



Contributory classification of Member States

Extract from the working document for the 14th Conference:

8 Member States' contributory classes and the contributory share for 2013-2016

According to Article XXVI (1) of the Convention, Member States are classified according to the size of their population and may be put in a lower class when the use of measuring instruments is clearly below the average. In 2005, the CIML decided on a procedure to implement this provision of the Convention as follows:

The classification is reviewed every year (x) on the basis of World Bank figures for the population in year (x-2), adjusted for the size of the economy according to their Gross National Income per capita (GNI):

- by one class for lower middle income countries whose GNI is greater than twice that of low income countries,
- by two classes for lower middle income countries whose GNI is lower than twice that of low income countries, and
- by three classes for low income countries, the resulting class being at least Class 1.

Any change in the classification of a Member State as a result of this review takes effect from the year (x+2).

Based on the review conducted in 2012 on the basis of the World Bank figures over 2010, the following Member States are being reclassified, effective from 2014:

Algeria:	from Class 1 to Class 2;
P.R. China:	from Class 3 to Class 4;
Cuba:	from Class 1 to Class 2;
Egypt:	from Class 1 to Class 2;
India:	from Class 1 to Class 2;
Indonesia:	from Class 2 to Class 3;
Iran:	from Class 2 to Class 3.

The full information concerning this classification review is contained in Annex B, which shows the resulting number of contributory shares, excluding the new Member Colombia, to be 122 before reclassification and 134 after reclassification. The number of contributory shares is:

- 1 for Class 1,
- 2 for Class 2,
- 4 for Class 3, and
- 8 for Class 4.



Addendum 6.5

2012-06-26

Including the new Member State Colombia (effective from 2013) the total number of contributory shares is:

- for 2013: 126
- for 2014, 2015 and 2016: 138,

exclusive of any changes due to admissions or resignation of Member States.

It should be noted that an annual review with the objective to reclassify Member States is not in line with Article XXVI (1) of the Convention which implies that the contributory share of a Member State is fixed for the financial period and that the annual contribution is determined by equally distributing the share of a Member State over all the years of a financial period. Therefore, a reclassification should only be initiated for the whole financial period, based on a review in the year immediately prior to that period. However, because the Conference decides on the contributory shares at a time when the Member States would already have prepared their budgets for the first year of the next financial period, the change in contribution should be made effective only from the second year of the financial period.

The following draft resolution is proposed to the Conference:

Draft Resolution No. ...

The Conference,

Having regard to Article XXVI (1) of the Convention,

Recalling the decision of the 12th Conference in 2004, instructing the Committee to annually review the situation of those Member States that benefit from a lower contributory class,

Considering the procedure for the classification of Member States as decided by the Committee at its 40th meeting in 2005,

Resolves:

The classification of Member States according to Article XXVI (1) of the Convention shall be reviewed in the final year of a financial period in order to determine the respective contributory shares of the Member States for the following financial period. The review shall be according to the method decided by the Committee at its 40th Meeting in 2005. However, any change in the classification of a Member State shall take effect from the second year of the following financial period.

Extract from the minutes of the 40th CIML Meeting – June 2005, Lyon:

The proposal was to base the Contributory Class of each country on a classification of the economic situation of each country, drawn up by the World Bank on the basis of the country's gross national income (GNI) per inhabitant.

The World Bank defined four categories of GNI per inhabitant, whose limits in 2003 are:

- Low income: 765 USD or less;
- Low average: 766 to 3035 USD;
- Upper average: 3036 to 9385 USD; and
- High income: more than 9385 USD.

The BIML had looked at this classification system with regard to the possibility of certain Member States dropping to a lower category. The second tranche, low average income, seemed to the BIML to be very



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broad for classification of contributions, and could be divided into two. The proposal for a general rule was therefore as follows:

When a Member State was in the low average category, it would drop by one level if its GNI was more than twice the lower limit of this category (i.e. between 1530 and 3035 USD); under twice the lower limit of this category it would drop by two levels and if the GNI fell into the low category then it would drop by three levels.

Mr. Magaña asked for an immediate vote on this request, so that Turkey's contribution could be calculated for both the current year and for 2006. No Member voted against this but Bulgaria abstained, so the motion was passed.

From Wikipedia, the free encyclopedia:

Gross national income

The GNI consists of: the personal consumption expenditures, the gross private investment, the government consumption expenditures, the net income from assets abroad (net income receipts), and the gross exports of goods and services, after deducting two components: the gross imports of goods and services, and the indirect business taxes. The GNI is similar to the gross national product (GNP), except that in measuring the GNP one does not deduct the indirect business taxes.

