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Rome, Italy, 21-22 May 2019

Agenda item 4: Report by the Secretariat on Financial and Administrative Issues

Report by the Secretariat on Financial and Administrative Issues

UNEP/MAP
Rome, 2019

FINANCIAL SITUATION AND PROPOSALS

I. Financial Matters

A. Fund Balances and Working Capital Reserve (WCR)

1. According to the audited and certified Statement of Financial Position, the Mediterranean Trust Fund (MTF) balance amounted to USD 8.1 million as at 31 December 2017. This balance reflects the accumulated surplus for MTF and the amount put aside for the WCR. It represents the total net assets as at the end of the financial year and as such it includes the assessed contributions receivable (arrears), the WCR and advance transfers to implementing partners. Details are provided in section G below.

2. According to the audited and certified Statement of Financial Position, the host country contribution (CAL) fund balance amounted to USD 393,930 as at 31 December 2017. This balance reflects the accumulated surplus for CAL. It represents the total net assets as at the end of the financial year. The balance of the host country contribution will be utilized for the relocation of MAP premises and for expenses related to the setting up of the new offices. As per the COP 17 Decision on MAP PoW and Budget for the 2012-2013 biennium (IG.20/14), the sum equal to the whole deficit under the CAL Fund as at 31 December 2009 has been recovered in full.

3. In line with paragraph 2 of Procedure 3 of the Financial Rules and Procedures for the funds of the Barcelona Convention (Decision IG.21/15), a working capital reserve is maintained within the Trust Fund for the Barcelona Convention, the purpose of which is to ensure continuity of operations in the event of a temporary shortfall of cash as well as to provide for potential losses on exchange. The WCR was established at the recommended UN rate of 15% of the average annual budget for the biennium, inclusive of programme support costs. In accordance with COP 18, COP 19 and COP 20 Decisions on the PoW and Budget, the WCR was established at the amount of EUR 831,000 in the biennium 2014-2015, it was increased by EUR 25,000 in the biennium 2016-2017 and it was further increased by EUR 38,031 in the biennium 2018-2019, making a total of EUR 894,031. The WCR, as reflected in the Statement of Financial Position for the year ended 31 December 2017 amounts to USD 1.13 million.

Proposed Recommendation:

(a) The Bureau expresses its appreciation for the positive financial situation of the MTF. It takes note of the Fund balances and the Working Capital Reserve and requests the Secretariat to continue maintaining the Working Capital Reserve at the recommended level.

B. Contributions

4. The collection rate of assessed ordinary contributions to the Mediterranean Trust Fund had reached a high of 96.33% for 2018, as at 31 March 2019. The collection rate of 3.41% for 2019, as at 31 March 2019, is slightly higher compared to the collection rate of 3.06% for 2018, as at 31 March 2018, showing that the cash flow trend remains unchanged. The comprehensive status of contributions as at 31 March 2019 is presented in Annex I.

5. As at 31 March 2019, six Contracting Parties had not paid 2018 contributions, namely Algeria, Bosnia and Herzegovina, Egypt, Lebanon, State of Libya and Syrian Arab Republic. As at 31 March 2019, four Contracting Parties had paid 2019 contributions in the first quarter of 2019, in line with Procedure 4.2.b of the Financial Rules and Procedures for the funds of the Barcelona Convention (Decision IG.21/15), namely Croatia, European Union, Malta and Monaco. One Contracting Party, namely Montenegro, had paid its 2019 contribution in advance (in the year 2017).

6. As at 31 March 2019, five Contracting Parties were in arrears with the payment of their contributions in excess of the preceding two full years, as reflected in detail in the status of contributions in Annex I. The five Countries in arrears for over 24 months and their unpaid pledges for 2018 and prior years, as at 31 March 2019, are indicated below.

- State of Libya EUR 614,466
- Syrian Arab Republic EUR 104,124
- Egypt EUR 183,378
- Algeria EUR 148,871
- Lebanon EUR 45,644

7. The current practice of the United Nations does not provide for writing off any long outstanding contributions. For example, a recommendation of the United Nations Board of Auditors to UNFCCC (United Nations Framework Convention on Climate Change) for the formulation and implementation of a write-off policy for long outstanding contributions was not implemented, with the justification that this is not in line with the practice followed by United Nations.

8. In view of the above, in the cases of Algeria, Egypt, Lebanon, State of Libya and Syrian Arab Republic new reminder letters, proposing a payment schedule for discussion, have been sent out by the Coordinator. This action has been taken in line with Procedure 4.2.e of the Financial Rules and Procedures for the funds of the Barcelona Convention (Decision IG.21/15), which reads as follows: “The Coordinator shall propose to any Party whose contributions are in arrears for two or more years, a payment schedule to enable such a Party to clear all outstanding arrears within a maximum of six years, depending on the financial circumstances of the Party, and to pay future contributions by their due dates. The Coordinator shall report to the Bureau and to the Contracting Parties at their next meetings on progress under any such schedule”. The Secretariat will continue to monitor the situation facilitating the payment of arrears and will act in line with the Financial Rules and Procedures for the funds of the Barcelona Convention. The Secretariat also continues informal follow-up action with representatives of the above-mentioned Contracting Parties whenever the opportunity arises.

