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DESIGNATION OF A PERMANENT SECRETARIAT AND
ARRANGEMENTS FOR ITS FUNCTIONING

Note by the Executive Secretary

Addendum

FINANCIAL RULES OF THE CONFERENCE OF THE
PARTIES AND OF ITS SUBSIDIARY BODIES

Draft financial procedures

CONTENTS

| | <u>Paragraphs</u> | <u>Page</u> |
|--|-------------------|-------------|
| I. INTRODUCTION | 1 - 6 | 3 |
| A. Convention provisions and Committee mandate | 1 - 2 | 3 |
| B. Scope of the note | 3 - 5 | 3 |
| C. Possible action by the Committee | 6 | 4 |

| | <u>Paragraphs</u> | <u>Page</u> |
|---|-------------------|-------------|
| II. BUDGET | 7 - 13 | 4 |
| A. Financial period | 7 - 8 | 4 |
| B. Budget review | 9 | 4 |
| C. Budget approval | 10 | 4 |
| D. Scope of the core budget | 11 - 12 | 5 |
| E. Extrabudgetary funds | 13 | 5 |
| III. COST-SHARING OF EXPENSES | 14 - 21 | 6 |
| A. Scale of contributions | 14 - 19 | 6 |
| B. Payment of contributions | 20 - 21 | 7 |
| IV. ESTABLISHMENT OF A TRUST FUND FOR THE CORE ADMINISTRATIVE BUDGET OF THE CONFERENCE OF THE PARTIES AND ITS SECRETARIAT | 22 -23 | 8 |
| V. OPERATIONAL RESERVE | 24 | 8 |
| VI. EXPENDITURE AND FINANCIAL CONTROL | 25 - 27 | 8 |
| VII. ACCOUNTS AND AUDIT | 28 | 9 |
| VIII. REIMBURSEMENT TO THE HOST ORGANIZATION .. | 29 - 30 | 9 |

Annexes

| | |
|---|----|
| I. Draft financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change, its subsidiary bodies and its permanent secretariat | 11 |
| II. Table 1. Illustrative scales of contribution to UNFCCC budget for 199614 Table 2. Illustrative scales of contribution to UNFCCC budget for 199719 | |

I. INTRODUCTION

A. Convention provisions and Committee mandate

1. This item derives from Article 7.2(k) of the Convention, whereby the Conference of the Parties (COP) shall "agree upon and adopt, by consensus, ... financial rules for itself and for any subsidiary bodies."
2. The subject of financial procedures for the COP and its subsidiary bodies was considered by the Committee at its ninth and tenth sessions, on the basis of reports by the Executive Secretary (A/AC.237/53 and A/AC.237/60, respectively). No specific conclusions on this subject were reached by the Committee at its ninth session. At its tenth session, the Committee endorsed the proposals of the Contact Group established by the Committee, whereby the interim secretariat was requested to provide, for consideration of the Committee at its eleventh session, further suggestions related to financial procedures, including possible procedures for cost-sharing of the expenses of the permanent secretariat on the basis of a scale of contributions which would reflect, *inter alia*, the principle of common but differentiated responsibility, and also for the adoption of the budget on a consensus basis (A/AC.237/76, para. 123 (c)). The Committee further was of the view that decisions on this matter should be taken by the COP at its first session (COP 1) (A/AC.237/76, para. 124).

B. Scope of the note

3. As it indicated already at the tenth session (A/AC.237/60, para. 8), the interim secretariat understands this matter to cover essential financial procedures rather than detailed financial rules. Essential financial procedures are those at the heart of any system of intergovernmental financial management; they include, in particular, those governing the preparation, review and approval of the budget, the cost-sharing of expenses, and the review and audit of financial management. Detailed financial rules, on the other hand, govern the day-to-day management of resources. The interim secretariat believes that, in the interest of efficiency, the COP might well decide to use the financial rules of the organization which would eventually host the permanent secretariat. This report has been prepared on that assumption. The question of the possible host organization is dealt with under the rubric of institutional linkages in document A/AC.237/79/Add.1.
4. The subject matter of the present note has been divided under seven headings corresponding to the main features of the proposed procedures; a draft text of those procedures is set out in annex I. In preparing this note and the draft procedures, account has been taken of precedents and practice in the United Nations and in the financial procedures of instruments such as the Vienna Convention for the Protection of the Ozone Layer, the Montreal Protocol on Substances that Deplete the Ozone Layer and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as well as the draft financial rules of the Convention on Biological Diversity.

5. The budget outline for the year 1996, requested by the Committee (A/AC.237/76, para. 123 (c)) is contained in document A/AC.237/79/Add.3.

C. Possible action by the Committee

6. The Committee may wish to recommend to COP 1 for adoption draft financial procedures and agreed indicative scales of contributions to the core administrative budget for the biennium 1996/97, taking into account the proposals in this note.

II. BUDGET

A. Financial period

7. General practice in the United Nations system is for the financial period to cover two years, of which the first is an even year. In the absence of any special reason to the contrary, the COP might perhaps wish to adopt this practice. In that case, the first biennial budget for the administrative costs of the Convention (that is, the administrative budget) would cover the 1996/97 biennium and would need to be prepared for review and approval by the COP in 1995. This timetable is congruent with current administrative arrangements, under which the interim secretariat is funded in part by the regular budget of the United Nations for the 1994/95 biennium.

8. The choice of financial period has implications for the timing of the preparation, review and approval of the budget. This, in turn, may affect the scheduling of sessions of the COP.

