



7th SESSION OF THE MEETING OF THE PARTIES

04-08 December 2018, Durban, South Africa

“Beyond 2020: Shaping flyway conservation for the future”

DRAFT SCALE OF CONTRIBUTIONS FOR 2019-2021

Introduction

Through Resolution 6.18, the Agreement Secretariat has been instructed to develop a series of budget scenarios for further consideration by Parties at the 7th Session of the Meeting of the Parties and **describe any differences between the UN Scale of Assessments and the current scale used to determine the contributions to AEWA.**

On the basis of a report prepared by the Secretariat, the Standing Committee decided at its 12th Meeting in January 2017, to recommend to the MOP, a move towards using the UN scale to determine the contributions, but to apply a number of criteria, i.e. to keep the minimum contribution of 2,000 EUR; to fix the EU contribution at 2.5 %; and to retain the maximum threshold at 20 %. At its 13th Meeting in July 2018, the Standing Committee confirmed these criteria and agreed on the approach to be recommended to the MOP for the move towards the UN scale within a transitional period of six years.

Background

UN scale of assessments for the apportionment of the expenses of the United Nations

The UN scale of assessments for the apportionment of the expenses of the United Nations derives from the fundamental principle that the expenses of the Organisation shall be apportioned broadly according to capacity of the member states to pay. It is based on a precise methodology which takes into account different criteria and elements referring to a country's economic situation.¹

The scale of assessments is regularly updated and adopted by the United Nations General Assembly and valid for a three-year period². It assesses contributions in percentage for all UN member states worldwide and is particularly adapted to share a budget on a worldwide scale. There is no specific scale provided for regional multilateral environmental agreements. To obtain a regional scale, the figures provided in the UN Scale of Assessments are used for Parties of the regional Agreement only as a basis to determine the percentage of the total budget to be covered by each of them.

¹ a) Estimates of gross national income; b) Average statistical base periods of three and six years; c) Conversion rates based on market exchange rates, except where that would cause excessive fluctuations and distortions in the income of some Member States, when price-adjusted rates of exchange or other appropriate conversion rates should be employed [...]; d) The debt-burden approach employed in the scale of assessments for the period from 2013-2015; e) a low per capita income adjustment of 80 per cent, with a threshold per capita income limit of the average per capita gross national income of all Member States for the statistical base periods; f) a minimum assessment rate of 0.0001 per cent; g) a maximum assessment rate for the least developed countries of 0.01 per cent; h) a maximum assessment rate of 22 per cent.

² Resolution 70/245 on the Scale of assessments for the apportionment of the expenses of the United Nations for the period 2016-2018 is available here: http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/245

Annual contributions from Contracting Parties to the AEWA core budget

Article V.2 of the Agreement requires that “(a) Each Party shall contribute to the budget of the Agreement in accordance with the United Nations scale of assessments. The contributions shall be restricted to a maximum of 25 per cent³ of the total budget for any Party that is a Range State. No regional economic integration organization shall be required to contribute more than 2.5 per cent of the administrative costs. (b) Decisions relating to the budget and any changes to the scale of assessments that may be found necessary shall be adopted by the Meeting of the Parties by consensus.”

Thus, according to the Agreement, AEWA contributions should, in principle, be calculated on the basis of the UN scale of assessments.⁴ However, Art. V.2(b) allows Parties to change the scale of assessments.

Action Requested from the Meeting of the Parties

The Meeting of the Parties is requested to consider the proposed method described in the document and decide on its application for the development of the AEWA scale of contributions 2019-2021.

³ The maximum ceiling of 25 % was in line with the UN scale of assessments at that time. The UN maximum assessment rate is meanwhile at 22 % (compare General Assembly Resolution 70/245).

⁴ As only 39 % of the UN member states are Parties to AEWA the UN scale percentages need to be recalculated and cannot be taken over 1:1.

1. General introduction

The UN scale of assessments was applied to calculate AEWA contributions at MOP1, MOP2 and MOP3. Since MOP4 (2008), however, the apportioning of annual contributions to the AEWA core budget has not strictly followed the UN scale of assessments. At MOP4, the contributions to the remaining budget - after deduction of the minimum contributions and the amount to be withdrawn from the reserve – were negotiated among the Parties. The contributions calculated at MOP4 were then frozen for the next ten years (same figures used at MOP5 and at MOP6) regardless of the evolution of the economic situation of the individual countries.

