

**23<sup>rd</sup> MEETING OF THE STANDING COMMITTEE**  
*26 - 27 June 2023, Virtual meeting format*

---

**Note for assessing why Parties have arrears and possible solutions**

**Introduction**

Nearly half of the Contracting Parties to AEW A have contributions in arrears<sup>1</sup>, ranging from one year (12 Parties) to more than 20 years (1 Party). At the time of writing this results in a shortfall of **503,909 EUR up until and for the year 2022** – roughly half of an annual budget - which needs to be compensated by the Trust Fund reserve.

As per Resolution 8.12 the Trust Fund is administered by the Executive Director of the United Nations Environment Programme (UNEP) and governed by the financial regulations and rules of the United Nations. The financial resources of the Trust Fund for the financial period of three years (currently: 2023-2025) are derived from Parties' contributions as laid down in Appendix III of Resolution 8.12, including contributions from any new Party, which flow into the general AEW A trust fund once received by UNEP. On basis of the triennial budget adopted by the Contracting Parties through Resolution 8.12, UNEP, at yearly basis, opens a core budget for the upcoming new fiscal year and makes it available from the general trust fund to the Secretariat with the exact amount adopted by the Parties and to be financed through their contributions. Contributions in arrears, thus, create a situation in which the income for the running year does not cover all the expenditures, resulting in a progressively decreasing liquidity. To reach an equilibrium between the allowed expenditures for the fiscal year and the actual yearly income, UNEP withdraws from the trust fund the amount needed to close the gap between revenues and expenditures. Over the years this has an impact on the overall financial flexibility of AEW A as it prevents that money from a reserve - e.g. generated through annual budget leftovers, new Parties' contributions or currency fluctuations - can be used for urgencies and activities, since a minimum reserve of 15 % needs to be kept for contingencies in accordance with UN rules and regulations.

As a consequence and in accordance with Resolution 8.12 (and preceding financial Resolutions), Contracting Parties with arrears of more than three years are excluded from funding for their participation at AEW A meetings. This rule, however, results in many (especially African) Parties not being represented at MOPs and this has meanwhile not significantly motivated Parties with arrears to pay their debts. In case of Parties which are not actively engaged in AEW A processes this creates a situation in which it is difficult to assess whether countries which do not attend MOPs and contribute to international reviews/ national reports etc., comply with AEW A obligations.

---

<sup>1</sup> 41 out of 84 Parties (including Greece since 1 June 2023) have contributions in arrears as at 12 June 2023; in case of Algeria only a bank fee of 15 EUR is outstanding why it has not been considered for this report.

Through Resolution 8.12 Parties have therefore requested the Standing Committee, with support of the Secretariat to: investigate the reasons why Parties are in arrears; propose possible solutions to address the financial and procedural impacts; and, where appropriate, approach national focal points to facilitate payment of outstanding contributions and to report back to MOP9 on activities undertaken and results achieved.

**Action requested from the Standing Committee:**

The Standing Committee is requested to take note of the information provided in this document and to agree on measures to be taken to investigate the reasons why Parties are in arrears and to find solutions to it.

**Where are the problems and how can they be solved?**

After a first analysis the Parties in arrears can roughly be divided into following groups:

1. Parties with arrears of 1-3 years.
2. Parties with arrears of more than 3 years.
3. Parties which have never contributed to the Agreement since their accession.
4. Parties with political situations preventing them from making payments although the willingness to contribute seems to be there.

Communications with the responsible counterparts can help identify the exact problems behind the outstanding payments.

**Once a closer analysis of the problems has been conducted the following potential approaches may be considered to address the issues identified, while other solutions could be sought based on the outcomes of the analysis:**

**General measures:**

1. Maintaining the rule that Parties with arrears of more than 3 years in principle do not receive **funding for their participation to AEWA meetings**, but also consider additional criteria based on which the “funding rule” could be waived - e.g. Parties which delivered a pertinent National/PoAA/Population Status Report. This will limit the consequence of excluding Parties which significantly contribute to the success of the Agreement in other ways, from such meetings of the Agreement. The Meeting of Parties could decide at MOP9 to give the Standing Committee the role in assessing countries’ circumstances prior to MOPs and advise on case-by-case basis if the funding rule should be applied or not.
2. Suspending the **right of vote at MOPs** for Parties with more than 3 years arrears.

Relying on a common approach for all Parties seems, however, not advisable, as the individual situations and reasons for not paying differ between individual countries. This is recognized by the UN General Assembly which has set up a dedicated commission to assess the reasons of arrears and in some justified cases to maintain the right of vote. Besides, majority of Parties with over 3 years of arrears do not attend these meetings in the absence of the AEWA sponsorship which makes e.g. the suspension of the right to vote pointless. All in all, such an additional layer of restrictions will only contribute to restraining the effective running/functioning of the meetings.