B. Budget review

9. As already suggested by the interim secretariat at the ninth and tenth sessions of the Committee (A/AC.237/53, para. 41; A/AC/237/60, para. 57), the COP may wish to consider establishing a small, representative group of Parties to review budgetary and related administrative matters and to report thereon to the COP. Alternatively, the COP might wish to explore the possibility of utilizing for this purpose the expertise already available in the host organization (for example, in the case of the United Nations, the United Nations Development Programme (UNDP) or the United Nations Environment Programme (UNEP), the Advisory Committee on Administrative and Budgetary Questions (ACABQ)).

C. Budget approval

10. An important issue in the budgetary process is that of the qualified majority required to approve the budget. At its tenth session, the Committee endorsed the conclusion of the Contact Group that the budget – in the same way as the financial procedures themselves – should be adopted on a consensus basis (A/AC.237/76, para. 123 (c)). This provision has

been included in the draft financial procedures, together with a procedure to be followed in the event that it should prove to be impossible to reach consensus (see annex I, para. 6). Consensus in the COP would be facilitated by the preliminary review process referred to in paragraph 9 above.

D. Scope of the core budget

11. The scope of the core administrative budget needs to be determined. Obviously it must provide for the meetings of the COP and its subsidiary bodies, and for establishing and maintaining the permanent secretariat. To the extent that facilities or services would be provided by the host organization without charge (for example, conference services), the related provision would be deducted from the budget total. The extent to which initial and recurrent costs would need to cover office space and equipment will depend in part on the decision to be taken on the physical location of the secretariat and related financial support by the host Government.

12. In addition, the question has been raised of the inclusion in the administrative budget of a possible contribution to the cost of scientific and technical assessments that will be needed by the COP (A/AC.237/60, paras. 32 and 54). This question was echoed at the recent tenth plenary session of the Intergovernmental Panel on Climate Change (IPCC), and is being pursued by the Chairman of the IPCC in the context of his consultations on the future of the IPCC. It may be addressed by the Chairman of the IPCC in his statement to the Committee at its eleventh session. Any conclusions of the Committee and the COP on this subject would be relayed to the IPCC, through its Chairman.

E. Extrabudgetary funds

13. In addition to the core budget, the interim secretariat assumes that trust funds corresponding to those established by General Assembly resolution 45/212, will be established by the COP. As indicated in the last report of the Committee (A/AC.237/76, para. 123 (c)), the participation of developing country Parties in the Conference of the Parties and its subsidiary bodies would be covered by a special voluntary fund. Special attention would be given in this context to the needs of least developed countries and small island developing countries. This fund could also be used to handle contributions that are earmarked to support the participation of Annex I Parties with economies in transition. Furthermore, it may be useful to maintain, as heretofore, a trust fund for secretariat activities that would be financed by voluntary contributions, outside the core administrative budget, for example, activities related to technical cooperation.

III. COST-SHARING OF EXPENSES

A. Scale of contributions

14. This matter was considered by the Committee at its ninth and tenth sessions, the underlying assumption being that the administrative costs of the COP and its permanent secretariat would be met in full by the Parties (A/AC.237/76, para. 123 (c)). At both these sessions, the interim secretariat suggested that voluntary contributions alone would not provide the required sound financial base for the administrative budget, stating that an assessed component was "a necessary, though not sufficient, condition for predictability" (A/AC.237/60, para. 51). The ensuing debate made it clear that views on this issue were divided; in the event, the interim secretariat was requested to prepare "possible procedures for cost-sharing of the expenses of the permanent secretariat, on the basis of a scale of contributions which would reflect, inter alia, the principle of common but differentiated responsibility" (A/AC.237/76, para. 123 (c)).

15. This request leads the interim secretariat to understand that the scale of contributions to be agreed upon in due course by the COP would be of an indicative nature, providing guidance to each Party on the level of voluntary contribution to the administrative budget that is expected from it. The concept has been retained in the draft financial procedures in annex I.

16. The interim secretariat has interpreted the expression "common but differentiated responsibility", in this context, as intending to apply to financial responsibility for cost-sharing. In this regard, it should be pointed out that the United Nations scale of assessment, which is the basis for the scales of assessment or contribution of a large number of international organizations, takes into account a wide range of economic and financial criteria. Thus, the scale derives from national income data for a 7- or 8-year statistical base period, but adjustments to these data are provided in terms of debt relief, low per capita income allowance, floor and ceiling limitations, and a scheme of limits to avoid excessive variations of individual rates between successive scales. Some of these adjustments, in particular the reductions deriving from low per capita income, tend to differentiate contributions according to degree of development. The process of improving the scale is an ongoing one and the issue is debated, and refinements implemented, almost on an annual basis. It is suggested, therefore, that the United Nations scale does meet the requirements of "common but differentiated responsibility". The COP might accordingly wish to rely on this scale, which is regularly revised by the General Assembly, drawing upon the advice of the United Nations Committee on Contributions.

17. Tables based on the current status of ratification of the Convention (as at 5 December 1994) and on the scales recommended by the Committee on Contributions for 1996 and 1997 are shown in annex II, for illustrative purposes. At the time of completing this note, the scales recommended by the Committee on contributions were being considered by the General Assembly at its forty-ninth session. The tables show modified versions of

these scales, which could be applicable to the Parties, with a floor of 0.015 per cent and a ceiling of 25 per cent (that is, States assessed by the General Assembly at less than 0.015 per cent would pay no contribution to the administrative budget of the COP, their aggregate share being re-apportioned among the remaining Parties; the 25 per cent maximum ceiling would, at the other end, be maintained).

