</i></p> <p>Review of Formula for Scale of Contributions</p> <p>Secretariat</p>
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SUMMARY

At MoP3 Parties recognized that the process for calculating the scale of contributions was becoming increasingly complex and was producing excessive fluctuations in individual Parties' contributions. An ad hoc, open-ended intersessional contact group (ICG) was established to develop options for simplifying the process. At AC5 the scope of the ICG's work was agreed, with the final outcome of the review to be the presentation of a range of options, which have been evaluated against agreed principles and criteria.

Preferred methods for calculating Parties' contributions - The ICG surveyed Parties and identified seven possible methods for calculating Parties' contributions. When these were evaluated, it was found that use of the United Nations (UN) assessment formula, Gross National Income (GNI) per capita, or a combination of these two methodologies best met the evaluation criteria. A total of five options were recommended for consideration by MoP4. An assessment of how each of these chosen options would affect Parties' contributions in the coming triennium is provided in Table 1. An explanation for how the options were calculated is provided in Table 2.

Transitional arrangements – In relation to transitional arrangements for phasing in of a new contribution formula, all respondents to the survey agreed that the new method should be phased in over a three year period.

Policy when a new Party joins the Agreement – the majority of Parties responding to the ICG's survey were in favour of continuing the current approach, that is, that funds from a new Party joining should be used to grow the existing budget. The Advisory Committee (AC6) also supported this approach.

Amendments to existing financial principles – in relation to the financial principles endorsed at MoP3, the ICG advised that depending on which calculation method is adopted at MoP4, it is possible that Principles A2, A3 and B2 will need to be revised.

RECOMMENDATION

1. That Parties examine the options detailed in this paper and reach agreement on the methodology to be used for determining Parties' contributions for the next triennium/s.
2. That Parties agree to amend Appendix B of Annex 6 of the MoP3 report to correct inaccuracies in the scale of contributions formula.

1. REVIEW PROCESS

At MoP3 Parties agreed to a set of principles that would be used in determining the calculation of the scale of contributions (see Annex 1). In discussing the proposed scale of contributions at MoP3, Parties recognised that the means of calculating it was becoming an increasingly complex process, which had been shown to produce excessive fluctuations in individual Parties' calculated contributions. MoP3 agreed it was unacceptable that this continues and that MoP would need to adopt a new formula for calculating Parties' contributions.

It was agreed that options for simplifying the scale of contributions would be developed interessionally by an ad hoc, open-ended contact group. A working paper on the options, including how each would affect Parties' contributions in the coming triennium, would be prepared by the ICG for MoP4's consideration and action. Parties subsequently held informal discussions in the margins of the 5th Advisory Committee (AC5) in Argentina where the scope of the ICG's work was agreed. The elements agreed to were:

1. Establish criteria to evaluate new methods of calculating Parties' financial contributions.
2. Explore different calculation methods, evaluate them against the criteria and make recommendations to MoP4.
3. Consider any transitional arrangements required when a new methodology is introduced.
4. Consider and make recommendations on how to calculate contributions by new Parties which join part-way through a triennium, or a period of transition arrangements.
5. Draft and finalise a MoP4 paper including a review of existing financial principles; revise and seek endorsement at MoP4 as required.

Following AC5, the ICG prepared a survey on items 1-4 above, to seek the views of Parties and Cooperating non-Parties. Eight responses were received to the survey.

2. OUTCOMES OF THE AD HOC INTERSESSIONAL CONTACT GROUP (ICG)

2.1 Criteria to evaluate new methods of calculating Parties' financial contributions

In response to feedback received from Parties and Cooperating non-Parties, the ICG established the following criteria against which to evaluate the new methodologies:

The new methodology should:

1. create ACAP budget real term stability i.e. does not significantly decline in real terms after the effects of inflation have been considered;
2. be commensurate with the Party's ability to pay (which could be determined by reference to an up-to-date, independent, published index used in other fora);
3. avoid or minimise excessive annual fluctuations in Parties' contributions, upwards or downwards;

4. result in a transparent, easily understood process for calculating the contributions of existing and new Parties, including any new Parties that join part-way through a budget year and/or budget cycle; and
5. include flexibility to allow new Parties' contributions to increase the total size of the budget (if required) or reduce Parties' existing contributions, or a combination of both.