9. During COP 20 Italy pledged to contribute EUR 2,015,000 in the biennium 2018-2019 for the implementation of key activities of the PoW and EUR 300,000 for the financing of the Information and Communications Officer post, covered under the Memorandum of Understanding between UNEP and IMELS. Payments of EUR 1,306,000 and EUR 45,000 were received in May 2018. Subsequently, invoices have been issued for the year 2019 and the funds are expected to reach the UNEP/MAP accounts.

Proposed Recommendations:

(b) The Bureau notes with appreciation the high level of contributions received for the year 2018.

(c) The Bureau strongly urges the Contracting Parties whose contributions for prior year(s) are still pending to pay them as soon as possible.

(d) The Bureau takes note of the actions taken by the Secretariat for the cases of arrears for over 24 months and requests the Secretariat to continue its efforts to collect the arrears in line with the respective Financial Regulations and Rules and Procedures and to report to the Bureau and to the Contracting Parties at their next meetings on progress under any proposed and discussed payment schedule.

(e) The Bureau strongly urges the Contracting Parties to pay 2019 contributions as soon as possible to facilitate the effective implementation of the POW.

C. Adjusted Scale of Assessments 2019-2021

10. Every three years the UN General Assembly establishes and publishes a new scale of assessments for the contributions of Member States to the regular budget of the United Nations, which is the basis for the calculation of the assessed rates for the contributions to the MTF. According to the Financial Rules and Procedures for the funds of the Barcelona Convention (Decision IG.21/15), the contributions for each calendar year are expected within the first quarter of that year and the Parties should be notified of the amount of their contributions for a given year by 15 October of the first year of the biennium and immediately after the COP, in the second year in the biennium. For the first year of a new UN Scale the notifications are based on the “old” UN Scale (the new one not yet being available) and a note is included in this regard. It is suggested that the respective corrections will be included in the notifications for the following year.

11. By its resolution 73/271 of 22 December 2018 (A/RES/73/271), the General Assembly adopted the scale of assessments for the contributions of Member States to the regular budget of the United Nations for the period 2019 to 2021 (Appendix I). In order to keep the scale used for the ordinary contributions to the MTF up to date, in line with Decision IG.23/14 on the PoW and Budget for 2018-2019, the approved ordinary contributions for 2019 have been revised based on the new adjusted scale of assessments. The revised assessed ordinary contributions apportioned to the Parties of the Barcelona Convention for 2019, as well as the methodology for the adjustment of MTF assessed rates to the latest UN regular budget assessed rates are presented in Annex II and Annex II.a respectively.

12. The adjusted scale of assessments and the revised contributions for 2019 will be presented to the MAP Focal Points Meeting in September 2019 and will be submitted for approval by the Contracting Parties at their 21st meeting, with the suggestion that the corrections resulting from the differences between the revised and approved assessed ordinary contributions for 2019 will be included in the invoices that will be issued to the Contracting Parties for the year 2020.

Proposed Recommendations:

(f) The Bureau endorses the proposal of the Secretariat on the methodology applied for the adaptation of MTF scale of assessments to the latest UN scale assessments and requests the Secretariat to submit the adjusted scale of assessments for the period 2019-2021 and the revised assessed ordinary contributions apportioned to the Parties of the Barcelona Convention to the MAP Focal Points and to the Contracting Parties at their next meetings, for their consideration and approval.

(g) The Bureau endorses the proposal of the Secretariat that the corrections resulting from the differences between the revised and approved assessed ordinary contributions for 2019 will be included in the invoices that will be issued to the Contracting Parties for the year 2020 and requests the Secretariat to submit the proposal to the MAP Focal Points and to the Contracting Parties at their next meetings, for their consideration and approval.

D. Financial Implementation of the Programme of Work and Budget 2018-2019

13. According to UNEP’s books of accounts, RACs incurred expenses at the level of 61.13% of 2018 budget and CU incurred expenses at the level of 60% of 2018 budget, keeping pace with the budget consumption rates of the first year of the previous biennia. All RACs received in full the approved 2018 budget and they all have timely reported on expenditure incurred as of 31 December 2018. Budget revision discussions with RACs are ongoing and 2019 funds will be released upon approval of the revised budgets. For the next biennium new procedures will be put in place which will allow for earlier release of the funds to the RACs.

Proposed Recommendation:

(h) The Bureau takes note of the budget consumption rates and requests the Secretariat to ensure that by the end of the biennium the consumption rate will be in line with the approved budget.

E. Programme Support Costs (PSC)

14. According to preliminary estimations, the programme support revenue for 2019 will increase compared to the allocation for the previous year, thereby providing for the strengthening of the support to the operations of UNEP/MAP.

