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Arms Trade Treaty
Second Conference of States Parties
Geneva, 22 – 26 August 2016

DRAFT PROVISIONAL BUDGET ESTIMATES FOR FINANCIAL YEAR 2017

Introduction

1. The First Conference of States Parties held in August 2015 adopted the ATT Financial Rules¹ for the Conferences of States Parties and the Secretariat as contained in document ATT/CSP1/CONF/2. The adopted ATT Financial Rules are based on Article 17 (3) of the Arms Trade Treaty which provides that ‘the Conference of States Parties shall adopt financial rules for itself as well as governing the funding of any subsidiary bodies it may establish as well as financial provisions governing the functioning of the Secretariat. At each ordinary session, it shall adopt a budget for the financial period until the next ordinary session’.
2. Financial Rule 4 of the ATT Financial Rules provides that the Secretariat shall prepare and, following a review by the Management Committee, submit budget estimates to States Parties 90 days before the opening of the Conference where the budget is to be adopted. Financial Rule 4 further provides that the budget estimates must also include the actual income figures for the year in review.
3. As per quoted Financial Rules, the budget estimates submitted for adoption by Conference of States Parties should cover the budget estimates for both the Conference as well as the Secretariat. Financial Rule 5 sets out considerations for the Conference budget estimates whilst Financial Rule 6 outlines budget considerations for the Secretariat.

¹ http://thearmstradetreaty.org/images/ATT_CSP1_CONF.2.pdf

4. In accordance with its mandate arising from the CSP1 adopted States Parties' Directive to the Secretariat, the 2017 budget estimates were prepared and are being submitted by the Secretariat in line with the provisions of Financial Rules with respect to calculations and timeline. These budget estimates were duly submitted to and reviewed by the Management Committee according to its own mandate outlined in the Management Committee's Terms of Reference as adopted by the First Conference of States Parties.

2016 Financial Year Income Figures

5. Financial Rule 4.1 directs that budget estimates presented for adoption by the Conference of States Parties must provide the actual income figures for the period under review, which in this instance is the 2016 financial year.
6. The basis for the 2016 financial incomes is the 2016 budget. The provisional 2016 budget was adopted by CSP1 whilst the 2016 revised budget for the Secretariat for the financial period up to 31 December 2016, and the revised budget for the Conference, including a cost estimate for its second session as contained in ATT/CSP2/2016/EM/5 were adopted by the Extraordinary Meeting of 29 February 2016. In terms of the revised budget estimates, the total Secretariat budget stands at USD 785,525.00. In addition to that; the Secretariat budget recognises financial overheads to the tune of USD 458,230.00 covered by Switzerland as part of the hosting offer. The total revised budget for the Conference is USD 204,397.00 with an additional USD 249,000.00 from voluntary contributions specifically earmarked for the CSP2 Sponsorship Program.
7. The total ATT budget for 2016, inclusive of both the Secretariat and Conference, against which States' assessed contributions were expected, is USD 989,922.00. In terms of the Financial Rules, all States Parties are charged an assessed contribution towards the cost of the Secretariat, including staff costs. In addition to this, all states in attendance at each CSP are levied an attendance fee and share costs rendered by the Secretariat associated with the preparations of CSPs set at 30% of the total annual budget.
8. In line with this formula, in November 2016, UNDP dispatched 124 assessment notices to all the States affected by the application of Financial Rule 5 and 6. As of 01 July 2016, the total assessed financial contributions received from 35 States amounts to USD 609,617.41. This constitutes 62% of the total expected income from States. The total outstanding financial contributions from the rest of assessed States, is USD 380,304.59.
9. On 05 April 2016, in accordance with Financial Rule 8.1.c, the President of the Second Conference of States Parties wrote to the States with outstanding financial contributions to remind them of this situation. In the same reminders the President advised States that once the Headquarters' Agreement has been signed and the Secretariat has opened its bank account to be used to deposit financial contributions, the relevant details of such bank account will be communicated to the States.

10. It needs to be noted that a higher assessed financial contributions figure than the current one would have been achieved if the Secretariat bank account was operational throughout the period.
11. On the basis of the current Secretariat's staffing levels, it is projected that savings will realize on salaries and related personnel costs. Visibility of the projected savings will be clearer after CSP2 when States' assessed contributions are determined in accordance with Financial Rule 8.

2017 Budget Considerations

12. The 2017 budget estimates have been prepared according to the provisions of the ATT Financial Rules with particular reference to Financial Rule 5 and 6. The budget lines reflected in both the Conference and Secretariat budgets are consistent with Financial Rule 5.3.a and Financial 6.3 respectively with additional budget lines included for budget accuracy.
13. The preparation of the 2017 budget estimates considered a number of factors pertinent to the operations of the Arms Trade Treaty and these include:
 - a. Historical Information as it relates to previous ATT income and expenditure.
 - b. The Secretariat structure comprising of 3 staff members at salary levels P4 (Head of Secretariat), P3 (Policy Expert) and P2 (Administrative Expert) as approved by the Extraordinary Meeting in paragraph 23 of its Final Report referenced ATT/CSP2/2016/EM/6.
 - c. The Secretariat's Staff Rules and Regulations as a basis for calculation of staff and related costs.
 - d. The Extraordinary Meeting's decision reflected in paragraph 21 of the Final Report referenced ATT/CSP2/2016/EM/6, 'that future budgets for the approval of the Conference should contain budget lines that clearly identify the overhead paid to DCAF by Switzerland'.
 - e. The extent of the Swiss government support offered to the Secretariat as contained in the Agreement on Administrative Arrangements between Switzerland and the Secretariat as adopted through the application of the silence procedure.