GNI versus GDP

For example, the profits of a US-owned company operating in the UK will only count towards US GNI and UK GDP. If a country becomes heavily indebted, and pays large amounts of interest to service this debt, this will be reflected in a decreased GNI but not a decreased GDP. If a country sells off its resources to entities outside their country this will also be reflected over time in decreased GNI, but not decreased GDP. Therefore, the GDP appears more attractive for countries with increasing national debt and decreasing assets.

GNI versus GNP

GNP is a concept that goes hand in hand with GNI, GDP, and NNI. In contrast to the GNI, the GNP does not account for the balance of cross-country income, such as interest and dividends. In contrast to the GDP, the GNP account for the values of products and services based on citizenship of the owners rather than the territory of the activity.

Information from the World Bank web site:

[Gross national income per capita 2010. Atlas method and PPP](http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf)
(<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>)

Statement contained on World Bank statistics page from 2002 through 2005: "GNI is gross national income (gross national product, or GNP, in previous editions). PPP is purchasing power parity".

Assessment of current classifications:

The table on the next page shows the current classifications, as well as the adjustments to be made when implementing the decision of the 40th CIML Meeting (in 2005).

Etats Membres (en 2011) Member States (in 2011)	Population (million)															
	World Bank data 2010	Multiplier by population only	Current multiplier as of 2012	Current Discrepancy (before rise)	World Bank GNI per capita 2010	OIML allowed declassification	Adjustment	Multiplier after adjustment	Check for more adjustment	Outcome	2012	2013	2014	2015	2016	
* Pays bénéficiant d'un déclassement * Countries benefiting from a lower class.																
Afrique du Sud	49	4	4		6100			4	OK		58 000	56 000	56 000	56 000	56 000	
Albanie	3	1	1		4000			1	OK		14 500	14 000	14 000	14 000	14 000	
Algerie	35	2	1	1 class	4460		1 class	2	OK		14 500	14 000	28 000	28 000	28 000	
Allemagne	81	4	4		43330			4	OK		58 000	56 000	56 000	56 000	56 000	
Arabie Saoudite	25	2	2		17200			2	OK		29 000	28 000	28 000	28 000	28 000	
Australie	22	2	2		43740			2	OK		29 000	28 000	28 000	28 000	28 000	
Autriche	8	1	1		46710			1	OK		14 500	14 000	14 000	14 000	14 000	
Republique de Belarus	9	1	1		6030			1	OK		14 500	14 000	14 000	14 000	14 000	
Belgique	10	1	1		45420			1	OK		14 500	14 000	14 000	14 000	14 000	
Bresil	194	8	8		9390			8	OK		116 000	112 000	112 000	112 000	112 000	
Bulgarie	7	1	1		6240			1	OK		14 500	14 000	14 000	14 000	14 000	
Canada	34	2	2		41950			2	OK		29 000	28 000	28 000	28 000	28 000	
Republique Populaire de Chine	1 338	8	4	1 class	4260		1 class	8	OK		58 000	56 000	112 000	112 000	112 000	
Chypre	1	1	1		30460			1	OK		14 500	14 000	14 000	14 000	14 000	
Republique de Corée	48	4	4		19890			4	OK		58 000	56 000	56 000	56 000	56 000	
Croatie	4	1	1		13760			1	OK		14 500	14 000	14 000	14 000	14 000	
Cuba	11	2	1	1 class	5550		1 class	2	OK		14 500	14 000	28 000	28 000	28 000	
Danemark	5	1	1		58980			1	OK		14 500	14 000	14 000	14 000	14 000	
Egypte*	84	4	1	2 classes	2340	1 class	1 class	2	ADJ	OK -1 class	14 500	14 000	28 000	28 000	28 000	
Espagne	46	4	4		31650			4	OK		58 000	56 000	56 000	56 000	56 000	