The strict application of the UN scale of assessments for the AEWA budget 2019-2021 would create considerable increases in the case of a number of Parties, even if the budget was maintained at a zero nominal growth level. Other countries, however, would benefit from the application of the UN scale of assessments, although they might be willing to, at least, maintain the current level of financial commitment. The Secretariat would like to point out that it will be crucial for the further functioning of the Agreement to choose a scale which will have no negative impact on the total budget to be shared by Parties. For this reason, the AEWA Standing Committee has advised the Secretariat to apply the following criteria for the development of the scale of contributions for 2019-2021:

- a) To keep the minimum contribution at 2,000 EUR;
- b) To fix the EU contribution at the original 2.5 %;
- c) To retain the maximum threshold at 20 %;
- d) To return to the UN scale of assessments while implementing a gradual transitional period consisting of two MOP cycles (six years);
- e) To freeze the contributions which would otherwise decrease;
- f) To direct contributions from new Parties into the AEWA Trust Fund.

2. Method applied to develop the scale of contributions for 2019-2021

To follow up on Resolution 6.18 and the intersessional decisions of the AEWA Standing Committee, the Secretariat has developed a scale of contribution which returns to the UN scale of assessments gradually. The minimum contribution of 2,000 EUR was kept; the EU contribution was fixed at 2.5 % and the maximum threshold of 20 % was retained (see above a) - c)).

The following additional measures were taken to calculate the final contributions (step d) and e)) of the above criteria):

- All contributions that would decrease compared to MOP6 were frozen at their current amount. This has led to a "saving" of 121,428 EUR.
- The amount of 121,428 EUR was used to decrease those Parties' contributions that would otherwise contribute more than 10 % to the total budget; contributions that fell below the amount adopted at MOP6 through this exercise were again frozen and the "saving" was used to further decrease the most affected contributions (i.e. with the highest increase).

Thus, the proposed scale represents **an approach which progressively moves towards the UN scale of assessments** with integration of the above-mentioned criteria and additional measures taken for the transitional period. On the basis of the new UN scale of assessments, published before MOP8, Parties will have to decide whether they wish to fully adopt this scale.

Annex 1 provides a table comparing the MOP6 to the MOP7 figures (Scenario 1 - zero nominal growth).

The first column with contributions ("**MOP6 proposal**") shows the contributions as they were calculated at MOP6 without withdrawal from the Trust Fund and using the ratio used at MOP4.

The second column with contributions ("**MOP6 adopted**") reflects the actually adopted MOP6 budget after the withdrawal of 310,000 EUR which has led to an overall decrease of the budget to be shared between the Parties.

The last column ("**MOP7 proposal (Scenario 1)**") shows the Parties' contributions calculated for MOP7 Scenario 1 (zero nominal growth, compare document AEWA/MOP 7.38). The MOP7 proposal can best be compared to the MOP6 proposal, as both do not take into account any Trust Fund withdrawal. It is obvious that, due to the progressive move towards the UN scale, some Parties experience a high increase.

The Secretariat wishes to highlight that the withdrawal of 310,000 EUR has led to a general decrease of contributions at MOP6 (compare MOP6 proposal to MOP6 adopted). **The adoption of a budget without withdrawal at MOP7 will naturally lead to increased contributions per se, and even at zero nominal growth level. Nonetheless, a withdrawal from the Trust Fund should be adopted only on an exceptional basis and does not represent a practice that is advised in the long term.**

For the 2019-2021 budget, the Secretariat has applied a transitional period, through which the Parties experiencing an increase, will see their contributions increase gradually year per year, respectively an increase of 30, 33 and 37 %. It should, however, be noted that applying the same method for returning to the UN Scale of assessments in six years is practically not feasible due to the following factors:

- The UN Scale of assessments is updated triennially, which is applied to all Parties to the Agreement; therefore, contributions to the total budget for each Party will vary due to the revised UN Scale of assessment in the following MOP cycle.
- New Parties will join the Agreement, which results in more Parties sharing the approved budget compared to the previous MOP cycle.
- The budget for the period 2022-2024 will not be available at the time of adopting the budget for 2019-2021, therefore the amount to be shared by all Parties will not be known or cannot be estimated beforehand.

Thus, the request from the Standing Committee to implement a gradual transitional period consisting of two MOP cycles (six years) will be implemented in two steps. The decision made at MOP7 will pave the way for returning to the UN scale of assessment at MOP8.