**Given the peculiarity of each country’s case, individual and more tailored measures could be considered, including:**

1. **Writing off** unpaid contributions in case of countries where this is considered to help solve the issue. However, it seems difficult to decide case-by-case as other Parties could question and complain, if treated differently. Besides, it could set a precedent for future non-payments with

the hope for a write-off for arrears. It is worth noting that any write-offs will require advise from UNEP on any legal implications.

2. Engaging Parties through National Focal Points of partner countries or through the **Regional Representatives** of the AEWA Standing Committee. StC regional representatives could also approach embassies of the countries concerned to encourage payments. Also, national NGOs could have a role within their country in promoting AEWA and its benefits, thus indirectly pushing for the payments of annual contributions and arrears.
3. Arranging for **high-level** Ministerial segments in the frame of MOPs, exceptionally facilitating/sponsoring participation of Ministers of countries in arrears. This will give a higher profile to AEWA issues and thus more interest and engagement at the national level, provided sufficient funding for this can be fundraised in advance of MOP9.
4. Assessing how the concerned Parties contribute (or not) to other MEAs/ CMS/ UNEP and eventually jointly approaching these Parties with common trends across CMS/ UNEP in a **common effort**.
5. Making efforts to identify the responsible and/or higher-level persons or persons who may be able to help at national level and reach out to them directly; it may just be a problem of recipient of invoices not feeling in charge and/or not having adequate status to influence payments.
6. **Raising the issue** whenever meeting national representatives (especially high-level personnel, including Ministers) at international conferences/ meetings or when attending meetings in the concerned countries and promoting AEWA and its benefits at all relevant fora.
7. **Facilitating alternative payment approaches**, for example through UN agency money transfers (e.g. UNDP which is well represented at the national level, and which has successfully supported in a past case).
8. Consider a **temporary waiver of the rule of non-sponsorship to AEWA meetings at MOP9**, giving time for Parties to work anew on payments and slowly re-instating the rule with variants (e.g. less stringent for Parties which have made an effort clearing off at least half of their arrears during the waiver period. If this measure is applied for MOP9, it is proposed that the Standing Committee, based on the recommendations of the Secretariat, decides on case-by-case basis if the funding rule should be applied in respect of MOP9 or not. An evaluation of the measure would then be provided at MOP10.

A detailed overview of Parties in arrears and possible measures for the 4 categories is provided in **Annex A**.

## Annex A – Overview of Parties in arrears (as at 12 June 2023) and possible measures

Category	Contracting Parties	Possible approach
1. Parties with arrears of 1–3 years	Belarus, Bulgaria, Cameroon <sup>2</sup> , CAR, Côte d’Ivoire, Cyprus, Georgia, Luxembourg, Madagascar, Malawi, Moldova, Montenegro, Morocco, Slovenia, Togo, <b>Turkmenistan</b> , Ukraine, Tanzania	Direct communication between the focal points and the Secretariat will certainly help to fix most issues. From experience, many of these Parties eventually pay their pending dues by the end of the calendar year. Otherwise see category 2 and 3. All efforts should be made to prevent these Parties to fall into category 2 (Parties in category 1 keep their eligibility for sponsorship to AEWA meetings).
2. Parties with arrears of more than 3 years	Benin, Burkina Faso, Burundi, <b>Chad</b> , Congo, <b>Djibouti</b> , Equatorial Guinea, <b>Gabon</b> , Gambia, Ghana, Guinea, Guinea-Bissau, Jordan, Lebanon, <b>Libya</b> , Mali, <b>Mauritania</b> , <b>Niger</b> , Nigeria, North Macedonia, Senegal, <b>Syria</b> , Tunisia	There is need to identify the reasons why payments have stopped and search for individual solutions. Also see category 3.
3. Parties which have never paid since accession	<b>Niger</b> , <b>Djibouti</b> , <b>Libya</b> , <b>Chad</b> , <b>Gabon</b> , <b>Mauritania</b> , <b>Turkmenistan</b>	The political will to commit to AEWA may be missing. These countries may need to be convinced at the political level about the advantages of contributing and being an active Party to the Agreement. Measures may include: <ul style="list-style-type: none"> <li>- Write-off upon receipt of partial amount to motivate for making first payments</li> <li>- Engaging Parties through the Regional Representatives of the AEWA Standing Committee</li> <li>- Arranging for high-level segments during MOPS for Ministers, including those of countries in arrears</li> <li>- Approach countries in a common effort with CMS/ other MEAs</li> <li>- Making efforts to identify the responsible persons or persons who may be able to help at national level</li> <li>- Raising the issue whenever meeting national representatives at international conferences/ meetings</li> <li>- Facilitate alternative payment approaches</li> <li>- Consider temporary waiver of the rule of non-sponsorship.</li> </ul>
4. Parties in difficult political situations	<b>Syria</b> , <b>Libya</b>	Political and logistical solutions need to be found, eventually at high level or involving international organizations (see positive example of Sudan).

**Bold** – countries mentioned in more than one category.

<sup>2</sup> Cameroon has received its first invoice after accession only very recently and will receive the usual support from the Secretariat, as required.