18. It may be noted that, if the adjusted scale in column E of the tables were used as a basis for contributions:

(a) A hypothetical Party with a United Nations scale of 1 per cent would be expected to make a contribution to the Convention budget of 1.083 per cent in 1996 and 1.075 per cent in 1997;

(b) Annex I Parties would be expected to contribute between 92 and 93 per cent in aggregate in 1996 and 1997;

(c) 53 Parties would not be expected to make any contribution in 1996 or in 1997.

19. It should be underlined that all these figures will change as more countries become Parties to the Convention.

B. Payment of contributions

20. The financial procedures should include a deadline for the payment of contributions. Practice in this regard varies among international organizations, with some establishing a deadline of one or two months after the beginning of a given year, and others requiring that payment be made before the year for which they are intended. In view of the proposal, in paragraph 24 below, that an operational reserve be established, it is suggested that payments should be made by the end of February of the year for which they are intended. The suggested financial procedures have been drafted accordingly.

21. The draft financial procedures also include, in accordance with normal practice in international organizations, provision for payment of contributions to be made in convertible currency, and for circulation to the Parties of periodic statements of the status of contributions.

IV. ESTABLISHMENT OF A TRUST FUND FOR THE CORE ADMINISTRATIVE BUDGET OF THE CONFERENCE OF THE PARTIES AND ITS SECRETARIAT

22. It will be necessary to establish a clearly identifiable trust fund to which would be credited contributions to the administrative budget and other income, and to which would be charged the administrative expenditures of the COP and its permanent secretariat. This trust fund - which could be denominated the Climate Convention Core Fund, or CCCF - would be established by the head of the organization hosting the permanent secretariat, under the financial regulations and rules of that organization.

23. As indicated in paragraph 13 above, it is assumed that two separate trust funds would be maintained for the same purposes as those established by General Assembly resolution 45/212.

V. OPERATIONAL RESERVE

24. The case for establishing an operational reserve was made in the report by the Executive Secretary to the Committee at its tenth session (A/AC.237/60, paras. 55-56). The main argument in favour of this facility - the need for a financial buffer in the likely case of late receipt of contributions - is now strengthened by the supposition that contributions would not be made on an assessed mandatory basis but rather according to an "indicative" scale. In these circumstances, an operational reserve would be absolutely essential and should provide for approximately six months of operation. The operational reserve would be an identifiable part of the core trust fund to which paragraph 22 above refers. Its level would be revised by the COP from time to time, on the basis of experience and of the level of the budget.

VI. EXPENDITURE AND FINANCIAL CONTROL

25. The authority of the head of the secretariat to incur obligations and expenditures would be subject to two limitations. First, such obligations and expenditures would be limited to the purposes for which the budget was approved and up to the amounts so approved. Second, unless specifically authorized by the COP, commitments should always be covered by related income. A possible example of COP authority to commit funds in excess of actual income could arise in terms of the need to issue contracts of employment to a number of core personnel. At the same time, the COP may wish to empower the head of the secretariat to make transfers between appropriation lines up to limits which the COP may set from time to time.

26. The system of internal control of expenditure would normally be that of the organization hosting the permanent secretariat, and would be undertaken under the financial

rules of that organization, it being understood that authority to incur obligations would be vested in the head of the permanent secretariat, while approving authority (that is, the authority to record that goods or services received, for which payment is claimed, have in fact been received or rendered) would normally be vested in the finance department of the host organization.

27. It should also be understood that financial management of the permanent secretariat would normally be subject to the standards and rules of the host organization, except when these are evidently inapplicable. For example, if the head of the host organization were to reduce standards of travel of staff, this decision would apply also to the permanent secretariat; but if, for reasons of financial stringency in the host organization, all travel allocations were reduced by a fixed percentage, this decision should not apply to the COP and its secretariat, since its budget would be entirely separate from that of the host organization. Again, for example, any revision of pay scales in the host organization would apply to the Convention secretariat. However, that secretariat should not be affected by a recruitment freeze decided upon by the head of the host organization for reasons of financial stringency.

VII. ACCOUNTS AND AUDIT

28. The COP may wish to receive, in respect of the first year of each financial period, an interim financial statement, and a full audited statement in respect of each full financial period. For this purpose it may wish to rely on the accounting, internal audit and external audit systems of the host organization.

VIII. REIMBURSEMENT TO THE HOST ORGANIZATION

29. The question of an overhead charge levied by the host organization was raised in the report by the Executive Secretary to the Committee at its tenth session (A/AC.237/60, paras. 32 and 58-59). In the present note, reference has been made to the possible use by the COP and its secretariat of services and facilities provided by the host organization. Thus, paragraph 9 raises the question of the possible use of intergovernmental expertise available in the host organization for purposes of budget and administrative review; paragraphs 22 and 23 refer to the establishment by the head of the host organization of a core trust fund for administrative expenses, and to the maintenance of the other two trust funds currently available; paragraphs 26 and 28 refer to the use by the COP and its secretariat of the financial and audit systems of the host organization. In addition, although not specifically covered in this report, the permanent secretariat obviously would use the established administrative machinery of the host organization for the recruitment and administration of staff, procurement of goods and services, provision of travel and medical services, and so forth. Current rates of reimbursement – tending to an average of 13 per cent – are set out in the above-mentioned report by the Executive Secretary. In these circumstances, and in the absence of a decision regarding the identity of the host organization, it is suggested that the

concept of reimbursement should be included in the financial procedures, while the actual rate would be kept open for discussion and review by the COP and the host organization.

