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Arms Trade Treaty  
**Third Conference of States Parties**  
Geneva, 11 – 15 September 2017

**REPORT ON THE WORK OF THE ATT VOLUNTARY TRUST FUND (VTF)  
FOR THE PERIOD AUGUST 2016 TO AUGUST 2017**

1. In anticipation of the forthcoming Third Conference of States Parties to the Arms Trade Treaty, please find attached the ATT Voluntary Trust Fund (VTF) report on its work undertaken since its establishment in August 2016 by the Second Conference of States Parties.
2. The VTF report shall be considered under Item 9 (International Assistance) of the agenda of the Third Conference of States Parties. This will include, *inter alia*, the current status of VTF operations including an update on the VTF funded projects as well as any proposals on possible improvement of the VTF work in the period after the Third Conference of States Parties.
3. During the discussion of the VTF report, States are encouraged to make announcements of their intended financial contributions to the VTF, if in a position to do so.
4. We avail ourselves of this opportunity to renew the assurance of our highest consideration.



**Ambassador Michael BIONTINO**  
Chairperson: VTF Selection Committee



**Ambassador Klaus KORHONEN**  
President: Third Conference of States Parties

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**INTRODUCTION**

5. This report is submitted by the ATT Voluntary Trust Fund (VTF) in compliance with its reporting obligations to the Conference of States Parties as contemplated in the VTF Terms of Reference and the VTF Administrative Rules.

**BACKGROUND**

6. The Second Conference of States Parties to the Arms Trade Treaty (ATT) decided on the establishment of the ATT Voluntary Trust Fund (VTF) to operate under its approved Terms of Reference (ATT/CSP2/2016/WP.3/Rev.1). In accordance with the approved VTF Terms of Reference, the Conference further 'decided on the appointment of *Argentina, Chad, Cote d'Ivoire, El Salvador, Germany, Guinea, Japan, Mauritius, New Zealand, Nigeria, Sweden, Switzerland* and the *United Kingdom* to serve on the Selection Committee of the VTF for the period up to the Fourth Conference of States Parties (eligible to be reappointed for further terms).'

7. An opportunity was provided for further nominations to serve on the Selection Committee until 15 September 2016 in order to meet the agreed number of 15 seats on the Committee. By 15 September 2016, no further states had expressed an interest to serve on the Selection Committee. On 21 September 2016, the CSP3 President confirmed the VTF Selection Committee's composition of 13 states through a notification circulated to States.

8. Article 5 of the VTF Terms of Reference provides that the VTF shall be administered by the ATT Secretariat with the support of the VTF Selection Committee. The VTF Administrative Rules (which are founded on the VTF Terms of Reference) set out, in detail, the distinct yet complementary roles of the ATT Secretariat and the VTF Selection Committee with respect to the functioning of the VTF.

**MANDATE OF THE VTF**

9. The VTF is a flexible multi-donor Fund established under Article 16 (3) of the Treaty as a mechanism (*facility, instrument*) to give effect to international assistance, through the deposit and disbursement of funds, to support States in implementing their obligations under the Treaty.

**OPERATIONALISATION OF THE VTF**

10. On 26 August 2016, immediately after the closure of the Second Conference of States Parties, the VTF Selection Committee met and decided on the appointment of Ambassador Michael BIONTINO of Germany as its Chairperson.

11. Guided by the Second Conference of States Parties' directive for the immediate operationalization of the VTF, the VTF Selection Committee adopted the document 'VTF Tasks and Timeline' to guide its work in terms of expected deliverables and timing of such deliverables (See Annex A).

12. On 04 November 2016, the VTF Selection Committee met, considered and adopted the VTF Administrative Rules, which provide the technical procedures and guidelines for the effective operationalization, management and governance of the VTF. In the same meeting, the VTF Selection Committee adopted the first VTF Call for Financial Contributions which, together with the VTF Administrative Rules, were circulated to all stakeholders through the 1<sup>st</sup> VTF Selection Committee Chairman's Communication of 15 November 2016.

13. On 09 February 2017, a further call for Financial Contributions to the VTF was issued. This was done in accordance with the provisions of the VTF Administrative Rules, which state that voluntary financial contributions to the VTF can be made throughout the year.

**RECEIVED VOLUNTARY FINANCIAL CONTRIBUTIONS TO THE VTF**

14. Since the first call for contributions, the VTF received voluntary financial contributions from 9 States namely: Australia, Czech Republic, Finland, France, Germany, New Zealand, Sweden, Switzerland and the United Kingdom. In addition, pledges for contributions to the VTF were received from Ireland and the Netherlands. The breakdown of the received financial contributions is reflected on Annex B.