Proposed Recommendation:

(i) The Bureau takes note of the expected increase in programme support allocation for 2019 and urges the Secretariat to make appropriate use of these resources to further strengthen the operations of UNEP/MAP.

F. Currency of Accounting Records and Exchange Rate Issues

15. According to the Financial Regulations and Rules of the United Nations, the accounts of the Organization shall be presented in United States dollars. According to UN IPSAS Standard 20.2.3, at each reporting date, non-US dollar monetary items in the statement of financial position shall be translated using the official closing rate for that reporting date, non-monetary items (e.g. property, plant and equipment) using the rate at the date of transaction, and non-monetary items carried at fair value using the rate at the recognition date on which the in-kind contribution is received.

16. According to the Financial Rules and Procedures for the funds of the Barcelona Convention (Decision IG. 21/15), losses/gains on exchange may be charged/credited to the working capital reserve. The losses incurred by RACs arising from monetary instability shall be compensated. After consultations with UNEP HQ, the Secretariat is pleased to inform the Bureau that this issue has been resolved and technical solutions have been found and are in place for the timely compensation of any loss caused to RACs due to exchange rate fluctuations, in full alignment with UN Financial Rules and Regulations. The Secretariat has initiated the respective processes to compensate the RACs in full.

Proposed Recommendations:

(j) The Bureau welcomes the information provided on the currency of accounting records.

(k) The Bureau takes note of the procedure for the compensation of losses arising from exchange rate fluctuations and requests the Secretariat to compensate the RACs for such losses as provided for in the Financial Rules.

G. Mediterranean Trust Fund Balance

17. According to the United Nations Finance and Budget Manual, the fund balance reflected at the end of a financial period represents the net surplus or shortfall from the date the fund was established, adjusted for refunds to Member States and other donors and for authorized transfers to and from other funds. According to UN IPSAS, the surplus is defined as the excess of revenue over expenses of the entity for an accounting period under consideration.

18. Several factors are brought to bear on the accumulation of the MTF surplus. Following the MTF deficit of USD 4.5 million in 2009, the implementation of the functional review recommendations led to the generation of significant savings on the personnel costs of UNEP/MAP (Coordinating Unit and MEDPOL) through either complete abolishment of posts, downgrading or

merging the functions of several posts in one. Savings on the personnel costs were also generated through vacant posts due to the lengthy and time-consuming selection and recruitment processes. In addition, and with a view to strengthening the MTF positive balance, the staff costs for three posts, namely the Coordinator (D1), the Deputy Coordinator (P5) and the Governance Programme Officer (P4), were temporarily charged to QML, thereby increasing the MTF surplus by approximately USD 1.2 million for the period 2016-2017.

19. During these previous biennia the budget allocations were lower than the approved amounts mostly due to the delays in the payment of contributions, which have prevented the timely programming of the whole approved budget, in conformity with decision of the Contracting Parties to programme only the amounts corresponding to contributions already received. Lastly, the impact of exchange rate fluctuations on both the income and expenditure sides, which depends on the timing and magnitude of foreign currency movements as well as on the time lag between when pledges are received and when expenses are incurred, is roughly estimated to account for 5%-10% of the accumulated surplus.

20. The Total Net Assets of USD 8.1 million, as reflected in the Statement of Financial Position for the year ended 31 December 2017, comprise of the operating reserve of USD 1.1 million and the accumulated surplus of USD 6.9 million. The WCR should always be retained to cushion MAP system against uneven cash flows. The accumulated surplus contains: (a) assessed contributions receivable of USD 500,342. Accounts receivable are reduced by the allowance for doubtful accounts (AFDA), which is a provision for bad and doubtful debts recorded as accruals at the end of the reporting period. The remaining value of the assessed contributions receivable as reflected in the Statement of Financial Position might include arrears for which an allowance of less than 100% is calculated in accordance with the UN IPSAS policy framework; (b) advance transfers of USD 339,799. As soon as the respective expenditure is recorded the total net assets will be reduced accordingly; (c) other accounting items of USD 19,594 (i.e. other assets and property, plant and equipment). The result of the deduction of the sum of above items of USD 859,735 from the accumulated surplus of USD 6,985,902 is the “net cash balance” of USD 6,126,167 as at the end of the year 2017. The same result could be obtained through the deduction of reserves of USD 1,133,719 and total liabilities of USD 323,165 from the total of the accounts Cash and Cash Equivalents and Investments of USD 7,583,051. A similar analysis will be made for 2018 accounts as soon as the financial statements are finalized.

21. Taking into consideration the liquidity problems experienced in the past, the increasing number of Contracting Parties in arrears, as well as the recommendation of UNEP HQ, it is advisable that a “net cash balance” equivalent to a minimum of six-month budget is retained to ensure seamless continuation of operations. Through this mechanism it will be ensured that the timing of payments of the contributions does not affect the implementation of the PoW. This “net cash balance” will be retained separately from the WCR.