Budget Administration

14. On adoption by the Second Conference of States Parties, the budget will be managed by the Secretariat with the financial services support from DCAF as contemplated in the Agreement on Administrative Arrangements between Switzerland and the Secretariat.
15. In accordance with Financial Rule 8, the Secretariat will, by 15 October 2016, notify States of their assessed financial contributions to the adopted 2017 budget.

| ATT Secretariat: Draft Provisional Budget Estimate:2017. | | | |
|---|--|---|--|
| Budget ⁱ | Item ⁱⁱ | est. cost (USD) | Comments |
| Source | | | |
| ASSESSED from States Parties ⁱⁱⁱ | Salary P4 ^{iv,v} - 12 months 2017 | 281,136 | <i>based on ATT Staff Rules and Regulations</i> |
| | Salary P3 ^v - 12 months 2017 | 240,239 | <i>based on ATT Staff Rules and Regulations</i> |
| | Salary P2 ^v - 12 months 2017 | 197,486 | <i>based on ATT Staff Rules and Regulations</i> |
| | General temporary assistance (if needed) | 37,000 | <i>148 days of consultancy (Junior specialist - 250 USD/day)</i> |
| | Consultants / Outsourcing (as needed) | 30,000 | <i>60 days of consultancy (Specialist - 500 USD/day)</i> |
| | Staff international travel costs (inclusive of travel booking services, and local transportation) | 38,406 | <i>Average cost of 5,000 USD/trip (4 trips for P4, 2 trips for P3, 1 trip for P2); travel booking services 306 USD (34 USD/trip (6 trips)); and local transport</i> |
| | Staff training | 4,200 | <i>1,400 USD/staff member</i> |
| | Utilization of IT & Telecommunication Services (cell phone calls, fix line calls, copies made) | 12,500 | |
| | Treaty website development | 40,000 | |
| | Audit fees | 8,000 | |
| | Legal services (related to procurement, personnel matters etc.) | 5,000 | |
| | Insurance | 10,825 | |
| | Miscellaneous (Stationery, Toner, etc.) | 7,000 | |
| Subtotal ASSESSED | 911,792 | Total of which 30% is assessed as per Financial Rule 5, 70% assessed as per Financial Rule 6 | |
| IN-KIND by host ^{vi} | Office premises (inclusive of building management) - 12 months | 80,954 | <i>Covered by the host state: 2017 Office Premises= 76,606 CHF, Archival space = 6,000 CHF</i> |
| | Guarding and security of premises | 0 | <i>Covered by the host state, through host organization</i> |
| | IT & Telecommunication Services (IT hardware, IT software, IT support (labour) and Treaty website maintenance and support ^{vii}) | 42,710 | <i>2017 IT line rent = 4,800 CHF, IT purchases = 2,000 CHF; 2017: IT maintenance and support = 34,214 CHF, 2017 mobile phone subscription = 1368 CHF; 2017 copy machine rent = 1,200 CHF</i> |
| | Accounting and financial administration (including related to the collection of contributions) | 24,500 | <i>financial services = 25,000 CHF</i> |
| | Human resources administration | 29,400 | <i>2016: HR 30,000 CHF</i> |
| | Personnel support services (DCAF staff member) | 43,230 | <i>2017: Assistant salary + social costs = 44,112 CHF (12 months 50%)</i> |
| DCAF Overhead 2017 | 22,079 | <i>2017: DCAF overhead = 22,530 CHF</i> | |
| Residual Swiss ONCE-OFF START-UP CAPITAL | Office furniture, equipment (acquisition, rental and maintenance) ^{viii} | 49,000 | <i>Covered by the host state, through host organization</i> |
| | Subtotal SWISS OFFER ^{ix} | 291,873 | |
| VOLUNTARY | N/A | N/A | |
| | Subtotal VOLUNTARY | - | |
| TOTAL | | 1,203,665 | |