15. Where necessary, the VTF has concluded agreements with the donors detailing the applicable terms and conditions for the financial contributions. All financial contributions are kept in a dedicated bank account for the VTF which facilitates the receipt, disbursement and accounting for all the VTF funds.

16. The received VTF voluntary contributions provided a sound financial base for the first VTF call for project proposals.

**CALL, SUBMISSION AND PROCESSING OF PROJECT PROPOSALS**

17. On 20 December 2016, the VTF issued its first 'Call for Proposals', inviting States to submit applications to the Fund, between 03 January – 31 March 2017. The application procedure, including the set budget cap, was elaborated on a number of documents posted on the ATT website and transmitted to ATT stakeholders via the ATT Secretariat's mailing list.

18. By the closing date of 31 March 2017, the ATT Secretariat - the administrator of the VTF – received 21 applications from 19 different States. In accordance with its mandate, the Secretariat conducted the pre-screening exercise on the received applications and prepared a report to the VTF Selection Committee. The Selection Committee met on 18 May 2017 to review and consider the applications shortlisted by the ATT Secretariat. After having granted some States an opportunity to

improve their project proposals, the final list of approved applications was decided by the VTF Selection Committee on 17 July 2017.

19. At the end of the selection process, the VTF Selection Committee has approved a total of 17 projects involving 16 States for VTF funding in the 2017 cycle. The overview of the approved projects is provided in Annex C.

20. The ATT Secretariat communicated the VTF Selection Committee's decisions with all applicants, notifying them of the outcomes of their VTF applications and requesting the information and documentation necessary to conclude a Grant Agreement with each successful applicant (Grant recipient). In July and August 2017, the ATT Secretariat concluded Grant Agreements with eleven VTF Grant recipients and released the first instalment of funds for each VTF project according to the terms of the Grant Agreements.

21. Each Grant Agreement contains a project schedule, prepared by the ATT Secretariat in accordance with the project description provided by each Grant recipient, that guides project deliverables, reporting arrangements and grant payment intervals. It is this project schedule instruments that the ATT Secretariat shall use to monitor the funded projects and report to the Conference of States Parties and Donors.

#### **INITIAL LESSONS LEARNT**

22. Since the establishment of the VTF, a number of initial lessons have been learned, highlighting some of the administrative/procedural challenges that emerged during the process as well as some of the substantive/political issues faced by the VTF Selection Committee, as well as the ATT Secretariat, in processing the applications.

23. Administrative/procedural challenges experienced by the ATT Secretariat include the following:

- a. *Quality of Format:* The lack of quality of some of the applications, especially the budget forms, submitted by applicants necessitated a 'request for clarification' phase of the process and increased the anticipated workload of the Secretariat. Furthermore, the format of some of the applications (e.g. scans or photos of signed application forms) meant some of the applications were large files that were difficult to transfer to members of the Selection Committee for consideration.
- b. *Quality of Content:* There were broad discrepancies in terms of the length of applications and level of detail, especially the 'project description'. In addition, a determination has to be made with respect to the form of evidence that should be required to assess the level of engagement of beneficiaries in the following instances: 1) proposal submitted jointly by 2 states (joint proposal); and 2) proposal submitted by one state but claiming a number of other states as beneficiaries (e.g. regional projects).
- c. *Liaison with Applicants:* The low response rate/contactability with respect to some applicants (e.g. email inboxes full or not functioning) made it difficult to communicate and conclude the process in a timely and efficient manner.
- d. *Capacity of the ATT Secretariat:* Most applications were sent at the last minute resulting in staff members liaising with states and implementing partners anxious to know if applications were received or were submitted. Furthermore, the pre-screening of VTF

applications took longer than the ATT Secretariat anticipated, in part because of the volume of proposals as well as the need for the 'request for clarification' process to improve some of the submissions before their consideration by the Selection Committee.

24. Substantive and political challenges faced by the VTF Selection Committee include the following:

- a. *Assessing political commitment of non-State Parties to the ATT:* A need exists for a criteria and a methodology to be established for determining whether applicants that are Signatory States or have not yet joined the ATT have 'shown clear and unambiguous political commitment to accede to the ATT' in accordance with the VTF Terms of Reference.
- b. *Scope of implementation:* A determination needs to be made regarding what constitutes 'implementation' and what qualifies as 'implementation activities' for the purpose of assessing the merits of a project proposal and whether it qualifies for VTF funding and consideration by the Selection Committee. In this regard, information coming out of the established working groups in respect of Treaty implementation priorities could be considered.
- c. *Project Timing:* An approach needs to be adopted on assessing the proposed project timeframe and the extent to which the Selection Committee can 'second-guess' whether an applicant State can achieve the project proposed in the timeframe stipulated.
- d. *Costing Tool:* The development of an approach/policy for assessing and determining whether certain costings in applicants' proposals are reasonable or inflated would be a useful tool to help ensure VTF money is spent appropriately.
- e. *Methodology for prioritizing proposals:* Further discussion and agreement is needed regarding the criteria and methodology for prioritizing proposals (in the event there is insufficient funding to cover all projects in the future). The VTF Selection Committee will endeavour to elaborate such methodology.
- f. *Non-payment of Assessed Contributions:* Further discussion is needed on the relevance and possible consequence of non-payment of ATT assessed contributions by applicant States.