2.2 Examination and recommendations concerning different calculation methods

Parties and Cooperating non-Parties responding to the survey recommended the examination of seven methods for determining Parties' contributions to the Agreement. These were:

1. using the existing formula with an annual percentage increase determined by MoP;
2. the United Nations (UN) scale of assessment for the apportionment of its expenses;
3. gross national income (GNI) per capita;
4. the methodology used by Antarctic Treaty Parties;
5. voluntary bandings;
6. GNI taking into account the size of a Party's population
7. a combination of the UN scale of assessment and GNI per capita.

The ICG evaluated each of these methods against the agreed criteria and determined that the UN assessment formula, GNI per capita, or a combination of these two methodologies best met the evaluation criteria. Parties and Cooperating non-Parties responding to the ICG's survey indicated strong support for use of either the UN or the GNI methodologies.

Following a review of the intersessional work undertaken ([AC6 Doc 34](#)) the Advisory Committee requested the ICG to continue its work post AC6, with a view to identifying the financial impact that the preferred methodologies, the UN scale, GNI per capita, or a combination of the two, would have on Parties' level of contributions. This evaluation is presented in **Table 1** below.

It should be noted that six options have been presented by the ICG as the World Bank uses two methodologies to determine GNI per capita (Atlas and purchasing power parity) and no recommendation was made at AC6 on which of these methods to use. The options identified by the ICG are:

Option 1 - United Nations scale of contributions, with no cap on individual contributions.

Option 2 - United Nations scale of contributions, with a 22% cap on individual contributions.

Option 3 – GNI per capita in U.S. dollars using the World Bank *Atlas* method.

Option 4 - GNI per capita in international dollars, based on purchasing power parity (PPP).

Option 5 – Combines the U.N. scale (22% cap) with GNI per capita - *Atlas* methodology.

Option 6 – Combines the U.N. scale (22% cap) with GNI per capita - PPP methodology.

An explanation for how the options were calculated is provided in **Table 2**.

Table 1. Six different methods for calculating ACAP Parties contributions and the impact each has on Parties' contributions in comparison to the amount paid in 2012.

		OPTION 1		OPTION 2		OPTION 3		OPTION 4		OPTION 5		OPTION 6	
		U.N. (with no cap)		U.N. (with 22% cap)		GNI (Atlas)		GNI (PPP)		UN 22% + GNI (Atlas)		UN 22% + GNI (PPP)	
ACAP Party	Parties' contributions 2012	New Payment	+/-	New Payment	+/-	New Payment	+/-	New Payment	+/-	New Payment	+/-	New Payment	+/-
	(AUD)	(AUD)		(AUD)		(AUD)		(AUD)		(AUD)		(AUD)	
Argentina	20,323	8,709 -	11,614	11,827 -	8,496	17,116 -	3,207	32,261	+ 11,938	14,471 -	5,852	22,044	+ 1,721
Australia	103,144	58,655 -	44,489	79,659 -	23,485	88,596 -	14,548	82,006 -	21,138	84,127 -	19,017	80,833 -	22,311
Brazil	46,341	48,884	+2,543	66,390	+ 20,049	19,019 -	27,322	23,254 -	23,087	42,705 -	3,636	44,822 -	1,519
Chile	17,763	7,161 -	10,602	9,726 -	8,037	20,134	+ 2,371	29,578	+ 11,815	14,930 -	2,833	19,652	+ 1,889
Ecuador	549	1,214	+665	1,648	+ 1,099	9,135	+ 8,586	19,740	+ 19,191	5,392	+ 4,843	10,694	+ 10,145
France	107,306	185,795	+78,489	144,574	+ 37,268	85,861 -	21,445	73,339 -	33,967	115,218	+ 7,912	108,957	+ 1,651
New Zealand	43,247	8,284 -	34,963	11,250 -	31,997	58,841	+ 15,594	59,732	+ 16,485	35,046 -	8,201	35,491 -	7,756
Norway	78,305	26,429 -	51,876	35,894 -	42,411	172,938	+ 94,633	121,657	+ 43,352	104,416	+ 26,111	78,775	+ 470
Peru	2,686	2,731	+45	3,709	+ 1,023	9,540	+6,854	19,037	+ 16,351	6,625	+ 3,939	11,373	+ 8,687
South Africa	23,286	11,682 -	11,604	15,866 -	7,420	12,356 -	10,930	21,891 -	1,395	14,111 -	9,175	18,878 -	4,408
Spain	105,502	96,402 -	9,100	130,925	+ 25,423	64,107 -	41,395	67,185 -	38,317	97,516 -	7,986	99,055 -	6,447
UK	107,306	200,390	+93,084	144,574	+ 37,268	78,063 -	29,243	77,896 -	29,410	111,319	+ 4,013	111,235	+ 3,929
Uruguay	1,397	819 -	578	1,113 -	284	21,450	+ 20,053	29,578	+ 28,181	11,281	+ 9,884	15,346	+ 13,949
Total	657,155	657,155		657,155		657,155		657,155		657,155		657,155	
GNI (Atlas) = GNI per capita Atlas method													
GNI (PPP) = GNI per capita at purchasing power parity													

