

THE VOLUNTARY INDICATIVE SCALE OF CONTRIBUTIONS:

A TAILOR-MADE TOOL FOR ENVIRONMENT FUND CONTRIBUTIONS

THE ENVIRONMENT FUND



The Environment Fund was established following the Stockholm Conference in 1972 as the core fund of the UN Environment Programme (UNEP). The Fund is used for providing scientific evidence on the state of the global environment, identifying emerging environmental issues and innovative solutions, raising awareness and advocacy, and for capacity-building. It finances UNEP's convening power in bringing together governments, the private sector and civil society to advance the global environmental agenda, for example through the UN Environment Assembly (UNEA). The Fund also supports results-focused programme management and robust oversight. In other words, financial contributions to the Environment Fund enable the organization to focus on its main business, while allowing for flexibility to respond to emerging challenges.

WHY THE VISC?

Contributions to the Environment Fund were made voluntary so that potential for growth in financing the global environmental agenda was not restricted. Despite this, the approved Environment Fund budgets were not achieved and less than half of the UN Member States provided funding in any given year. To change this, the Member States decided that a mechanism was needed to broaden the base of contributions and enhance the predictability of financing of the Environment Fund. The Voluntary Indicative Scale of Contributions (VISC) was subsequently established by the UNEP Governing Council decision SS.VII/1 (15 Feb 2002) to guide the calculation of contributions from each Member State. Since then, successive UNEP Governing Bodies, most recently the fifth UNEA, have requested the UNEP Executive Director to continue the application of the VISC when determining the level of each Member State's contribution to the Environment Fund.

SUPPORTING THE ENVIRONMENT FUND IS A UNIVERSAL SHARED RESPONSIBILITY

At the Rio+20 Summit in 2012, UNEP Member States collectively committed to provide secure, stable, adequate and increased financial resources to UNEP.

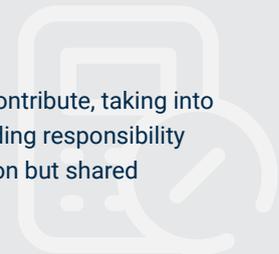
At UNEA, the Member States determine what the organization is expected to deliver in the coming years.

They also determine the level of core funding needed: the Environment Fund budget. It is, therefore, vital that each Member State contributes its share of the Environment Fund budget as determined by the VISC to ensure UNEP can deliver its programme of work in a balanced and effective manner.



HOW IS THE VISC CALCULATED?

The VISC is an amount of the Environment Fund budget that each Member State is requested to contribute, taking into account the country's specific socio-economic circumstances. It is a tool that helps share the funding responsibility according to the capacity of each Member State to pay, in alignment with the principle of a common but shared responsibility.



1

The starting point for developing the VISC is the UN Scale of Assessments, approved by the Member States at the UN General Assembly, applied to the Environment Fund budget. This is the minimum requested from each Member State each year.

2

The previous high level of contributions. This applies to all the Member States who have contributed more than the UN Scale of Assessments would warrant. UNEP uses the previous 3 years for assessing this to be realistic.

See page 2 for more details

1 THE UN SCALE OF ASSESSMENTS IS APPLIED TO THE ENVIRONMENT FUND BUDGET

According to UN General Assembly Resolution 76/238, the Scale of Assessments for the period from 2022 to 2024 (as for earlier years) is based on the following elements:

- (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 2019 to 2021;
- (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; MIN 0.001%
- (g) A maximum assessment rate for the least developed countries of 0.01 per cent; MAX 0.01% LDC
- (h) A maximum assessment rate of 22 per cent.



2 PREVIOUS HIGHER-LEVEL CONTRIBUTIONS ARE RETAINED

In 2003, the guiding principles and criteria for the VISC were further elaborated and presented to the Governing Council at its twenty-second session (UNEP/GC.22/INF/20/Rev.1), requesting that:

- » All the countries that were paying equal to or above the United Nations scale of assessments maintain their high levels of contributions, and countries in a position to do so consider making higher payments over and above their level of contribution;
- » All the developed countries, countries with economies in transition and many developing countries that were contributing below the United Nations scale of assessments increase their contributions gradually and pay closer to the United Nations scale of assessments and the previous historical high level of contributions.

UNEP used 2019-2021 as the previous period when calculating the 2022-2023 VISC to be realistic.



VIEW THE LATEST VISC TABLE

FOR MORE DETAILED EXPLANATIONS



UNEP Voluntary Indicative Scale of Contributions, (UNEP/EA.4/INF/11)
tinyurl.com/5d9srfe5



View contributions to UNEP | unep.org/contributions



Resource documents with latest updates on the status of the Environment Fund
unep.org/funding-partnerships/resources



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