Arms Trade Treaty: Status of ATT Finances

Dumisani DLADLA, Head of the ATT Secretariat
24 August 2023
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 (23 August)

<table>
<thead>
<tr>
<th></th>
<th>2015/16 to 2020 Budgets (average)</th>
<th>2021 Budget</th>
<th>2022 Budget</th>
<th>2023 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions Assessed</td>
<td>1,032,591.54</td>
<td>1,068,200.00</td>
<td>1,196,710.00</td>
<td>1,201,958.00</td>
</tr>
<tr>
<td>% of Budget Received</td>
<td>94.10%</td>
<td>93.60%</td>
<td>92.77%</td>
<td>92.48%</td>
</tr>
<tr>
<td>Contributions Outstanding</td>
<td>-60'973.66</td>
<td>-68'397.94</td>
<td>-86,480.35</td>
<td>-90,359.00</td>
</tr>
<tr>
<td>% of States having paid</td>
<td>84.52%</td>
<td>78.51%</td>
<td>74.80%</td>
<td>64.39%</td>
</tr>
<tr>
<td>In-kind Contribution by Switzerland</td>
<td>288,000.20</td>
<td>249,523.00</td>
<td>274,017.00</td>
<td>289,139.00</td>
</tr>
</tbody>
</table>
## Outstanding Contributions

<table>
<thead>
<tr>
<th>2015/16 to 2020 Budgets (sum)</th>
<th>2021 Budget</th>
<th>2022 Budget</th>
<th>2023 Budget</th>
<th>Total Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 971.37</td>
<td>+ 4,205.21</td>
<td>+ 7,094.16</td>
<td>+ 16,175.53</td>
<td></td>
</tr>
<tr>
<td>-304'868.31</td>
<td>-68'397.94</td>
<td>-86,480.35</td>
<td>-90,359.00</td>
<td>-550'105.61</td>
</tr>
</tbody>
</table>

- **95 Contributions outstanding from 38 States**
  - Contributions outstanding from 26 States
  - Contributions outstanding from 32 States
  - Contributions outstanding from 47 States
Cash Flow Projection: 2023

Contributions ATT 2023 Budget Received  
Rollover  
Staff Costs  
Operations  
Preparatory Meetings and CSP9  
Liquidity [USD]

November 2022 (Nov-22) to December 2023 (Dec-23)
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. 1 year is remaining.

• The ATT is building an annual deficit of 7% average, which is rolled over to next years’ budgets.

• Implication - liquidity challenges will materialize in the medium term if payment rate remain unchanged.
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
ATT Reserve Fund

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

<table>
<thead>
<tr>
<th>Reserve Fund</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>Contribution: Germany</td>
<td>50,000.00 EUR</td>
</tr>
</tbody>
</table>
Guidelines: Financial Arrangements

• Guidelines for making financial arrangements under Financial Rule 8 (1) d adopted by CSP7

• No formal request for financial arrangements submitted so far
End