Table 2. Calculations Used to Determine ACAP Parties' Contributions for the Six Recommended Options

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
		OPTION 1			OPTION 2				OPTION 3			OPTION 4			OPTION 5		OPTION 6	
		U.N. (with no cap)			U.N. (with 22% cap)				GNI (Atlas)			GNI (PPP)			UN 22% + GNI (Atlas)		UN 22% + GNI (PPP)	
ACAP Party	Parties' contributions 2012	U.N. scale	% UN	UN Scale no cap	prop'n to re allocate	excess of 22% re allocated	To Pay UN Scale with 22% cap	Parties' prop'n contrib with 22%	GNI (Atlas)	prop'n by ACAP Party	To Pay GNI (Atlas)	GNI (PPP)	prop'n by ACAP Party	To Pay GNI (PPP)	prop'n by ACAP Party	To Pay UN 22% + GNI Atlas	prop'n by ACAP Party	To Pay UN 22% + GNI (PPP)
	(AUD)			(AUD)			(AUD)				(AUD)		%	(AUD)		(AUD)		(AUD)
Argentina	20,323	0.287	0.013	8,709	0.0321	3,119	11,827	0.0180	8,450	0.03	17,116	15,150	0.05	32,261	0.0220	14,471	0.0335	22,044
Australia	103,144	1.933	0.089	58,655	0.2165	21,005	79,659	0.1212	43,740	0.13	88,596	38,510	0.12	82,006	0.1280	84,127	0.1230	80,833
Brazil	46,341	1.611	0.074	48,884	0.1804	17,506	66,390	0.1010	9,390	0.03	19,019	10,920	0.04	23,254	0.0650	42,705	0.0682	44,822
Chile	17,763	0.236	0.011	7,161	0.0264	2,564	9,726	0.0148	9,940	0.03	20,134	13,890	0.05	29,578	0.0227	14,930	0.0299	19,652
Ecuador	549	0.04	0.002	1,214	0.0045	435	1,648	0.0025	4,510	0.01	9,135	9,270	0.03	19,740	0.0082	5,392	0.0163	10,694
France	107,306	6.123	0.283	185,795	-	-	144,574	0.2200	42,390	0.13	85,861	34,440	0.11	73,339	0.1753	115,218	0.1658	108,957
New Zealand	43,247	0.273	0.013	8,284	0.0306	2,967	11,250	0.0171	29,050	0.09	58,841	28,050	0.09	59,732	0.0533	35,046	0.0540	35,491
Norway	78,305	0.871	0.04	26,429	0.0975	9,465	35,894	0.0546	85,380	0.26	172,938	57,130	0.19	121,657	0.1589	104,416	0.1199	78,775
Peru	2,686	0.09	0.004	2,731	0.0101	978	3,709	0.0056	4,710	0.01	9,540	8,940	0.03	19,037	0.0101	6,625	0.0173	11,373
South Africa	23,286	0.385	0.018	11,682	0.0431	4,184	15,866	0.0241	6,100	0.02	12,356	10,280	0.03	21,891	0.0215	14,111	0.0287	18,878
Spain	105,502	3.177	0.147	96,402	0.3558	34,523	130,925	0.1992	31,650	0.10	64,107	31,550	0.10	67,185	0.1484	97,516	0.1507	99,055
UK	107,306	6.604	0.305	200,390	-	-	144,574	0.2200	38,540	0.12	78,063	36,580	0.12	77,896	0.1694	111,319	0.1693	111,235
Uruguay	1,397	0.027	0.001	819	0.0030	293	1,113	0.0017	10,590	0.03	21,450	13,890	0.05	29,578	0.0172	11,281	0.0234	15,346
Total	657,155	21.657	1.00	657,155	1	97,037	657,155	1.00	324,440	1.00	657,155	308,600	1.00	657,155	1	657,155	1	657,155
GNI (Atlas) = GNI per capita Atlas method																		
GNI (PPP) = GNI per capita at purchasing power parity																		

The options in **Table 2** were calculated as follows:

OPTION 1 – United Nations assessment formula with no cap

The United Nations (UN) scale of assessment for contributions to the regular budget of the UN for 2010-12 was used to calculate ACAP Parties contributions. The following information was used to determine each Party's contribution.

