

## **Possible elements for a discussion paper on an appropriate financial model for the Implementation Support Unit of the Mine Ban Convention**

### Background

At the Tenth Meeting of the States Parties to the Mine Ban Convention (10MSP) the President was tasked to establish an informal open-ended working group to examine new models for the financing of the ISU, and present recommendations and draft decisions on the most feasible comprehensive financing model for adoption by the 11MSP, so it may be effective from the financial year 2012.

This decision was based on the Final Report and Recommendations of the ISU Task Force, which was endorsed by the 10MSP. The States Parties thus took decisions involving three issues: the tasks and the responsibilities of the ISU, the financing of the ISU and the institutional framework for the ISU. While these three issues are interlinked, consultations in the Task Force indicated that the time available before the 10MSP was not sufficient to identify and gain the support of all States Parties for a financing model for the ISU.

The Task Force's report was based on the evaluation of the ISU conducted by the independent consultant Mr Tim Caughley. His Final Report was submitted on 1 September 2010 and is available on the Convention's website together with all documents relevant to the evaluation and the work of the Task Force. The Final Report presented five options on the financing of the ISU, ranging from continuing with the current arrangement to a system of mandatory assessed scale of contributions that would finance all activities of the ISU. The options can be found in the Final Report dated 1 September 2010, pages 70 to 71.

There was general agreement among Task Force members of the need to review the financial model for the ISU, and on the need to establish a model that is sustainable and predictable. Consultations in the Task Force showed a variety of views reflecting all the options in the report.

In addition to the options set out in the consultant's Final Report, the possibility of developing a system of voluntary contributions that could have a set of standard fixed amounts was presented both in the Coordinating Committee by the ISU Director, and in the Task Force by members.

### OEWG

The informal open-ended working group (OEWG) will meet as needed throughout 2011 in order to present recommendations and draft decisions on the most feasible comprehensive financing model for adoption by the 11MSP, basing its discussions on work conducted by the Task Force and at the 10MSP in 2010. The flexible and innovative approach that has been a core principle of the Convention should be applied in this work, and States Parties are encouraged to apply an open mind in order to arrive at the best possible solution for the future. The meetings will be chaired by the President, who will draft the recommendations and draft decisions to be consulted on and presented to the 11 MSP for adoption.

### Possible options

This paper is based on the assumption that status quo is not a viable option, as demonstrated by the budget deficit of the ISU and the difficulties in mobilising sufficient voluntary contributions. A

modification of this system by focusing more intensively on resource mobilisation is not considered sufficient given the current financial climate and the fact that it is not likely that we will see an increase in contributions from traditional donors. It thus seems that any viable solutions would have to be a model that is sustainable and predictable by ensuring that *more* States Parties contribute on a *regular basis* with amounts that are *foreseeable*. It is therefore suggested that the OEWG focus its discussions around the general options outlined below. Some questions for discussions are also included.

**A: Voluntary set of standard fixed amounts indicating states' commitment**

- One could for example envisage a system of four to six different fixed amounts ranging from 2500 CHF to 100.000 CHF, something which would cover the current budget
- A list of how States Parties should determine which of the 4-6 amounts to contribute should be developed, possibly based on the UN scale of assessments or on income level
- This would be a simple and effective way of ensuring a broader base of income for the ISU dividing the burden amongst all the States Parties, while recognising that some States Parties have better opportunities than others to contribute larger amounts

*Issues to address:*

- How to ensure that States Parties will actually honour something which will amount only to a political commitment to provide funding according to this set of standard fixed amounts?

**B: Hybrid model with parts of the ISU's budget covered through assessed contributions and parts covered through voluntary contributions.**

- The mandatory contributions could follow a modified UN scale of assessments, possibly with fixed floors and ceilings
- Voluntary contributions could include in-kind contributions by Switzerland
- This would have the advantage of putting very little additional burden on low-income States Parties, while ensuring broader contributions and predictable income levels. At the same time, this would allow those States Parties that have better opportunity to contribute to provide larger amounts on a voluntary level

*Issues to address:*

- How to decide what activities to fund through assessed contributions and what activities to fund through voluntary contributions while acknowledging the interrelated nature of the various activities of the ISU? Potential risk of less voluntary contributions to cover essential activities.
- How to manage the practicalities of a system of assessed contributions?
- How to manage possible cases of arrears?

**C:     *Assessed contributions to cover all parts of the ISU's work***

*This is the standard agreed and recognised way of dividing costs between States Parties to an agreement, in particular with reference to the CCW and the BTWC where the costs of their ISUs are included in the annual assessed contributions. (It may be noted that the legal bases for sharing costs for the respective ISUs for the BTWC and the CCW according to the UN scale of assessment, are decisions of Meetings of States Parties or Review Conferences under those Conventions, not provisions in the Conventions themselves. Thus, a Meeting of States Parties under the Mine Ban Convention can also adopt a decision regarding sharing all or parts of the costs of an ISU through assessed contributions.)*

- *The mandatory contributions could follow a modified UN scale of assessments, possibly with fixed floors and ceilings*
- *The possibility of applying Article 14.1 of the Convention in a broader manner should be explored with an open mind, for instance regarding what could actually be included in “the costs of the Meetings of the States Parties”. The division of labour between the UN and the ISU in formal meetings should be considered in light of the ISU’s substantial and increasingly central role also in formal meetings. Article 14 refers to “the costs of the Meetings of States Parties”, in other words all of the costs related to the preparation of and actual organising of such meetings.*

*Issues to address:*

- *How to manage the practicalities of a system of assessed contributions, including how to divide responsibilities between the UN and the ISU?*
- *How to manage possible cases of arrears?*