

Arms Trade Treaty: Status of ATT Finances

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Background

- ATT Financial Rules (Rule 5 and Rule 6 formula)
- Considerations for calculation of assessed contributions:
 - ✓ CSP approved budget estimates
 - ✓ Number of States Parties
 - ✓ Number of other States in attendance at last CSP
 - ✓ UN scale of assessment
 - ✓ ATT scale of effort

Source of revenue



- Exclusive financial contributions from states
- States Parties:
 - ✓ Conference costs
 - ✓ ATT Secretariat costs
- Signatory and Observer states in attendance at last CSP
 - ✓ Conference costs (attendance fee)
 - ✓ ATT Secretariat costs (activities related to conference organisation)

Financial Management Process



- Budget estimates approved by a CSP
- Invoices: October of every year (Rule 8)
- Payable in 3 months (end of Jan (Rule 8))
- Reminders: March including info on all outstanding contributions
- Status of contributions posted on ATT website (regularly)
- Rollover register posted on ATT website (annually)

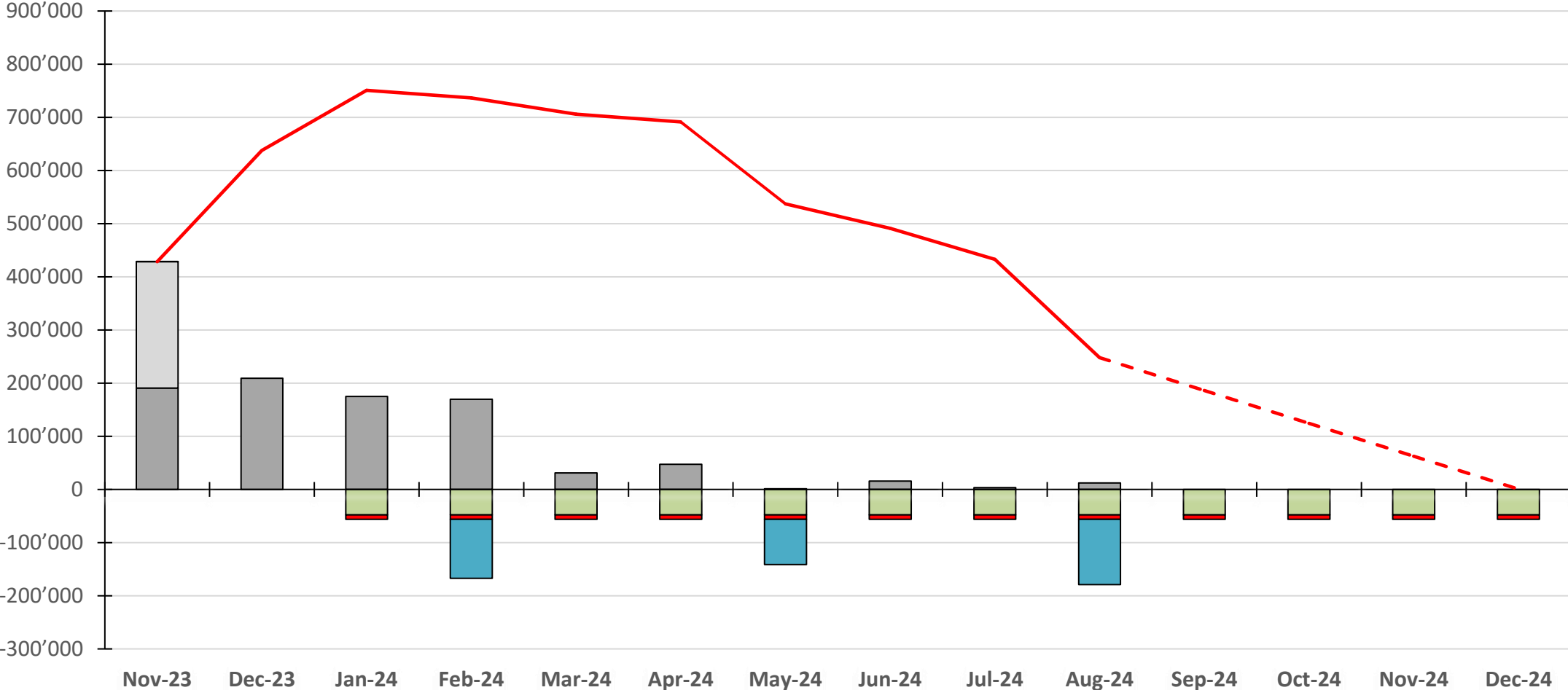
Overview of Contributions received (21 August)

	<i>2015/16 to 2020 Budgets (average)</i>	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Contributions Assessed	1,032,591.54	1,068,200.00	1,196,710.00	1,201,958.00	1,164,312.00
% of Budget Received	95.52%	97.72%	97.78%	97.85%	93.89%
Contributions Outstanding	-41'035.76	-24'386.42	-26'601.65	-25'865.68	-71'118.70
% of States having paid	86.64%	85.12%	82.68%	81.06%	65.93%
In-kind Contribution by Switzerland	288,000.20	249,523.00	274,017.00	289,139.00	289,139.00

Outstanding Contributions

<i>2015/16 to 2020 Budgets (sum)</i>	2021 Budget	2022 Budget	2023 Budget	2024 Budget	Total
+ 9'334.55	+ 3'606.64	+ 3'749.02	+ 16'278.50	+ 32'537.80	+ 65'605.51
-205'178.83	-24'386.42	-26'601.65	-25'865.68	-71'118.70	-353'151.28
<i>75 Contributions outstanding from 30 States</i>	Contributions outstanding from 18 States	Contributions outstanding from 22 States	Contributions outstanding from 25 States	Contributions outstanding from 46 States	

Cash Flow Projection: 2024



Contributions ATT 2024 Budget Received
 Rollover
 Staff Costs
 Operations
 Preparatory Meetings and CSP10
 Liquidity [USD]

Implication of Non-Payment



- Financial Rule 8.4 (**Rollover of total uncommitted balance of appropriations** i.e. cash and deficits).
- CSP5 decision: The rollover of the balance of total credits due (FY 2015/16, FY 2017 and FY 2018) was to be **paid back over a period of 5 years. CSP5 decision is fully implemented.**
- The ATT is building an **annual deficit of 5% average**, which is rolled over to next years' budgets.
- Implication - **liquidity challenges** will materialize in the medium term if payment rate remain unchanged.

ATT Reserve Fund



- Reserve Fund established by CSP5 decision in 2019
- Dedicated Terms of Reference
- Financed from voluntary contributions by states

Reserve Fund	2022
Contribution: Germany	50,000.00 EUR

Guidelines: Financial Arrangements



- **Guidelines for making financial arrangements** under Financial Rule 8 (1) d adopted by CSP7
- **No formal request** for a financial arrangement submitted and processed so far

End

Action taken



- Circulation of financial information to Missions and Capitals
- Reminders: March including information on all outstanding contributions
- Support to States in addressing transfer technical issues
- Awareness raising during ATT meetings: financial status and implications
- Bilateral engagement with States

Guidance on actions



- Long standing matter
- CSP3 (2017) directive : causes of delayed and unpaid contributions, implications
- CSP4 (2018) adopted proposal (factors that can be influence /not influence), further work:
 - ✓ Additional measures (yes, no)
 - ✓ Financial arrangements (capacity and process to make financial arrangements)
 - ✓ Address liquidity challenges(reserve fund)
 - ✓ Comparison with other conventions
 - ✓ Secretariat to implement administrative measures
 - ✓ Include finance as agenda item for ATT meetings