Column C – Scale of assessment for contributions to the regular budget of the United Nations 2010-12. Refer UN Resolution A/RES/64/248
<http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/64/248>

Column D – The contribution each Party would make towards ACAP's budget as a proportion of the sum of the UN Scale of Assessment for all ACAP Parties. The formula used is $Cx/21.657$, where Cx is an individual Party's scale of assessment (shown in Column C), divided by the total of all ACAP Parties scale of assessments (21.657)

Column E – The amount to be paid by each Party in Australian dollars (AUD) if the UN Scale of Contributions is used. The formula used is the ACAP budget (\$657,155) x each Party's proportional contribution (shown in column D).

OPTION 2 – United Nations assessment formula with a 22% cap

As with Option 1, the United Nations (UN) scale of assessment for contributions to the regular budget of the UN for 2010-12 was used to calculate ACAP Parties contributions, however, where an individual Party's contributions is above 22% of the budget, the excess above this level is redistributed amongst the remaining Parties. The following information was used to determine each Party's contribution.

Column F – The proportion that those Parties who pay less than 22% of the budget contribute when the Parties who pay 22% or more (France and the UK) are excluded. The formula used is $Ex/\$270970$, where Ex is the amount each individual Party would pay if the UN system were used (shown in Column E) and 270,970 is the amount remaining of the total budget in column E when the contributions of France and the UK are deducted.

Column G – Redistributes the excess from those Parties (France and UK) who would pay 22% or more if the UN scale were used. The formula used is $97,037 \cdot Fx$, where \$97,037 is the excess above 22% paid by France and the UK under the UN scale, and Fx is the proportion each of the remaining Parties pay under the UN scale (shown in column F), when France and the UK are excluded.

Column H - The amount to be paid by each Party in Australian dollars (AUD) if the UN Scale of Contributions is used and no Party pays more than 22% of the total budget.

Column I - The proportion of the budget that each Party pays when the UN Scale of Contributions is used and no Party pays more than 22% of the total budget.

This value is used to calculate Options 4 and 5, when the UN scale is combined with GNI (Atlas) and GNI (PPP).

OPTION 3 – GNI per capita using the World Bank *Atlas* method

GNI per capita (formerly GNP per capita) is the gross national income (GNI), converted to U.S. dollars using the World Bank *Atlas* method, divided by the midyear population. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. The following information was used to determine each Party's contribution.

Column J - *GNI* per capita - World Bank *Atlas* method. The 2010 value for each ACAP Party is provided in USD from World Bank data (refer Annex 3).

Column K - The proportion contribution each Party would make towards ACAP's budget as a proportion of the sum of *GNI* per capita (Atlas method) for all ACAP Parties. The formula used is $Lx/324440$, where Lx is the individual Party's GNI (Atlas) figure, divided by the sum of all ACAP Parties' GNI (Atlas) figures (\$324,440).

Column L - The amount to be paid by each Party in Australian dollars (AUD) if the *GNI* per capita (Atlas method) is used.

OPTION 4 – GNI per capita using the purchasing power parity (PPP) method

GNI per capita based on purchasing power parity (PPP). PPP GNI is gross national income (GNI) converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States. The following information was used to determine each Party's contribution.

Column M – GNI per capita based on purchasing power parity (PPP). The 2010 value for each ACAP Party is provided in current international dollars from World Bank data. (refer Annex 3).

Column N - The contribution that each Party would make towards ACAP's budget as a proportion of the sum of *GNI* per capita (PPP method) for all ACAP Parties. The formula used is $Lx/308600$, where Lx is the individual Party's GNI (PPP) figure, divided by the sum of all ACAP Parties' GNI (PPP) figures (\$308,600).

Column O - The amount to be paid by each Party in Australian dollars (AUD) if *GNI* per capita (PPP method) is used.

OPTION 5 – Combination of UN and GNI per capita using the World Bank *Atlas* method

An equal combination of the UN scale of contributions and *GNI* per capita (Atlas method). The following information was used to determine each Party's contribution.

Column P - The proportional contribution each Party would make if an equal combination of the UN scale of contributions and *GNI* per capita (Atlas method) were used. This was derived by adding the percentage each Party would pay under the UN scale (column D) to the percentage each Party would pay under the *GNI*-Atlas method (column J), divided by 2.