30. It should be recalled in this connection that the question of the overhead charge is addressed in the advice by the Secretary General of the United Nations on an institutional arrangement for the permanent secretariat (A/AC.237/79/Add.1, annex III).

Annex I

DRAFT FINANCIAL PROCEDURES FOR THE CONFERENCE OF THE
PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION
ON CLIMATE CHANGE, ITS SUBSIDIARY BODIES AND ITS
PERMANENT SECRETARIAT

1. These procedures shall govern the financial administration of the Conference of the Parties to the United Nations Framework Convention on Climate Change, its subsidiary bodies and its permanent secretariat. In so far as not specifically provided under these procedures, the Financial Regulations and Rules of [the host organization] shall apply.
2. The financial period shall be a biennium, of which the first year shall be an even year.

The budget

3. The administrative budget for the following biennium shall be drawn up by the head of the Convention secretariat no later than [30 June] of the year preceding the biennium for approval before the end of that year. The budget shall be submitted to the Conference of the Parties.
4. [For the purpose of review of the budget and other administrative matters, the Conference of the Parties shall establish a Finance Committee composed of [] members.]

OR

[For the purpose of administrative and budgetary review, the Conference of the Parties shall avail itself of the advice of the United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ).]

5. The Conference of the Parties shall consider the proposed budget and the related report of the [Finance Committee] [ACABQ], and shall adopt the budget prior to the financial period which it covers.
6. The Conference of the Parties shall adopt the budget by consensus. Should all efforts to reach consensus prove unsuccessful, the Bureau of the Conference of the Parties shall meet and shall consider proposing that the budget be adopted by a vote. A proposal by the President, after consultation with the Bureau, that the budget be adopted by a vote shall require a two-thirds majority of the Parties present and voting, and the adoption thereafter of the budget itself shall require a three-fourths majority of the Parties present and voting.
7. Approval of the budget by the Conference of the Parties shall constitute authority to the head of the Convention secretariat to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved,

provided always that, unless specifically authorized by the Conference of the Parties, commitments shall be covered by related income.

8. The head of the Convention secretariat may make transfers within each of the main appropriation lines of the approved budget. He may also make transfers between such appropriation lines up to limits which the Conference of the Parties may set from time to time.

Contributions

9. The resources of the Conference of the Parties shall comprise:

(a) Contributions made each year by Parties on the basis of an indicative scale of contributions as may from time to time be agreed upon by the Conference of the Parties;

(b) Other voluntary contributions, including contributions to support the participation of the representatives of developing country Parties and of other Parties with economies in transition in the Conference of the Parties and its subsidiary bodies;

(c) Miscellaneous income.

10. In respect of contributions under paragraph 9 (a) above:

(a) Each Party shall, prior to 1 January of each year, inform the head of the Convention secretariat of the contribution it intends to make that year and of the projected timing of that contribution;

(b) Each Party shall pay its contribution not later than the last day of February of that year.

11. All contributions shall be paid in convertible currencies.

12. The head of the Convention secretariat shall acknowledge promptly all pledges and contributions and shall inform the Parties, at least twice a year, of the status of pledges and payments of contributions.

Funds

13. A fund shall be established by [the head of the host organization] and managed by the head of the Convention secretariat. All resources of the Conference of the Parties under paragraph 9 (a) and (c) above shall be credited to the fund, and all expenditures under paragraph 7 above shall be charged to the fund.

14. Within the fund there shall be maintained an operational reserve at a level to be determined from time to time by the Conference of the Parties on the basis of recommendations by the head of the Convention secretariat and [the Finance Committee] [ACABQ]. The purpose of the operational reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the operational reserve shall be restored from contributions as soon as possible.

15. A special voluntary fund shall be established by [the head of the host organization] and managed by the head of the Convention secretariat. This fund shall receive voluntary contributions, under paragraph 9 (b) above, to support the participation of the representatives of developing country Parties and of other Parties with economies in transition in the Conference of the Parties and its subsidiary bodies.

16. Subject to the approval of the Conference of the Parties, [the head of the host organization] may establish other trust funds, provided they are consistent with the objectives of the Convention.

17. Should a fund established under paragraphs 15 and 16 above result in additional liabilities to the core administrative budget, that liability must be quantified and approved by the Conference of the Parties.

Accounts and audit

18. The accounts and financial management of all funds governed by these financial procedures shall be subject to the internal and external audit process [of the host organization].

19. An interim statement of accounts for the first year of the financial period shall be provided to the Conference of the Parties during the second year of the period, and a final audited statement of accounts for the full financial period shall be provided to the Conference of the Parties as soon as possible after the accounts for the financial period are closed.

Reimbursement to the host organization

20. The Conference of the Parties shall reimburse [the host organization] for services provided by that organization to the Conference of the Parties and its secretariat, at such rates as may from time to time be agreed upon by both organizations for that purpose.