| Conference (3CSP): Draft Provisional Budget Estimante:2017 | | | | |
|--|--|---|---|---|
| Budget ^x source | Type ⁱⁱ | Item | est. cost (USD) | Comments |
| ASSESSED from participating states ^{xi} CSP in Geneva at CICG^{xvi} | 3CSP^{xii} | Conference venue ^{xiii, xvi} | 6,122 | <i>No rent if held at CICG, Geneva; Estimated Charge for Conference Services (CICG) = CHF 6,000</i> |
| | | Documentation ^{xiii} | 16,500 | <i>Translation (French and Spanish)</i> |
| | | In-session Interpretation ^{xiii} | 62,500 | <i>Interpretation equipment & human resources (interpreters)</i> |
| | | Conference equipment and supplies ^{xiii} | 3,300 | <i>Photocopy paper, basic office supplies</i> |
| | | IT Support ^{xiii} | 70,000 | <i>IT equip. (computers/printers, document reprod., website and online registration system, streaming, wifi)</i> |
| | Subtotal 3CSP | | 158,422 | |
| | Management Committee^{xiii} | Travel (if needed) | 11,000 | |
| | Facilitation of meetings | 5,500 | <i>Conference space</i> | |
| Subtotal Management Committee | | 16,500 | | |
| ASSESSED when CSP is in Geneva at CICG | 3CSP^{xii} | Design and printing | 1,650 | <i>Banners, posters, invitations, logo, badges, name plates, participants kits</i> |
| | | Security | 5,900 | <i>CSP Security and dedicated Security Officer mandatory in the WMO premises for meetings with 60 and more participants</i> |
| | | Medical support | 550 | |
| | | Decoration | 880 | |
| | | Miscellaneous | 1,100 | |
| | Staff | 11,000 | <i>Conference manager, local support staff</i> | |
| Subtotal 3CSP | | 21,080 | | |
| Subtotal ASSESSED | | 196,002 | | |
| IN-KIND by host when CSP is outside of GENEVA | 3CSP | Conference venue | - | |
| | | Catering | - | <i>Lunches, coffee breaks, reception</i> |
| | | Design and printing | - | <i>Banners, posters, invitations, logo, badges, name plates, participants kits</i> |
| | | Transport | - | <i>Buses/cars, for airport, opening ceremony etc.</i> |
| | | Security | - | |
| | | Medical support | - | |
| | | Decoration | - | |
| | | Miscellaneous | - | |
| Staff | - | <i>Conference manager, local support staff</i> | | |
| Subtotal IN-KIND | | - | | |
| VOLUNTARY | 3CSP | Sponsorship programme ^{xiv} | 255,000 | <i>Sponsorship programme, to support participation of delegates from developing countries^{xv}</i> |
| Subtotal VOLUNTARY | | 255,000 | | |
| TOTAL conference cost | | 196,002 | <i>Total does not include voluntary contributions towards the sponsorship programme</i> | |

Explanatory Notes

- i As per ATT Financial Rule 3, the Budget covers a financial period which is equivalent to a calendar year; this budget thus includes a twelve month outlook for the calendar year 2017.
- ii Budget lines are as determined by Financial Rule 6 (3) in respect of Secretariat and Financial Rule 5 (3) in respect of Conference.
- iii As per ATT Financial Rule 6
- iv Head of Secretariat level of appointment as determined by CSP1 and reconfirmed by the 2016 Extraordinary Meeting.
- v As per ATT Staff Rules and Regulations adopted by States Parties through silence procedure on 25 May 2016
- (i) Gross salary;
 - (ii) Recurring costs (Dependency allowance, Education grant, Contribution to medical insurance, Step increment);
 - (iii) Non Recurring costs (Annual leave, Relocation grant, Assignment allowance and Home leave);
 - (iv) Centrally Managed Costs;
- vi Costing provided by Switzerland in CHF and converted to USD at the exchange rate of 1 USD = 0.98 CHF as of 26 April 2016
- vii The IT infrastructure support and maintenance services will be provided by e-DURABLE SA, a service provider already providing similar services to other organisations on the 2nd floor of WMO.
- viii It is anticipated that 50% of the CHF 100'000 start-up capital provided by Switzerland would have been used in 2016 with a balance of USD 49,000 carried forward to 2017
- ix This subtotal comprises of the Swiss in-kind offer for 2017 (USD 242'873) and the balance of the once-off start-up capital of USD 49'000 carried forward from 2016.
- x In order to provide for inflation, the budget line items figures from the CSP2 budget have been adjusted by a 10% margin in the CSP3 budget.
- xi As per ATT Financial Rule 5
- xii Based on CSP1 real cost in combination with estimates of experience of expenses from UNDP for a 5-day meeting. This figure will be adjusted once the CSP2 real costs are visible.
- xiii As per Financial Rule 5.3.
- xiv As per Financial Rule 5.5.
- xv Currently 85 delegates (approx. 3,000 USD/ delegate-economy flight ticket, accommodation, insurance, applicable per diem). This figure will be possibly adjusted with real information from CSP2.
- xvi CICG is available from 24 to 28 July 2017 or from 31 July to 04 August 2017 (with 01 August being a national holiday, USD 5'102 will be charged for that day if used as a conference day);²
In terms of the Agreement on Administrative Arrangements, the rental for the conference venue is only free of charge if held at CICG.
Should CSP3 be scheduled outside of the above indicated dates, a conference venue in Geneva would have to be rented at an estimated cost of USD 40'816 for a 5 day period.