Column Q - The amount to be paid by each Party in Australian dollars (AUD) if a combination of the UN scale of contributions and *GNI* per capita (Atlas method) were used. The formula used is $657,177 \times O_x$, where \$657,177 is ACAP's 2012 budget, and O_x is the percentage each Party would pay with an equal combination of their UN scale *GNI* per capita - Atlas method (column O).

OPTION 6 – Combination of UN and *GNI* per capita (PPP) method

An equal combination of the UN scale of contributions and *GNI* per capita (PPP). The following information was used to determine each Party's contribution.

Column R - The proportional contribution each Party would make if an equal combination of the UN scale of contributions and *GNI* per capita (PPP method) were used. This was derived by adding the percentage each Party would pay under the UN scale (column D) to the percentage each Party would pay under the *GNI*-PPP method (column M), divided by 2. $\text{sum}(\text{UN}\% + \text{GNI-PPP}\%)/2$.

Column S - The amount to be paid by each Party in Australian dollars (AUD) if a combination of the UN scale of contributions and *GNI* per capita (PPP method) were used. The formula used is $657,177 \times Q_x$, where \$657,177 is ACAP's 2012 budget, and Q_x is the percentage each Party would pay with an equal combination of their UN scale and *GNI* per capita - PPP method (column Q).

2.3 Transitional arrangements

In relation to transitional arrangements for phasing in of a new contribution formula, all respondents to the survey agreed that the new method should be phased in over a three year period. Logically, this would occur over the next budget cycle from 2013 – 2015.

2.4 Policy to be followed when a new Party joins the Agreement

Parties/ Cooperating non-Parties were also surveyed regarding their preferences for the use of additional funds arising from a new Party joining the agreement in the intersessional period. Of those responding to the survey, three were in favour of continuing the current approach, that is that they be used to grow the existing budget, while two respondents were against this approach. The Advisory Committee supported growing the budget if/when a new Party joins the Agreement during an intersessional period, noting that it would be too complex administratively for Parties to reduce their contributions intersessionally and would be unlikely to result in significant savings to individual Parties.

2.5 Amendment of financial principles endorsed at MoP3

The ICG reviewed the potential impact that a change to another methodology may have on the financial principles adopted at MoP3 (Annex 1). The ICG advised that depending on which calculation method is adopted at MoP4, it is possible that Principles A2, A3 and B2 will need to be revised. The ICG was unable to make any recommendations on how these principles could be amended, until a new calculation method is agreed to and Parties decide if the accession of a new Party will result in a reduction of existing Parties' contributions.

In relation to the contribution formula adopted at MoP3 (Resolution 3.6), it was noted by an ACAP Party during the intersessional consultations that it is expressed inaccurately. The proposed corrections to the formula are provided in Annex 2.

ANNEX 1.

Principles Adopted by MoP3 to be Used in Calculating the Current Contributions of the Parties, and to Provide Guidance for the Calculation of Future Contributions (Para 7.10.2 of MoP3 Report)

A. Existing Principles

1. Decisions relating to any scale of contributions will be adopted by consensus, having regard to the differing resources of the different Parties, in accordance with article VII(2)(a).
2. The formula set out in Resolution [3.6] will continue to be used. The inputs to the formula will be taken from the latest published datasets, which will be applied taking account of the differing resources of the different Parties in accordance with article VII(2)(a).
3. The accession of any Party to the Agreement during an intersessional period will not result in the recalculation of the formula set out in Resolution [2.3] for any other Party prior to the next MoP.
4. Subject to consensus of all Parties present at the MoP, caps may be applied to limit the amount that any one Party must pay (e.g. maximum percentage of budget; minimum amount).

B. New Principles

1. Inter-annual fluctuations in the contribution of any one Party should be minimised.
2. The latest available scale of contributions, as used in the formula set out in paragraph A.2 above, will apply pro-rated in proportion to the time lapsed for the financial year in which any Party accedes to the Agreement during an intersessional period. In any subsequent years prior to the re-negotiation of the budget at the next Meeting of the Parties, the formula set out in Resolution 3.6 will apply to that Party.