Proposed Recommendation:

(l) The Bureau takes note of the positive balance of the MTF and endorses in principle the proposal of the Secretariat to retain a “net cash balance” at the level of a minimum six-month budget to provide sufficient liquidity and to ensure that the timing of the payments of the contributions does not affect the implementation of the PoW, for consideration by the MAP Focal Points meeting.

II. CONSULTANCY REPORTING

22. Consultants have been hired in line with the PoW and Budget approved by COP 20. During January to December 2018, 29% of the consultancy costs were funded by the MTF/EC Discretionary Contribution, as shown in the summary consultancy tables (Annex III).

III. PERSONNEL MATTERS

23. The status of recruitment is summarized below:

P3 Public Information Officer (Position No: 30600867): Mr. Gihed Ghannem was selected for the position and is expected to report for duty in May 2019.

P3 Programme Management Officer (Quality Status Report) (Position No: 31025245): the post was advertised in the United Nations Careers Portal, Inspira, with a deadline for applications of 29 September 2018. Interviews took place and the recruitment is under review at United Nations of Nairobi.

P3 Programme Management Officer (Shared Environmental Information System II South Project) (Position No: 31025623): Ms. Christina Bodouroglou was selected for the temporary position and has been on board since 14 February 2019.

P3 Programme Management Officer (EcApMEDII Project): Ms. Gyorgyi Gurban resigned from the position effective 30 November 2018, following her reassignment to another organization.

Proposed Recommendations:

(m) The Bureau takes note of the status of recruitment at the Coordinating Unit and encourages the Contracting Parties who may be able to do so to contribute human resources to the Secretariat through available schemes.

(n) The Bureau recommends that the Secretariat continues reviewing the current staffing table of the Coordinating Unit in order to ensure its adequacy to the delivery of the mandates of the MAP system.

IV. OTHER MATTERS

24. The Coordinating Unit has continued its dialogue with the authorities of the Hellenic Republic to emphasize and address the need for the identification of new adequate premises or for the renovation of the existing premises for the Secretariat. The above need has been prompted by the compromised safety of the current premises, the substandard quality of the offices, the increased demand for office space and the requirement for an energy efficient building infrastructure. Despite the efforts made by the Ministry of Environment, Energy and Climate Change, the problem is yet to be resolved. Alternative options for a rapid solution are being explored. The support of the Bureau on this matter will be greatly appreciated.

25. Paragraph 8 of Decision IG.23/14 on the PoW and Budget for 2018-2019 reads as follows: "Authorize the Coordinating Unit to charge the one-time cost of the move to the new premises during the biennium 2018-2019 to the savings achieved during the biennium 2016-2017, keeping the Bureau of the Barcelona Convention fully informed". In view of the above and given the delay in resolving the issue of relocating the MAP Secretariat to adequate premises, it is possible that the utilization of the savings will not take place in the current biennium. As indicated above, the positive balance of the CAL account will cover the costs of a possible move to new premises.

Proposed Recommendation:

(o) The Bureau takes note with appreciation of all efforts made by the Hellenic Republic and the Secretariat and urges the Host Government to find as soon as possible an optimal solution, in line with its commitment, that will provide the Secretariat with adequate premises to ensure the efficiency and effectiveness of UN operations.

Annex I

Status of Contributions as at 31 March 2019

Status of Contributions as at 31 March 2019

Ordinary Contributions to MTF

Country	Unpaid Pledges for 2016 and prior years	Unpaid Pledges for 2017	Unpaid Pledges for 2018	Unpaid Pledges as at 31/12/2018	Pledges for 2018	Collections for 2018	Pledges for 2019	Collections for 2019	Unpaid Pledges for 2019	Deferred Income	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
Albania	-	-	-	-	3.217	3.217	3.217		3.217		
Algeria	19.379	64.746	64.746	148.871	64.746	-	64.746		64.746		
Bosnia and Herzegovina	-	-	5.228	5.228	5.228	-	5.228		5.228		
Croatia	-	-	-	-	39.813	39.813	39.813	39.813	-		
Cyprus	-	-	-	-	17.292	17.292	17.292		17.292		
Egypt	61.126	61.126	61.126	183.378	61.126	-	61.126		61.126		
European Union	-	-	-	-	142.670	142.670	142.670	142.670	-		
France	-	-	-	-	1.954.037	1.954.037	1.954.037		1.954.037		
Greece	-	-	-	-	189.412	189.412	189.412		189.412		
Israel	-	-	-	-	172.924	172.924	172.924		172.924		
Italy	-	-	-	-	1.507.250	1.507.250	1.507.250		1.507.250		
Lebanon	8.646	18.499	18.499	45.644	18.499	-	18.499		18.499		
Libya (State of Libya)	513.930	50.268	50.268	614.466	50.268	-	50.268		50.268		
Malta	-	-	-	-	6.434	6.434	6.434	6.434	-		
Monaco	-	-	-	-	4.021	4.021	4.021	4.021	-		
Montenegro	-	-	-	-	1.609	1.609	1.609	1.609	-	(48)	**
Morocco	-	-	-	-	21.716	21.716	21.716		21.716		*
Slovenia	-	-	-	-	33.780	33.780	33.780		33.780		
Spain	-	-	-	-	982.447	982.447	982.447		982.447		
Syrian Arab Republic	84.820	9.652	9.652	104.124	9.652	-	9.652		9.652		
Tunisia	-	-	-	-	11.260	11.260	11.260		11.260		
Turkey	-	-	-	-	409.387	409.387	409.387		409.387		
TOTAL	**687.901**	**204.291**	**209.519**	**1.101.711**	**5.706.788**	**5.497.269**	**5.706.788**	**194.547**	**5.512.241**	**(48)**	
Collection Rate						**96,33%**		**3,41%**			