Etats-Unis d'Amerique	309	8	8		47140			8	OK		116 000	112 000	112 000	112 000	112 000	
Finlande	5	1	1		47170			1	OK		14 500	14 000	14 000	14 000	14 000	
France	64	4	4		42390			4	OK		58 000	56 000	56 000	56 000	56 000	
Grèce	11	2	2		27240			2	OK		29 000	28 000	28 000	28 000	28 000	
Hongrie	10	1	1		12990			1	OK		14 500	14 000	14 000	14 000	14 000	
Inde*	1 170	8	1	3 classes	1340	2 classes	1 class	2	ADJ	OK -2 class	14 500	14 000	28 000	28 000	28 000	
Indonesie*	232	8	2	2 classes	2580	1 class	1 class	4	ADJ	OK -1 class	29 000	28 000	56 000	56 000	56 000	
Republique Islamique d'Iran	73	4	2	1 class	4530		1 class	4	OK		29 000	28 000	56 000	56 000	56 000	
Irlande	4	1	1		40990			1	OK		14 500	14 000	14 000	14 000	14 000	
Israël	7	1	1		27340			1	OK		14 500	14 000	14 000	14 000	14 000	
Italie	60	4	4		35090			4	OK		58 000	56 000	56 000	56 000	56 000	
Japon	127	8	8		42150			8	OK		116 000	112 000	112 000	112 000	112 000	
Kazakhstan	16	2	2		7440			2	OK		29 000	28 000	28 000	28 000	28 000	
Kenya*	40	2	1	1 class	780	3 classes	0	1	ADJ	OK -3 class	14 500	14 000	14 000	14 000	14 000	
Macedoine, Ex-R.Y. de	2	1	1		4520			1	OK		14 500	14 000	14 000	14 000	14 000	
Maroc*	32	2	1	1 class	2850	1 class	0	1	ADJ	OK -1 class	14 500	14 000	14 000	14 000	14 000	
Monaco	0	1	1		197460			1	OK		14 500	14 000	14 000	14 000	14 000	
Norvege	4	1	1		85380			1	OK		14 500	14 000	14 000	14 000	14 000	
Nouvelle-Zelande	4	1	1		29050			1	OK		14 500	14 000	14 000	14 000	14 000	
Pakistan*	173	8	1	3 classes	1050	3 classes	0	1	ADJ	OK -3 class	14 500	14 000	14 000	14 000	14 000	
Pays-Bas	16	2	2		49720			2	OK		29 000	28 000	28 000	28 000	28 000	
Pologne	38	2	2		12420			2	OK		29 000	28 000	28 000	28 000	28 000	
Portugal	10	1	1		21860			1	OK		14 500	14 000	14 000	14 000	14 000	
Roumanie	21	2	2		7840			2	OK		29 000	28 000	28 000	28 000	28 000	
Royaume-Uni	62	4	4		38540			4	OK		58 000	56 000	56 000	56 000	56 000	
Russie	141	8	8		9910			8	OK		116 000	112 000	112 000	112 000	112 000	
Serbie	7	1	1		5820			1	OK		14 500	14 000	14 000	14 000	14 000	
Republique Slovaque	5	1	1		16220			1	OK		14 500	14 000	14 000	14 000	14 000	
Slovenie	2	1	1		23860			1	OK		14 500	14 000	14 000	14 000	14 000	
Sri Lanka*	20	2	1	1 class	2290	1 class	0	1	ADJ	OK -1 class	14 500	14 000	14 000	14 000	14 000	
Suede	9	1	1		49930			1	OK		14 500	14 000	14 000	14 000	14 000	
Suisse	7	1	1		70350			1	OK		14 500	14 000	14 000	14 000	14 000	
Republique-Unie de Tanzanie*	45	4	1	2 classes	530	3 classes	0	1	ADJ	OK -3 classe	14 500	14 000	14 000	14 000	14 000	
Republique Tchèque	10	1	1		17870			1	OK		14 500	14 000	14 000	14 000	14 000	
Tunisie	10	1	1		4070			1	OK		14 500	14 000	14 000	14 000	14 000	
Turquie	75	4	4		9500			4	OK		58 000	56 000	56 000	56 000	56 000	
Vietnam*	88	4	1	2 classes	1100	3 classes	0	1	ADJ	OK -3 classe	14 500	14 000	14 000	14 000	14 000	
57 Member States		155	122					134			1 769 000	1 708 000	1 876 000	1 876 000	1 876 000	

Note: Colombia not included

Base contribution 14 500 for 2012 14500 14000 14000 14000 14000

per footnote
reduction 1 class 4000 3975 rounded up to next 100
reduction 2 class 2000 4000 divided by 2 per resolution
reduction 3 class 1100 1005 rounded up to next 100

h. Estimated to be upper middle income (\$3,976 to \$12,275). i. Estimated to be high income (\$12,276 or more). j. Estimated to be low income (**\$1,005** or less). k. Estimated to be lower middle income (\$1,006 to **\$3,975**).