ANNEX 2

Resolution 3.6, Appendix B

Revised Scale of Contributions Formulae

1. For Parties whose scale of assessment under the United Nations Scale of Assessment for the UN Budget (currently Resolution 61/237, February 2007) is less than or equal to 0.15%, annual contributions shall be calculated on the UN Scale of Assessment.

$$Contribution1 = \frac{UN\%}{\sum UN\% ACAP} \bullet 100 \bullet ACAPBudget$$

(Equation 1)

Comment [RC1]: I think the "100" should be removed because the existing numerator and denominator at left of the formula give the required fraction.

where: UN % is the calculated UN Scale of Assessment for a Party outlined in the United Nations Scale of Assessment for payment of annual contributions to the UN Budget (currently Resolution 58/1 B, March 2004);

$\sum UN\% ACAP$ is the sum of the UN Scale of Assessment for all ACAP Parties outlined in UN Resolution 58/1 B; and

$ACAPBudget$ is the annual budget approved by the Meeting of the Parties.

2. For Parties whose scale of assessment under the United Nations Scale of Assessment for the UN Budget (Resolution 61/237, February 2007) is greater than 0.15%, annual contributions shall be calculated based on 50% GNI, and 50% GNI per capita, with no party paying more than 20% of the total ACAP Budget. It is calculated using the following equations:

$$Contribution2 = \left[\sum \left(\frac{GNI\%}{\sum GNI\% ACAP} \bullet 0.5 \right), \left(\frac{GNIpc\%}{\sum GNIpc\% ACAP} \bullet 0.5 \right) \right] \bullet (1 - \sum \% Contribution1) \bullet 100 \bullet ACAPBudget$$

(Equation 2)

Comment [RC2]: Again I think the "100" should be removed from this part of the formula

where: GNI % is the Gross National Income for a Party that has a Scale of Assessment under the United Nations Scale of Assessment that is greater than 0.15%;

$\sum GNI\% ACAP$ is the sum of the Gross National Incomes for all ACAP Parties that have a Scale of Assessment under the United Nations Scale of Assessment that is greater than 0.15%;

GNIpc% is the Gross National Income per capita for a Party that has a Scale of Assessment under the United Nations Scale of Assessment that is greater than 0.15%;;

$\sum GNIpc\% ACAP$ is the sum of the Gross National Incomes per capita for all ACAP Parties that have a Scale of Assessment under the United Nations Scale of Assessment that is greater than 0.15%; and

$\sum \%Contribution1$ is the total assessed contributions for Parties whose scale of assessment under the United Nations Scale of Assessment for the UN Budget is less than or equal to 0.15%: it is expressed as a **percentage** of the ACAP budget.

3. If the calculated percentage contribution for one or more parties resulting from Equation 2 exceeds 20%, the contribution for the Party/Parties is set at 20% of the annual budget, and the contribution for the residual Parties recalculated in one or more subsequent iterations of the following formula:

$$Contribution = \left[\sum \left(\frac{GNI\%}{\sum GNI\% ACAP < 20\%} \cdot 0.5 \right), \left(\frac{GNIpc\%}{\sum GNIpc\% ACAP < 20\%} \cdot 0.5 \right) \right] \\ \cdot (1 - [(0.20 \cdot Parties > 20\%) + (\sum \%Contribution1)]) \cdot 100 \cdot ACAPBudget$$

(Equation 3)

where: $\sum GNI\% ACAP Parties < 20\%$ is the sum of the Gross National Incomes for all ACAP Parties that have an assessed annual ACAP contribution < 20% in Equation 2;

$\sum GNIpc\% ACAP Parties < 20\%$ is the sum of the Gross National Incomes per capita for all ACAP Parties that have an assessed annual ACAP contribution < 20% in Equation 2 or 3;

Parties > 20% is the number of Parties that have an assessed contribution from Equation 2 or 3 or subsequent iterations of Equation 3 that is $\geq 20\%$ of the ACAP Budget.

4. Where, as a consequence of the above calculations, a Party's contribution is less than their 2009 contributions plus 2.5%, that Party's contribution will be increased to achieve that sum. The additional amounts that result from such an amendment will then be redistributed proportionately to the other Parties to reduce the otherwise greater than 2.5% increases in their contributions, whilst still maintaining the agreed total budget amount. Where this redistribution results in one Party's contribution being reduced below their 2009 plus 2.5% level, this will be corrected and the remaining Parties contributions adjusted a second time. This process was used to obtain the 2010 scale of contributions contained in Appendix C below. The base for each Party's contribution for 2010 was then adjusted upwards for 2011 and 2012 by 3% to ensure subsequent years' contributions did not decrease in real terms.

Comment [RC3]: It should be expressed as a proportion of the budget, i.e. a number between 0 and 1, because it is being subtracted from 1 in the formula. A percentage can be any number between 0 and 100 but a number > 1 will result in a negative value using Equation 2.