EC Discretionary Contribution

	Expected contribution for 2018	Received contribution for 2018	Expected contribution for 2019	Received contribution for 2019
	EUR	EUR	EUR	EUR
European Commission	596.484	596.484	596.484	

Host Country Contribution

	Expected contribution for 2018	Received contribution for 2018	Expected contribution for 2019	Received contribution for 2019	
	EUR	EUR	EUR	EUR	
Greece	367.200	322.035	367.200		***

*The Contribution of Morocco for 2018 was received in January 2019.

**The Contribution of Montenegro was paid in 2017.

***Difference between expected and received contribution due to exchange rates fluctuations.

__Note__: Financial Regulations and Rules of the United Nations: Regulation 3.5. Contributions and advances shall be considered as due and payable in full within 30 days of the receipt of the communication of the Secretary-General referred to in regulation 3.4 or on the first day of the calendar year to which they relate, whichever is later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.

Annex II

Revised assessed ordinary contributions apportioned to the Parties of the Barcelona Convention for 2019

Annex II

Revised Assessed Ordinary Contributions apportioned to Parties of the Barcelona Convention for 2019 (EUR)

Countries	2018-2019 MTF Applied Scale of Assessments %	Approved Ordinary Contributions for 2018 (in €)	Approved Ordinary Contributions for 2019 (in €)	New UN Scale of Assessments (2019-2021) %	Adjusted MTF Scale of Assessments without EU A.O.C.* (2019-2021) %	Adjusted MTF Scale of Assessments with 2.5% for EU A.O.C.* (2019-2021) %	Revised Contributions for 2019 (in €)	Difference between revised and approved Ordinary Contributions for 2019 (in €)
Albania	0,06	3.217	3.217	0,008	0,062	0,061	3.467	250
Algeria	1,13	64.746	64.746	0,138	1,075	1,048	59.801	-4.945
Bosnia and Herzegovina	0,09	5.228	5.228	0,012	0,093	0,091	5.200	-28
Croatia	0,70	39.813	39.813	0,077	0,600	0,585	33.367	-6.445
Cyprus	0,30	17.292	17.292	0,036	0,280	0,273	15.600	-1.692
EU	2,50	142.670	142.670		-	2,500	142.670	0
Egypt	1,07	61.126	61.126	0,186	1,449	1,412	80.602	19.475
France	34,24	1.954.037	1.954.037	4,427	34,478	33,616	1.918.407	-35.629
Greece	3,32	189.412	189.412	0,366	2,850	2,779	158.603	-30.808
Israel	3,03	172.924	172.924	0,490	3,816	3,721	212.338	39.414
Italy	26,41	1.507.250	1.507.250	3,307	25,755	25,112	1.433.064	-74.187
Lebanon	0,32	18.499	18.499	0,047	0,366	0,357	20.367	1.868
Libya (State of Libya)	0,88	50.268	50.268	0,030	0,234	0,228	13.000	-37.268
Malta	0,11	6.434	6.434	0,017	0,132	0,129	7.367	932
Monaco	0,07	4.021	4.021	0,011	0,086	0,084	4.767	745
Montenegro	0,03	1.609	1.609	0,004	0,031	0,030	1.733	124
Morocco	0,38	21.716	21.716	0,055	0,428	0,418	23.834	2.118
Slovenia	0,59	33.780	33.780	0,076	0,592	0,577	32.934	-846
Spain	17,22	982.447	982.447	2,146	16,713	16,296	929.953	-52.494
Syrian Arab Republic	0,17	9.652	9.652	0,011	0,086	0,084	4.767	-4.885
Tunisia	0,20	11.260	11.260	0,025	0,195	0,190	10.834	-427
Turkey	7,17	409.387	409.387	1,371	10,678	10,411	594.113	184.726
TOTAL ORDINARY CONTRIBUTIONS (MTF)	**100**	**5.706.788**	**5.706.788**	**12,840**	**100**	**100**	**5.706.788**	**0**

*A.O.C.=Assessed Ordinary Contribution(s)

Appendix I: A/RES/73/271

Annex II.a

Methodology for the adaptation of MTF assessed ordinary contributions to the latest UN regular budget assessed rates

Adjustment of the scale of assessments for the ordinary contributions to MTF to the latest scale of assessments for the contributions of Member States to the regular budget of the United Nations.