Annex II

Table 1. ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1996 *

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|--------------------------|-------------|------------|----------------------|------------------|---------------|
| Afghanistan | 0.01 | N | - | - | - |
| Albania | 0.01 | Y | 0.01 | 0.01 | - |
| Algeria | 0.16 | Y | 0.16 | 0.17 | 0.17 |
| Andorra | 0.01 | N | - | - | - |
| Angola | 0.01 | N | - | - | - |
| Antigua and Barbuda | 0.01 | Y | 0.01 | 0.01 | - |
| Argentina | 0.48 | Y | 0.48 | 0.52 | 0.52 |
| Armenia | 0.07 | Y | 0.07 | 0.08 | 0.08 |
| Australia | 1.48 | Y | 1.48 | 1.59 | 1.60 |
| Austria | 0.85 | Y | 0.85 | 0.91 | 0.92 |
| Azerbaijan | 0.14 | N | - | - | - |
| Bahamas | 0.02 | Y | 0.02 | 0.02 | 0.02 |
| Bahrain | 0.02 | N | - | - | - |
| Bangladesh | 0.01 | Y | 0.01 | 0.01 | - |
| Barbados | 0.01 | Y | 0.01 | 0.01 | - |
| Belarus | 0.33 | N | - | - | - |
| Belgium | 1.00 | (Y) | 1.00 | 1.07 | 1.08 |
| Belize | 0.01 | Y | 0.01 | 0.01 | - |
| Benin | 0.01 | Y | 0.01 | 0.01 | - |
| Bhutan | 0.01 | N | - | - | - |
| Bolivia | 0.01 | Y | 0.01 | 0.01 | - |
| Bosnia and Herzegovina | 0.02 | N | - | - | - |
| Botswana | 0.01 | Y | 0.01 | 0.01 | - |
| Brazil | 1.62 | Y | 1.62 | 1.74 | 1.75 |
| Brunei Darussalam | 0.02 | N | - | - | - |
| Bulgaria | 0.09 | N | - | - | - |
| Burkina Faso | 0.01 | Y | 0.01 | 0.01 | - |
| Burundi | 0.01 | N | - | - | - |
| Cambodia | 0.01 | N | - | - | - |
| Cameroon | 0.01 | Y | 0.01 | 0.01 | - |
| Canada | 3.08 | Y | 3.08 | 3.31 | 3.34 |
| Cape Verde | 0.01 | N | - | - | - |
| Central African Republic | 0.01 | N | - | - | - |
| Chad | 0.01 | Y | 0.01 | 0.01 | - |
| Chile | 0.08 | N | - | - | - |
| China | 0.72 | Y | 0.72 | 0.77 | 0.78 |
| Colombia | 0.10 | N | - | - | - |
| Comoros | 0.01 | Y | 0.01 | 0.01 | - |
| Congo | 0.01 | N | - | - | - |
| Cook Islands | 0.01 | Y | 0.01 | 0.01 | - |
| Costa Rica | 0.01 | Y | 0.01 | 0.01 | - |

* See last page for explanations of the columns.

ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1996 (continued)

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|---------------------------------------|-------------|------------|----------------------|------------------|---------------|
| Côte d'Ivoire | 0.01 | Y | 0.01 | - | 0.01 |
| Croatia | 0.09 | N | - | - | - |
| Cuba | 0.06 | Y | 0.06 | 0.06 | 0.06 |
| Cyprus | 0.03 | N | - | - | - |
| Czech Republic | 0.29 | Y | 0.29 | 0.31 | 0.31 |
| Democratic People's Republic of Korea | 0.05 | Y | 0.05 | 0.05 | 0.05 |
| Denmark | 0.71 | Y | 0.71 | 0.76 | 0.77 |
| Djibouti | 0.01 | N | - | - | - |
| Dominica | 0.01 | Y | 0.01 | 0.01 | - |
| Dominican Republic | 0.01 | N | - | - | - |
| Ecuador | 0.02 | Y | 0.02 | 0.02 | 0.02 |
| Egypt | 0.07 | Y | 0.07 | 0.08 | 0.08 |
| El Salvador | 0.01 | N | - | - | - |
| Equatorial Guinea | 0.01 | N | - | - | - |
| Erinea | 0.01 | N | - | - | - |
| Estonia | 0.05 | Y | 0.05 | 0.05 | 0.05 |
| Ethiopia | 0.01 | Y | 0.01 | 0.01 | - |
| Fiji | 0.01 | Y | 0.01 | 0.01 | - |
| Finland | 0.61 | Y | 0.61 | 0.66 | 0.66 |
| France | 6.37 | Y | 6.37 | 6.85 | 6.90 |
| Gabon | 0.01 | N | - | - | - |
| Gambia | 0.01 | Y | 0.01 | 0.01 | - |
| Georgia | 0.14 | Y | 0.14 | 0.15 | 0.15 |
| Germany | 8.99 | Y | 8.99 | 9.66 | 9.74 |
| Ghana | 0.01 | N | - | - | - |
| Greece | 0.38 | Y | 0.38 | 0.41 | 0.41 |
| Grenada | 0.01 | Y | 0.01 | 0.01 | - |
| Guatemala | 0.02 | N | - | - | - |
| Guinea | 0.01 | Y | 0.01 | 0.01 | - |
| Guinea-Bissau | 0.01 | N | - | - | - |
| Guyana | 0.01 | Y | 0.01 | 0.01 | - |
| Haiti | 0.01 | N | - | - | - |
| Holy See | 0.01 | N | - | - | - |
| Honduras | 0.01 | N | - | - | - |
| Hungary | 0.14 | Y | 0.14 | 0.15 | 0.15 |
| Iceland | 0.03 | Y | 0.03 | 0.03 | 0.03 |
| Ireland | 0.31 | Y | 0.31 | 0.33 | 0.34 |
| India | 0.14 | Y | 0.14 | 0.15 | 0.15 |
| Indonesia | 0.52 | N | - | - | - |
| Iran (Islamic Republic of) | 0.14 | N | - | - | - |
| Iraq | 0.21 | Y | 0.21 | 0.23 | 0.23 |
| Ireland | 0.26 | N | - | - | - |
| Israel | 5.02 | Y | 5.02 | 5.40 | 5.44 |
| Italy | 5.02 | Y | 5.02 | 5.40 | 5.44 |

ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1996 (continued)

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|----------------------------------|-------------|------------|----------------------|------------------|---------------|
| Jamaica | 0.01 | N | - | - | - |
| Japan | 14.79 | Y | 14.79 | 15.90 | 16.02 |
| Jordan | 0.01 | Y | 0.01 | 0.01 | - |
| Kazakhstan | 0.23 | N | - | - | - |
| Kenya | 0.01 | Y | 0.01 | 0.01 | - |
| Kiribati | 0.01 | N | - | - | - |
| Kuwait | 0.19 | N | - | - | - |
| Kyrgyzstan | 0.04 | N | - | - | - |
| Lao People's Democratic Republic | 0.01 | N | - | - | - |
| Latvia | 0.09 | N | - | - | - |
| Lebanon | 0.01 | N | - | - | - |
| Lesotho | 0.01 | N | - | - | - |
| Liberia | 0.01 | N | - | - | - |
| Libyan Arab Jamahiriya | 0.21 | N | - | - | - |
| Liechtenstein | 0.01 | Y | 0.01 | 0.01 | - |
| Lithuania | 0.10 | N | - | - | - |
| Luxembourg | 0.07 | Y | 0.07 | 0.08 | 0.08 |
| Madagascar | 0.01 | N | - | - | - |
| Malawi | 0.01 | Y | 0.01 | 0.01 | - |
| Malaysia | 0.14 | Y | 0.14 | 0.15 | 0.15 |
| Maldives | 0.01 | Y | 0.01 | 0.01 | - |
| Mali | 0.01 | N | - | - | - |
| Malta | 0.01 | Y | 0.01 | 0.01 | - |
| Marshall Islands | 0.01 | Y | 0.01 | 0.01 | - |
| Mauritania | 0.01 | Y | 0.01 | 0.01 | - |
| Mauritius | 0.01 | Y | 0.01 | 0.01 | - |
| Mexico | 0.78 | Y | 0.78 | 0.84 | 0.84 |
| Micronesia (Federated States of) | 0.01 | Y | 0.01 | 0.01 | - |
| Monaco | 0.01 | Y | 0.01 | 0.01 | - |
| Mongolia | 0.01 | Y | 0.01 | 0.01 | - |
| Morocco | 0.03 | N | - | - | - |
| Mozambique | 0.01 | N | - | - | - |
| Myanmar | 0.01 | Y | 0.01 | 0.01 | - |
| Namibia | 0.01 | N | - | - | - |
| Nauru | 0.01 | Y | 0.01 | 0.01 | - |
| Nepal | 0.01 | Y | 0.01 | 0.01 | - |
| Netherlands | 1.58 | Y | 1.58 | 1.70 | 1.71 |
| New Zealand | 0.24 | Y | 0.24 | 0.26 | 0.26 |
| Nicaragua | 0.01 | N | - | - | - |
| Niger | 0.01 | N | - | - | - |
| Nigeria | 0.13 | Y | 0.13 | 0.14 | 0.14 |
| Norway | 0.56 | Y | 0.56 | 0.60 | 0.61 |
| Oman | 0.04 | N | - | - | - |

ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1996 (continued)

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|---|-------------|------------|----------------------|------------------|---------------|
| Pakistan | 0.06 | Y | 0.06 | 0.06 | 0.06 |
| Panama | 0.01 | N | - | - | - |
| Papua New Guinea | 0.01 | Y | 0.01 | 0.01 | - |
| Paraguay | 0.01 | Y | 0.01 | 0.01 | - |
| Peru | 0.06 | Y | 0.06 | 0.06 | 0.06 |
| Philippines | 0.06 | Y | 0.06 | 0.06 | 0.06 |
| Poland | 0.36 | Y | 0.36 | 0.39 | 0.39 |
| Portugal | 0.26 | Y | 0.26 | 0.28 | 0.28 |
| Qatar | 0.04 | N | - | - | - |
| Republic of Korea | 0.81 | Y | 0.81 | 0.87 | 0.88 |
| Republic of Moldova | 0.10 | N | - | - | - |
| Romania | 0.15 | Y | 0.15 | 0.16 | 0.16 |
| Russian Federation | 4.98 | (Y) | 4.98 | 5.35 | 5.39 |
| Rwanda | 0.01 | N | - | - | - |
| Saint Kitts and Nevis | 0.01 | Y | 0.01 | 0.01 | - |
| Saint Lucia | 0.01 | Y | 0.01 | 0.01 | - |
| Saint Vincent and the Grenadines | 0.01 | N | - | - | - |
| Samoa | 0.01 | Y | 0.01 | 0.01 | - |
| San Marino | 0.01 | Y | 0.01 | 0.01 | - |
| Sao Tome and Principe | 0.01 | N | - | - | - |
| Saudi Arabia | 0.75 | (Y) | 0.75 | 0.81 | 0.81 |
| Senegal | 0.01 | Y | 0.01 | 0.01 | - |
| Seychelles | 0.01 | Y | 0.01 | 0.01 | - |
| Sierra Leone | 0.01 | N | - | - | - |
| Singapore | 0.14 | N | - | - | - |
| Slovakia | 0.09 | Y | 0.09 | 0.10 | 0.10 |
| Slovenia | 0.07 | N | - | - | - |
| Solomon Islands | 0.01 | N | - | - | - |
| Somalia | 0.01 | N | - | - | - |
| South Africa | 0.33 | N | - | - | - |
| Spain | 2.31 | Y | 2.31 | 2.48 | 2.50 |
| Sri Lanka | 0.01 | Y | 0.01 | 0.01 | - |
| Sudan | 0.01 | Y | 0.01 | 0.01 | - |
| Suriname | 0.01 | N | - | - | - |
| Swaziland | 0.01 | N | - | - | - |
| Sweden | 1.22 | Y | 1.22 | 1.31 | 1.32 |
| Switzerland | 1.21 | Y | 1.21 | 1.30 | 1.31 |
| Syrian Arab Republic | 0.05 | N | - | - | - |
| Tajikistan | 0.02 | N | - | - | - |
| Thailand | 0.13 | N | - | - | - |
| The Former Yugoslav Republic of Macedonia | 0.01 | N | - | - | - |
| Togo | 0.01 | N | - | - | - |
| Tonga | 0.01 | N | - | - | - |

ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1996

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|-----------------------------|---------------|------------|----------------------|------------------|---------------|
| Trinidad and Tobago | 0.04 | Y | 0.04 | 0.04 | 0.04 |
| Tunisia | 0.03 | Y | 0.03 | 0.03 | 0.03 |
| Turkey | 0.36 | N | - | - | - |
| Turkmenistan | 0.04 | N | - | - | - |
| Tuvalu | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Uganda | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Ukraine | 1.29 | N | - | - | - |
| United Arab Emirates | 0.19 | N | - | - | - |
| United Kingdom | 5.30 | Y | 5.30 | 5.70 | 5.74 |
| United Republic of Tanzania | 0.01 | N | - | - | - |
| United States of America | 25.00 | Y | 25.00 | 25.00 | 25.00 |
| Uruguay | 0.04 | Y | 0.04 | 0.04 | 0.04 |
| Uzbekistan | 0.16 | Y | 0.16 | 0.17 | 0.17 |
| Vanuatu | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Venezuela | 0.36 | N | - | - | - |
| Viet Nam | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Yemen | 0.01 | N | - | - | - |
| Yugoslavia | 0.11 | N | - | - | - |
| Zaire | 0.01 | N | - | - | - |
| Zambia | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Zimbabwe | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| TOTAL | 101.27 | 108 | 94.76 | 100.00 | 100.00 |

- A: UN scale of assessments for 1994.
B: Parties to the Convention as of 5 December 1994 plus three significant contributors on the UN scale (Belgium, Russian Federation and Saudi Arabia) that have indicated their intention to become Parties. Not including EEC; assessments for individual EEC member States are shown separately.
C: UN scale of assessments for the Parties to the Convention.
D: Adjusts the UN scale of the Parties to a total of 100%, assuming that no single Party contributes more than 25%
[Formula = ((column A)*75) / ((total column A) - 25)].
E: Recalculated scale, assuming that no single Party contributes less than 0.015% or more than 25%
[Formula = ((column A)*75) / ((total column A) - 25 - n(0.01))].

Table 2. ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1997 *

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|--------------------------|-------------|------------|----------------------|------------------|---------------|
| Afghanistan | 0.01 | N | - | - | - |
| Albania | 0.01 | Y | 0.01 | 0.01 | - |
| Algeria | 0.16 | Y | 0.16 | 0.17 | 0.17 |
| Andorra | 0.01 | N | - | - | - |
| Angola | 0.01 | N | - | - | - |
| Antigua and Barbuda | 0.01 | Y | 0.01 | 0.01 | - |
| Argentina | 0.48 | Y | 0.48 | 0.51 | 0.52 |
| Armenia | 0.05 | Y | 0.05 | 0.05 | 0.05 |
| Australia | 1.48 | Y | 1.48 | 1.58 | 1.58 |
| Austria | 0.87 | Y | 0.87 | 0.93 | 0.94 |
| Azerbaijan | 0.11 | N | - | - | - |
| Bahamas | 0.02 | Y | 0.02 | 0.02 | 0.02 |
| Bahrain | 0.02 | N | - | - | - |
| Bangladesh | 0.01 | Y | 0.01 | 0.01 | - |
| Barbados | 0.01 | Y | 0.01 | 0.01 | - |
| Belarus | 0.28 | N | - | - | - |
| Belgium | 1.01 | (Y) | 1.01 | 1.08 | 1.09 |
| Belize | 0.01 | Y | 0.01 | 0.01 | - |
| Benin | 0.01 | Y | 0.01 | 0.01 | - |
| Bhutan | 0.01 | N | - | - | - |
| Bolivia | 0.01 | Y | 0.01 | 0.01 | - |
| Bosnia and Herzegovina | 0.01 | N | - | - | - |
| Botswana | 0.01 | Y | 0.01 | 0.01 | - |
| Brazil | 1.62 | Y | 1.62 | 1.73 | 1.74 |
| Brunei Darussalam | 0.02 | N | - | - | - |
| Bulgaria | 0.08 | N | - | - | - |
| Burkina Faso | 0.01 | Y | 0.01 | 0.01 | - |
| Burundi | 0.01 | N | - | - | - |
| Cambodia | 0.01 | N | - | - | - |
| Cameroon | 0.01 | Y | 0.01 | 0.01 | - |
| Canada | 3.11 | Y | 3.11 | 3.32 | 3.34 |
| Cape Verde | 0.01 | N | - | - | - |
| Central African Republic | 0.01 | N | - | - | - |
| Chad | 0.01 | Y | 0.01 | 0.01 | - |
| Chile | 0.08 | N | - | - | - |
| China | 0.74 | Y | 0.74 | 0.79 | 0.80 |
| Colombia | 0.10 | N | - | - | - |
| Comoros | 0.01 | Y | 0.01 | 0.01 | - |
| Congo | 0.01 | N | - | - | - |
| Cook Islands | 0.01 | Y | 0.01 | 0.01 | - |
| Costa Rica | 0.01 | Y | 0.01 | 0.01 | - |

* See last page for explanations of the columns.