Comment [RC4]: Again the "100" should be omitted; also the > sign should be \geq

Comment [RC5]: Replace > with \geq

Gross national income per capita 2010, Atlas method and PPP

Ranking	Economy	Atlas methodology (US dollars)	Ranking	Economy	Purchasing power parity (international dollars)
1	Monaco	197,460 ^a	4	Luxembourg	63,850
2	Liechtenstein	136,540 ^a	6	Macao SAR, China	57,120 ^a
3	Bermuda	.. ^a	8	Norway	57,130
4	Norway	85,380	10	Singapore	54,700
5	Qatar	.. ^a	14	Switzerland	49,180
6	Luxembourg	79,510	15	Brunei Darussalam	48,760 ^a
7	Switzerland	70,350	17	Hong Kong SAR, China	47,300
8	Cayman Islands	.. ^a	18	United States	47,020
9	Isle of Man	.. ^a	23	Netherlands	42,590
10	Denmark	58,980	25	Denmark	40,140
11	Channel Islands	.. ^a	26	Sweden	39,600
12	United Arab Emirates	.. ^a	27	Austria	39,410
13	Kuwait	.. ^a	28	Australia	38,510 ^a
14	Sweden	49,930	29	Germany	38,170
15	Netherlands	49,720	30	Belgium	37,840
16	San Marino	50,670 ^a	31	Canada	37,280 ^a
17	Finland	47,170	32	Finland	37,180
18	United States	47,140	33	United Kingdom	36,580
19	Austria	46,710	35	Japan	34,790
20	Faeroe Islands	.. ^a	36	Bahrain	33,530 ^a
21	Belgium	45,420	37	France	34,440
22	Andorra	41,130 ^a	39	Ireland	32,740
23	Australia	43,740 ^a	41	Spain	31,550
24	Germany	43,330	43	Italy	31,090
26	France	42,390	44	Cyprus	30,160 ^{a, b}
27	Canada	41,950 ^a	48	Korea, Rep.	29,010
28	Japan	42,150	52	Iceland	28,630
29	Ireland	40,990	53	New Zealand	28,050 ^a
30	Singapore	40,920	54	Israel	27,800
31	Macao SAR, China	39,520 ^a	55	Greece	27,360
32	United Kingdom	38,540	56	Slovenia	26,970
35	Italy	35,090	57	Oman	24,410 ^a
36	Iceland	33,870	58	Portugal	24,710
37	Hong Kong SAR, China	32,900	59	Saudi Arabia	23,900 ^a
38	Spain	31,650	60	Trinidad and Tobago	24,000 ^c
39	Brunei Darussalam	31,180 ^a	61	Equatorial Guinea	23,810
40	Cyprus	30,460 ^{a, b}	62	Czech Republic	23,620
41	New Zealand	29,050 ^a	63	Malta	23,070 ^a
43	Israel	27,340	65	Slovak Republic	23,140
44	Greece	27,240	67	Seychelles	20,470 ^c
45	Greenland	26,150 ^a	68	Estonia	19,500
47	Slovenia	23,860	69	Hungary	19,280
48	Bahrain	25,420 ^a	70	Russian Federation	19,190
49	Portugal	21,860	71	Poland	19,020
56	Korea, Rep.	19,890	72	Croatia	18,710
58	Oman	17,890 ^a	73	Lithuania	17,880
59	Malta	18,350 ^a	74	Libya	16,330 ^{a, c}
60	Czech Republic	17,870	75	Latvia	16,360
61	Saudi Arabia	17,200 ^a	76	Antigua and Barbuda	15,380 ^c
62	Slovak Republic	16,220	77	Argentina	15,150
64	Trinidad and Tobago	15,380	78	Mexico	15,010
65	Equatorial Guinea	14,680	79	Turkey	14,580
66	Estonia	14,360	80	Malaysia	14,360
67	Croatia	13,760	81	Lebanon	14,170
69	Hungary	12,990	82	Romania	14,050
70	Poland	12,420	83	Belarus	14,020
71	Libya	12,020 ^a	84	Botswana	13,910
72	Latvia	11,620	85	Chile	13,890
73	Venezuela, RB	11,590	85	Uruguay	13,890
74	Lithuania	11,400	87	Mauritius	13,670
75	Antigua and Barbuda	10,610	88	Bulgaria	13,210
76	Uruguay	10,590	89	Gabon	13,190
77	St. Kitts and Nevis	9,980	90	St. Kitts and Nevis	13,170 ^c
78	Chile	9,940	91	Panama	12,940 ^c

