

**Written submission of textual proposals from Japan
concerning the Revised aid to discussions and negotiations
prepared by the Co-Chairs concerning Financial Rules**

5. Contributions

5.3 In respect of assessed contributions of the Parties made pursuant to rule 5.1 (a) [and advances to the working capital reserve], the following rules apply:

(a) **Option A** (*Basel/Rotterdam/Stockholm/Minamata model*): Assessed contributions shall be paid annually. ~~They are due on 1 January of each calendar year and should be paid promptly and in full. Parties should be notified of the amount of their contributions for a given year by 15 October of the previous year. Contributions shall be paid in a timely manner~~ **As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be in arrears;**

~~**Option B** (*International Seabed Authority model*): Annual contributions and advances to the working capital reserve shall be considered as due and payable in full within 30 days of the receipt of a communication by the head of the secretariat informing Parties of their contributions, including annual contributions and advances to the working capital reserve, or as of the first day of the calendar year to which they relate, whichever is the 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;~~

Reasoning

Option A is chosen for better clarity and predictability, while, the last part of Option B was combined to provide a clear definition of arrears.

. . .

(f) If **the amount of a Party's arrear equals or exceeds the amount of the contributions due from it for the preceding two full years and** a payment schedule is not jointly decided or respected, ~~[the Conference of the Parties shall decide on appropriate measures, taking into account the specific needs and special requirements of developing States Parties, in particular the least developed countries, landlocked developing countries and small island developing States]~~ **the following rules shall apply, except where such Party's payment deadline has been extended according to rule 5.3 (d):**

(i) No representative of ~~that~~**any** Party ~~whose contributions are in arrears for two or more~~

~~years~~ shall be eligible to become a member of the Bureau of the Conference of the Parties or a member of any subsidiary body of the Conference of the Parties, ~~on the understanding that this provision shall not apply to Parties that are least developed countries or small-island developing States or to Parties that have agreed on and are respecting a schedule of payments in accordance with rule 5.3 (e);~~

(ii) No representative of ~~that~~^{any} Party ~~whose contributions are in arrears for four or more years and that has not agreed on or is not respecting a schedule of payments implemented in accordance with rule 5.3 (e), and whose payment deadline has not been extended according to rule 5.3 (d),~~ shall be entitled to vote at any meeting of the Conference of the Parties unless the Conference decides otherwise¹;

Reasoning

By choosing the second bracket, concrete measures will be in place in case of accumulated arrears and lack of respect for the schedule of payment. All Parties should be treated equally in this respect, except when SIDS or LDCs are affected by force majeure. The triggering point in the chapeau is articulated based on the formula used in ISA under Article 184 of UNCLOS.