Introduction

The purpose of this document is to outline the methodology used to adjust the scale of assessments for the ordinary contributions to the Mediterranean Trust Fund to the latest scale of assessments for the contributions of Member States to the regular budget of the United Nations. All Multilateral Environmental Agreements administered by UNEP are adjusting their scales of assessments to the UN scale of assessments. For the regional conventions, the assessed rates are adjusted to divide the total amount among their Parties to reflect the specificity of the region.

Scale of assessments for the apportionment of the expenses of the United Nations

The scale of assessments for the contributions of Member States to the regular budget of the United Nations is decided every three years. By its resolution 73/271 of 22 December 2018 (A/RES/73/271), the General Assembly adopted the scale of assessments for the contributions of Member States to the regular budget of the United Nations for the period 2019 to 2021. The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly (Article 17, paragraph 2, of the Charter of the United Nations). The scale of assessments for the period 2019-2021 has been based on elements and criteria which include estimates of gross national income, average statistical base periods of three and six years, conversion rates based on market exchange rates, the debt-burden approach employed in the scale of assessments for the period from 2016 to 2018, a low per capita income adjustment of 80 per cent, a minimum assessment rate of 0.001 per cent, a maximum assessment rate for the least developed countries of 0.01 per cent, a maximum assessment rate of 22 per cent. These elements and criteria are described in detail in the respective resolution. The resolution recognizes that the current methodology can be enhanced, bearing in mind the principle of the capacity of Member States to pay.

Methodology for the adjustment of MTF scale of assessments to UN scale of assessments

The scale of assessments for the ordinary contributions to the Mediterranean Trust Fund is based on the United Nations scale of assessments established for 2019 to 2021 by the United Nations General Assembly at its seventy-third session (A/RES/73/271), adjusted for differences between the membership of the United Nations and Barcelona Convention's membership of 22 Contracting Parties. According to the UN scale of assessments, the total of the rates of the 21 UN Member States (EU is not a State), which are also Contracting Parties to the Barcelona Convention, amounts to 12.840%. Each individual UN regular budget assessed rate is divided by the total (12.840%) to derive the corresponding MTF relative assessment rate. The MTF assessment rate of EU, which does not contribute to the UN regular budget, has been maintained at 2.5% like in the past. So, each individual MTF rate as calculated before is multiplied by 97.5% to give the final MTF assessment rate, after including the assessed ordinary contribution of EU.

The approved ordinary contributions for 2019 have been revised based on the new adjusted scale of assessments. It is suggested that the corrections resulting from the differences between the revised and approved assessed ordinary contributions for 2019 will be included in the invoices that will be issued to the Contracting Parties for the year 2020.

Annex III

Consultancy Reporting

Consultancy costs for the period: 1 January - 31 December 2018 (in EUR)*		
Component	**Description**	**Jan to Dec**
C.Unit	Med Trust Fund/EC Discretionary	14.974
	Other funding	157.164
	Sub-total	**172.138**
MEDPOL	Med Trust Fund/EC Discretionary	108.986
	Other funding	68.792
	Sub-total	**177.778**
BP/RAC	Med Trust Fund/EC Discretionary	4.990
	Other funding	77.452
	Sub-total	**82.442**
PAP/RAC	Med Trust Fund/EC Discretionary	80.064
	Other funding	205.746
	Sub-total	**285.810**
REMPEC	Med Trust Fund/EC Discretionary	97.833
	Other funding	208.986
	Sub-total	**306.819**
SPA/RAC	Med Trust Fund/EC Discretionary	73.129
	Other funding	152.563
	Sub-total	**225.692**
SCP/RAC	Med Trust Fund/EC Discretionary	0
	Other funding	81.241
	Sub-total	**81.241**
INFO/RAC	Med Trust Fund/EC Discretionary	0
	Other funding	0
	Sub-total	**0**
Total	Med Trust Fund/EC Discretionary	379.977
	Other funding	951.944
	Grand Total (in EUR)	**1.331.921**
	Percentage of MTF/EC over total funding	**29%**

***The UN exchange rate of 1 USD = 0.876 EUR, effective on 31 Dec 2018, is applied for the contracts in USD. For the contracts in other currencies the exchange rate effective on 31 Dec 2018 is as well applied.**

Appendix 1

Resolution adopted by the General Assembly on 22 December 2018

*[*on the report of the Fifth Committee (A/73/421/Add.1)*]*

73/271. Scale of assessments for the apportionment of the expenses of the United Nations