Annex 1

N°	Party	MOP6 proposal	MOP6 adopted	MOP7 proposal (Scenario 1)
1	Albania	6,000	6,000	6,000
2	Algeria	11,312	6,000	13,814
3	Belarus		n/a	6,000
4	Belgium	77,763	70,482	75,934
5	Benin	6,000	6,000	6,000
6	Botswana		n/a	6,000
7	Bulgaria	6,000	6,000	6,000
8	Burkina Faso	6,000	6,000	6,000
9	Burundi	6,000	6,000	6,000
10	Chad	6,000	6,000	6,000
11	Congo	6,000	6,000	6,000
12	Côte d'Ivoire	6,000	6,000	6,000
13	Croatia	10,404	6,000	8,494
14	Cyprus	6,000	6,000	6,000
15	Czech Republic	9,216	8,352	29,516
16	Denmark	75,901	68,796	68,796
17	Djibouti	6,000	6,000	6,000
18	Egypt	12,687	11,499	13,042
19	Equatorial Guinea	6,000	6,000	6,000
20	Estonia	6,000	6,000	6,000
21	Eswatini	6,000	6,000	6,000
22	Ethiopia	6,000	6,000	6,000
23	Finland	56,914	51,585	51,585
24	France	439,368	398,235	398,235
25	Gabon	6,000	6,000	6,000
26	Gambia	6,000	6,000	6,000
27	Georgia	6,000	6,000	6,000
28	Germany	439,368	398,235	483,422
29	Ghana	6,000	6,000	6,000
30	Guinea	6,000	6,000	6,000
31	Guinea-Bissau	6,000	6,000	6,000
32	Hungary	10,930	9,906	13,814
33	Iceland	6,000	6,000	6,000
34	Ireland	30,365	27,522	28,743
35	Israel	49,366	44,745	44,745
36	Italy	248,264	225,021	283,591
37	Jordan	6,000	6,000	6,000
38	Kenya	6,000	6,000	6,000
39	Latvia	6,000	6,000	6,000
40	Lebanon	6,000	6,000	6,000
41	Libya	10,601	9,609	10,725

N°	Party	MOP6 proposal	MOP6 adopted	MOP7 proposal (Scenario 1)
42	Lithuania	6,028	6,000	6,178
43	Luxembourg	6,682	6,000	6,000
44	Madagascar	6,000	6,000	6,000
45	Mali	6,000	6,000	6,000
46	Mauritania	6,000	6,000	6,000
47	Mauritius	6,000	6,000	6,000
48	Monaco	6,000	6,000	6,000
49	Montenegro	6,000	6,000	6,000
50	Morocco	6,000	6,000	6,000
51	Netherlands	178,657	161,931	161,931
52	Niger	6,000	6,000	6,000
53	Nigeria	7,431	6,000	17,932
54	Norway	53,910	48,864	72,845
55	Portugal	39,183	35,514	35,514
56	Republic of Moldova	6,000	6,000	6,000
57	Romania	18,661	6,000	15,787
58	Rwanda	6,000	6,000	6,000
59	Senegal	6,000	6,000	6,000
60	Slovakia	14,120	6,000	13,728
61	Slovenia	7,113	6,447	7,207
62	South Africa	30,868	27,978	31,232
63	Spain	207,117	187,728	209,613
64	Sudan	6,000	6,000	6,000
65	Sweden	105,500	95,622	95,622
66	Switzerland	126,537	114,690	114,690
67	Syrian Arab Republic	6,000	6,000	6,000
68	The former Yugoslav Republic of Macedonia	6,000	6,000	6,000
69	Togo	6,000	6,000	6,000
70	Tunisia	6,000	6,000	6,000
71	Uganda	6,000	6,000	6,000
72	Ukraine	8,175	6,000	8,838
73	United Kingdom of Great Britain and Northern Ireland	439,368	398,235	398,235
74	United Republic of Tanzania	6,000	6,000	6,000
75	Uzbekistan	6,000	6,000	6,000
76	Zimbabwe	6,000	6,000	6,000
77	European Union	76,969	49,779	76,969
	WITHDRAWAL FROM AEWA TRUST FUND**	-	310,003	
	TOTAL TO BE SHARED BY PARTIES & EU	3,078,778	2,768,775	3,078,778