



Arms Trade Treaty
3rd Conference of States Parties
Geneva, 11 – 15 September 2017

Agenda Point 11: Matters pertaining to the Secretariat

H.E. M. Erwin Bollinger
State Secretariat for Economic Affairs SECO

**Reports of the Secretariat and the Management Committee as well as
the budgetary estimates for 2018**

Mr. President

Switzerland would like to thank the secretariat for its report and we would also like to thank the Head of Secretariat and his team for their outstanding work during the past year. Communication has been smooth and quick, and meetings have been well organized.

We already underlined at CSP2 that managing the VTF would raise both capacity and expertise issues for the secretariat. We therefore thank the Secretariat's proposal to evaluate possible options with regard to the VTF management – especially the time intensive project evaluations. In this regard, Switzerland supports a mandate for the secretariat to explore different options as outlined in the Secretariat's report. But it could be useful to conduct this analysis after completing one entire project cycle of the VTF, including the evaluation of the projects, to be able to adequately evaluate the resources needed. We would however note that this mandate should be exercised not only in coordination with the management committee but also the VTF selection committee, which has also specific recommendations on this issue in its report to the Conference.

Regarding budget estimates for 2018, Switzerland is pleased to continue supporting the secretariat in 2018 via its ongoing in-kind support. We welcome the proposed budget estimates, in particular, we would like to support the proposed inclusion of interpretation and translation costs for the working groups, this is important for their efficiency,

On financial contributions, we need to underline our concern about the fact that a number of States Parties are not meeting their obligations under the conventions in terms of contributions. Those contributions are not optional, they are mandatory. We deem essential that we swiftly address this issue as they will otherwise become more complicated, as we have seen under other conventions. We welcome that the list of contributions has been made public on the ATT website. It underlines the high number of States that have not made their contributions. We deem important that this matter be followed closely, in particular by the management committee, to identify what further steps may be necessary to address this issue.

In this context, I would also like to also thank Mexico for its important intervention and suggestion earlier this morning. This applies in particular to the establishment of a reserve fund, or to be technically more accurate of a working capital reserve. We deem such a mechanism as essential to preempt problems that could derive from a temporary cash shortfall or to put it differently a lack of liquidity. A capital reserve should in no way be established to compensate for non-payments – contributions are mandatory and no buffer should be established to cover deficits. But as we have seen under other conventions, a financial crisis can rapidly arise simply because contributions are made at different stages during a financial cycle whereas expenditures starts on January 1. We understand that creating such a capital reserve maybe a new issue for a number of delegations and raise a number of practical questions. In this context, we would deem necessary that the management committee be formally mandated to address not only the issue of non-payments but also the issue of possible liquidity shortfalls and the form and shape that a capital reserve could take to address this challenge.

Thank you, Mr. President.