Seventy-third session
Agenda item 140

Resolution adopted by the General Assembly on 22 December 2018

[*on the report of the Fifth Committee (A/73/421/Add.1)*]

73/271. Scale of assessments for the apportionment of the expenses of the United Nations

The General Assembly,

Recalling its previous resolutions and decisions on the scale of assessments for the apportionment of the expenses of the United Nations, including its resolutions 55/5 B and C of 23 December 2000, 57/4 B of 20 December 2002, 58/1 B of 23 December 2003, 61/237 of 22 December 2006, 64/248 of 24 December 2009, 67/238 of 24 December 2012 and 70/245 of 23 December 2015 and its decision 68/548 of 27 December 2013,

Reaffirming Article 17 of the Charter of the United Nations and rule 160 of its rules of procedure,

Recalling paragraphs 5 and 6 of its resolution 58/1 B,

Having considered the report of the Committee on Contributions on its seventy-eighth session[1] and the report of the Secretary-General on multi-year payment plans,[2]

1. *Takes note* of the report of the Committee on Contributions;[1]

2. *Reaffirms* that the determination of the scale of assessments for the apportionment of the expenses of the United Nations shall remain the prerogative of the General Assembly;

3. *Also reaffirms* the fundamental principle that the expenses of the Organization shall be apportioned broadly according to capacity to pay;

4. *Further reaffirms* the obligation of all Member States to bear the expenses of the United Nations, as apportioned by the General Assembly, in conformity with Article 17, paragraph 2, of the Charter of the United Nations;

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[1] *Official Records of the General Assembly, Seventy-third Session, Supplement No. 11* (A/73/11).
[2] A/73/76.

5. *Reaffirms* that the Committee on Contributions as a technical body is required to prepare the scale of assessments strictly on the basis of reliable, verifiable and comparable data;

6. *Decides* that the scale of assessments for the period from 2019 to 2021 shall be based on the following elements and criteria:

(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, taking due account of its resolution 46/221 B of 20 December 1991;

(d) The debt-burden approach employed in the scale of assessments for the period from 2016 to 2018;

(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 0.001 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;

7. *Recognizes* that the current methodology can be enhanced, bearing in mind the principle of capacity to pay;

8. *Requests* the Committee on Contributions, in accordance with its mandate and the rules of procedure of the General Assembly, to review and make recommendations on the elements of the methodology of the scale of assessments in order to reflect the capacity of Member States to pay, and to report thereon to the Assembly by the main part of its seventy-sixth session;

9. *Encourages* Member States to submit national accounts data under the 2008 System of National Accounts on a timely basis;

10. *Supports* the efforts of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat in supporting statistics at the national level and in providing support to countries and regional organizations to enhance coordination, advocacy and resources for the implementation of the 2008 System of National Accounts;

11. *Resolves* that the scale of assessments for the contributions of Member States to the regular budget of the United Nations for 2019, 2020 and 2021 shall be as follows:

Member State	*Percentage*
Afghanistan	0.007
Albania	0.008
Algeria	0.138
Andorra	0.005
Angola	0.010
Antigua and Barbuda	0.002
Argentina	0.915
Armenia	0.007
Australia	2.210

Member State	*Percentage*
Austria	0.677
Azerbaijan	0.049
Bahamas	0.018
Bahrain	0.050
Bangladesh	0.010
Barbados	0.007
Belarus	0.049
Belgium	0.821
Belize	0.001
Benin	0.003
Bhutan	0.001
Bolivia (Plurinational State of)	0.016
Bosnia and Herzegovina	0.012
Botswana	0.014
Brazil	2.948
Brunei Darussalam	0.025
Bulgaria	0.046
Burkina Faso	0.003
Burundi	0.001
Cabo Verde	0.001
Cambodia	0.006
Cameroon	0.013
Canada	2.734
Central African Republic	0.001
Chad	0.004
Chile	0.407
China	12.005
Colombia	0.288
Comoros	0.001
Congo	0.006
Costa Rica	0.062
Côte d’Ivoire	0.013
Croatia	0.077
Cuba	0.080
Cyprus	0.036
Czechia	0.311
Democratic People’s Republic of Korea	0.006
Democratic Republic of the Congo	0.010
Denmark	0.554
Djibouti	0.001
Dominica	0.001
Dominican Republic	0.053
Ecuador	0.080
Egypt	0.186
El Salvador	0.012

Member State	*Percentage*
Equatorial Guinea	0.016
Eritrea	0.001
Estonia	0.039
Eswatini	0.002
Ethiopia	0.010
Fiji	0.003
Finland	0.421
France	4.427
Gabon	0.015
Gambia	0.001
Georgia	0.008
Germany	6.090
Ghana	0.015
Greece	0.366
Grenada	0.001
Guatemala	0.036
Guinea	0.003
Guinea-Bissau	0.001
Guyana	0.002
Haiti	0.003
Honduras	0.009
Hungary	0.206
Iceland	0.028
India	0.834
Indonesia	0.543
Iran (Islamic Republic of)	0.398
Iraq	0.129
Ireland	0.371
Israel	0.490
Italy	3.307
Jamaica	0.008
Japan	8.564
Jordan	0.021
Kazakhstan	0.178
Kenya	0.024
Kiribati	0.001
Kuwait	0.252
Kyrgyzstan	0.002
Lao People’s Democratic Republic	0.005
Latvia	0.047
Lebanon	0.047
Lesotho	0.001
Liberia	0.001
Libya	0.030
Liechtenstein	0.009