ILLUSTRATIVE SCALES OF CONTRIBUTION TO UNFCCC BUDGET FOR 1997 (continued)

| Country | A: UN scale | B: Parties | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|---------------------------------------|-------------|------------|----------------------|------------------|---------------|
| Côte d'Ivoire | 0.01 | Y | 0.01 | - | 0.01 |
| Croatia | 0.09 | N | - | - | - |
| Cuba | 0.05 | Y | 0.05 | 0.05 | 0.05 |
| Cyprus | 0.03 | N | - | - | - |
| Czech Republic | 0.25 | Y | 0.25 | 0.27 | 0.27 |
| Democratic People's Republic of Korea | 0.05 | Y | 0.05 | 0.05 | 0.05 |
| Denmark | 0.72 | Y | 0.72 | 0.77 | 0.77 |
| Djibouti | 0.01 | N | - | - | - |
| Dominica | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Dominican Republic | 0.01 | N | - | - | - |
| Ecuador | 0.02 | Y | 0.02 | 0.02 | 0.02 |
| Egypt | 0.08 | Y | 0.08 | 0.09 | 0.09 |
| El Salvador | 0.01 | N | - | - | - |
| Equatorial Guinea | 0.01 | N | - | - | - |
| Eritrea | 0.01 | N | - | - | - |
| Estonia | 0.04 | Y | 0.04 | 0.04 | 0.04 |
| Ethiopia | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Fiji | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Finland | 0.62 | Y | 0.62 | 0.66 | 0.67 |
| France | 6.42 | Y | 6.42 | 6.85 | 6.90 |
| Gabon | 0.01 | N | - | - | - |
| Gambia | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Georgia | 0.11 | Y | 0.11 | 0.12 | 0.12 |
| Germany | 9.06 | Y | 9.06 | 9.67 | 9.74 |
| Ghana | 0.01 | N | - | - | - |
| Greece | 0.38 | Y | 0.38 | 0.41 | 0.41 |
| Grenada | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Guatemala | 0.02 | N | - | - | - |
| Guinea | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Guinea-Bissau | 0.01 | N | - | - | - |
| Guyana | 0.01 | Y | 0.01 | 0.01 | 0.01 |
| Haiti | 0.01 | N | - | - | - |
| Holy See | 0.01 | N | - | - | - |
| Honduras | 0.01 | N | - | - | - |
| Hungary | 0.14 | Y | 0.14 | 0.15 | 0.15 |
| Iceland | 0.03 | Y | 0.03 | 0.03 | 0.03 |
| India | 0.31 | Y | 0.31 | 0.33 | 0.33 |
| Indonesia | 0.14 | Y | 0.14 | 0.15 | 0.15 |
| Iran (Islamic Republic of) | 0.45 | N | - | - | - |
| Iraq | 0.14 | N | - | - | - |
| Ireland | 0.21 | Y | 0.21 | 0.22 | 0.23 |
| Israel | 0.27 | N | - | - | - |
| Italy | 5.25 | Y | 5.25 | 5.60 | 5.64 |

CONTRIBUTION TO UNFCCC BUDGET FOR 1997 (continued)

| Portl Date | C: Scale for Parties | D: Adjusted < 25 | E: 0.015<X<25 |
|---------------|----------------------|------------------|---------------|
| Repl | 15.85 | 16.70 | 16.83 |
| Repl | 0.01 | 0.01 | - |
| Rus | 0.01 | 0.01 | - |
| Rwa | - | - | - |
| Sain | - | - | - |
| Sain | - | - | - |
| Sain | - | - | - |
| San | - | - | - |
| Sao | - | - | - |
| Sauk | - | - | - |
| Sem | - | - | - |
| Seyc | 0.01 | 0.01 | - |
| Sier | - | - | - |
| Sing | 0.07 | 0.07 | 0.08 |
| Slov | - | - | - |
| Slov | 0.01 | 0.01 | - |
| Solo | 0.14 | 0.15 | 0.15 |
| Som | 0.01 | 0.01 | - |
| Souk | - | - | - |
| Spal | 0.01 | 0.01 | - |
| Sri L | 0.01 | 0.01 | - |
| Sudr | 0.01 | 0.01 | - |
| Surit | 0.01 | 0.01 | - |
| Swa | 0.79 | 0.84 | 0.85 |
| Swe | 0.01 | 0.01 | - |
| Swit | 0.01 | 0.01 | - |
| Syri | 0.01 | 0.01 | - |
| Tajik | - | - | - |
| Thai | - | - | - |
| The | 0.01 | 0.01 | - |
| Tog | - | - | - |
| Toni | 0.01 | 0.01 | - |
| Toni | 0.01 | 0.01 | - |
| | 1.59 | 1.70 | 1.71 |
| | 0.24 | 0.26 | 0.26 |
| | - | - | - |
| | 0.11 | 0.12 | 0.12 |
| | 0.56 | 0.60 | 0.60 |