Gross national income per capita 2010, Atlas method and PPP

Atlas methodology (US dollars)			Purchasing power parity (international dollars)		
Ranking	Economy		Ranking	Economy	
79	Russian Federation	9,910	92	Montenegro	12,710
80	Turkey	9,500	93	Venezuela, RB	11,950
81	Seychelles	9,490	94	Iran, Islamic Rep.	11,420 a
82	Brazil	9,390	95	Serbia	11,230
83	Mexico	9,330	96	Brazil	10,920
84	Lebanon	9,020	97	Costa Rica	10,880 c
85	Argentina	8,450	98	Macedonia, FYR	10,830
86	Malaysia	7,900	99	Palau	10,760 c
87	Romania	7,840	101	Kazakhstan	10,610
88	Gabon	7,760	102	South Africa	10,280
89	Mauritius	7,740	104	Ecuador	9,270
90	Kazakhstan	7,440	105	Azerbaijan	9,220
92	Panama	6,990	106	Colombia	9,000
93	Botswana	6,890	107	Bosnia and Herzegovina	8,970
94	Montenegro	6,690	108	Peru	8,940
95	Costa Rica	6,580	109	Albania	8,840
96	Palau	6,460	110	Dominican Republic	8,700 c
97	Bulgaria	6,240	111	Dominica	8,580 c
98	South Africa	6,100	112	St. Lucia	8,520 c
99	Belarus	6,030	113	St. Vincent and the Grenadines	8,260 c
100	Suriname	5,920 a	114	Thailand	8,240
101	Serbia	5,820	115	Tunisia	8,140
102	Cuba	5,550 a	116	Algeria	8,130 c
103	Grenada	5,560	117	Suriname	7,610 a, c
104	Colombia	5,510	118	China	7,570
105	Azerbaijan	5,180	119	Grenada	7,560 c
106	St. Lucia	4,970	120	Jamaica	7,430 c
107	Dominica	4,960	121	Turkmenistan	7,160 c
108	Dominican Republic	4,860	123	Namibia	6,580
109	St. Vincent and the Grenadines	4,850	123	Ukraine	6,580
110	Bosnia and Herzegovina	4,790	125	El Salvador	6,390 c
111	Jamaica	4,750	126	Belize	5,970 c
112	Peru	4,710	127	Egypt, Arab Rep.	5,910
113	Namibia	4,650	128	Jordan	5,770
114	Iran, Islamic Rep.	4,530 a	130	Maldives	5,480
116	Macedonia, FYR	4,520	131	Armenia	5,450
117	Ecuador	4,510	132	Angola	5,430
118	Algeria	4,460	132	Paraguay	5,430
119	Jordan	4,350	134	Bhutan	5,070
120	Maldives	4,270	134	Sri Lanka	5,070
121	China	4,260	136	Georgia	4,980 d
122	Thailand	4,210	137	Swaziland	4,890
123	Tunisia	4,070	138	Syrian Arab Republic	4,870
124	Albania	4,000	140	Tonga	4,630 c
125	Angola	3,960	141	Guatemala	4,610 c
126	Belize	3,740	142	Bolivia	4,560
127	Turkmenistan	3,700	142	Morocco	4,560 e
128	Fiji	3,610	144	Fiji	4,490
129	Tonga	3,380	145	Vanuatu	4,450 c
130	El Salvador	3,360	147	Indonesia	4,300
131	Kosovo	3,300	147	Samoa	4,300 c
132	Guyana	3,270	149	Philippines	3,930
133	Cape Verde	3,160	150	Honduras	3,730 c
134	Armenia	3,090	151	Mongolia	3,700
135	Ukraine	3,010	152	Cape Verde	3,670
136	Marshall Islands	2,990	153	India	3,560
137	Paraguay	2,940	154	Guyana	3,530 c
138	Samoa	2,930	155	Kiribati	3,510 c
140	Morocco	2,850 e	156	Micronesia, Fed. Sts.	3,420 c
141	Vanuatu	2,760	157	Moldova	3,340 f
142	Guatemala	2,740	158	Iraq	3,320
143	Georgia	2,700 d	159	Congo, Rep.	3,280
143	Micronesia, Fed. Sts.	2,700	160	Uzbekistan	3,090 c
145	Syrian Arab Republic	2,640	162	Vietnam	2,910