Member State	*Percentage*
Lithuania	0.071
Luxembourg	0.067
Madagascar	0.004
Malawi	0.002
Malaysia	0.341
Maldives	0.004
Mali	0.004
Malta	0.017
Marshall Islands	0.001
Mauritania	0.002
Mauritius	0.011
Mexico	1.292
Micronesia (Federated States of)	0.001
Monaco	0.011
Mongolia	0.005
Montenegro	0.004
Morocco	0.055
Mozambique	0.004
Myanmar	0.010
Namibia	0.009
Nauru	0.001
Nepal	0.007
Netherlands	1.356
New Zealand	0.291
Nicaragua	0.005
Niger	0.002
Nigeria	0.250
Norway	0.754
Oman	0.115
Pakistan	0.115
Palau	0.001
Panama	0.045
Papua New Guinea	0.010
Paraguay	0.016
Peru	0.152
Philippines	0.205
Poland	0.802
Portugal	0.350
Qatar	0.282
Republic of Korea	2.267
Republic of Moldova	0.003
Romania	0.198
Russian Federation	2.405
Rwanda	0.003
Saint Kitts and Nevis	0.001

Member State	*Percentage*
Saint Lucia	0.001
Saint Vincent and the Grenadines	0.001
Samoa	0.001
San Marino	0.002
Sao Tome and Principe	0.001
Saudi Arabia	1.172
Senegal	0.007
Serbia	0.028
Seychelles	0.002
Sierra Leone	0.001
Singapore	0.485
Slovakia	0.153
Slovenia	0.076
Solomon Islands	0.001
Somalia	0.001
South Africa	0.272
South Sudan	0.006
Spain	2.146
Sri Lanka	0.044
Sudan	0.010
Suriname	0.005
Sweden	0.906
Switzerland	1.151
Syrian Arab Republic	0.011
Tajikistan	0.004
Thailand	0.307
The former Yugoslav Republic of Macedonia	0.007
Timor-Leste	0.002
Togo	0.002
Tonga	0.001
Trinidad and Tobago	0.040
Tunisia	0.025
Turkey	1.371
Turkmenistan	0.033
Tuvalu	0.001
Uganda	0.008
Ukraine	0.057
United Arab Emirates	0.616
United Kingdom of Great Britain and Northern Ireland	4.567
United Republic of Tanzania	0.010
United States of America	22.000
Uruguay	0.087
Uzbekistan	0.032
Vanuatu	0.001
Venezuela (Bolivarian Republic of)	0.728

Member State	*Percentage*
Viet Nam	0.077
Yemen	0.010
Zambia	0.009
Zimbabwe	0.005
Total	**100.000**

12. *Takes note* of the report of the Secretary-General on multi-year payment plans and the related conclusions and recommendations of the Committee on Contributions;

13. *Reaffirms* paragraph 1 of its resolution 57/4 B;

14. *Urges* all Member States to pay their assessed contributions in full, on time and without imposing conditions;

15. *Urges* all Member States currently in arrears to settle those arrears promptly and in full;

16. *Encourages* Member States in arrears with their assessed contributions to the United Nations to consider submitting multi-year payment plans;

17. *Resolves* that:

(a) Notwithstanding the terms of financial regulation 3.10 of the Financial Regulations and Rules of the United Nations,[1] the Secretary-General shall be empowered to accept, at his discretion and after consultation with the Chair of the Committee on Contributions, a portion of the contributions of Member States for the calendar years 2019, 2020 and 2021 in currencies other than the United States dollar;

(b) In accordance with financial regulation 3.9, the Holy See, which is not a member of the United Nations but which participates in certain of its activities, shall be called upon to contribute towards the expenses of the Organization for 2019, 2020 and 2021 on the basis of a notional assessment rate of 0.001 per cent, which represents the basis for the calculation of the flat annual fees to be charged to the Holy See in accordance with General Assembly resolution 44/197 B of 21 December 1989;

(c) In accordance with financial regulation 3.9, the State of Palestine, which is not a member of the United Nations but which participates in certain of its activities, shall be called upon to contribute towards the expenses of the Organization for 2019, 2020 and 2021 on the basis of a notional assessment rate of 0.008 per cent, which represents the basis for the calculation of the flat annual fees to be charged to the State of Palestine in accordance with General Assembly resolution 44/197 B.

65th plenary meeting
22 December 2018

[1] ST/SGB/2013/4.