25. Having analysed the challenges above (administrative and substantive), the VTF is, within its mandate, working towards finding the most appropriate solutions to address these challenges.

## RECOMMENDATIONS

26. With due regard to the initial lessons learnt and the need to carry out interventions aimed at improving the effectiveness of the VTF, the following recommendations are presented for consideration and endorsement by the Third Conference of States Parties:

- a. *Execution of VTF Outreach Activities linked to Treaty Implementation*  
The VTF outreach activities will be aimed at promoting the VTF as an instrument to support Treaty implementation by focusing on the following areas:

- i. The raising of States' understanding of the Treaty content and awareness of their Treaty implementation challenges.
- ii. Improvement of States' awareness of the VTF as an instrument that could be used for funds to address the identified Treaty implementation challenges.
- iii. Guidance on the preparation of sound project proposals that meet the requirements of the VTF.
- iv. Capacity building on project implementation management.

VTF outreach activities should be considered for the months of October 2017 – February 2018 in alignment with the VTF cycles. In this context three - four VTF Outreach events in Africa, Asia-Pacific and the Americas would be instrumental, starting with an event in New York during the 2017 United Nations' First Committee meeting.

b. Capacitation of the VTF Administration

The VTF administration is critical to the continued effectiveness of the VTF as a vehicle for international assistance with respect to Treaty implementation. The work of the VTF has thus far been managed effectively with internal resources. However, it is anticipated that the VTF work will increase in the short term due to the following reasons: need to effectively monitor the approved projects; overlap of the 2017 project cycle with subsequent project cycles; and the implementation of the strategic vision and plan for the enhancement and improvement of the VTF process.

The VTF seeks a mandate to consider and pursue, within its purview, the most appropriate option to address the capacitation of the VTF administration. This could include the determination of a particular percentage of financial contributions to be used for the VTF administration.

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**Annex A. VTF Tasks and Timeline**

This reflects the updated VTF Tasks and Timeline for the operationalization of the VTF.

	<b>TASK</b>	<b>TIMELINE</b>	<b>RESPONSIBILITY</b>
1.	VTF Application Procedure.	<ul style="list-style-type: none"> <li>Draft application procedure elements ready: 07 October 2016.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Inputs provided by the Selection Committee: 04 November 2016.</li> </ul>	Selection Committee
2.	VTF Administrative Rules.	<ul style="list-style-type: none"> <li>Draft Administrative Rules ready: 28 October 2016.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Inputs provided by the Selection Committee: 04 November 2016.</li> </ul>	Selection Committee
3.	Call for Financial Contributions (Information to Donors).	<ul style="list-style-type: none"> <li>Draft Call for Contributions ready: 28 October 2016.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Inputs provided by the Selection Committee: 04 November 2016.</li> </ul>	Selection Committee
		<ul style="list-style-type: none"> <li>Circulation of Call for financial contributions to States: 15 November 2016.</li> <li>Contributions to VTF could be made throughout the year.</li> </ul>	Secretariat Donors
		<ul style="list-style-type: none"> <li>Conclusion of Secretariat and Donors' agreements as required.</li> </ul>	Secretariat Donors
4.	Call for Project Proposals.	<ul style="list-style-type: none"> <li>Draft call for project proposals: 30 November 2016.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Inputs by the Selection Committee: 09 December 2016.</li> </ul>	Selection Committee
		<ul style="list-style-type: none"> <li>Call for project proposals: 20 December 2016.</li> <li>Project proposals to be submitted in the period: 03 January - 31 March 2017.</li> </ul>	

		<ul style="list-style-type: none"> <li>Advice to the Selection Committee of financial contributions received: 16 January 2017.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Advice to States Parties of financial contributions received: 20 January 2017.</li> </ul>	Secretariat
5.	Preparation of VTF background materials.	<ul style="list-style-type: none"> <li><u>VTF Information Brochure</u>: 23 February 2017.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li><u>VTF Frequently Asked Questions (FAQs)</u>: 23 February 2017.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li><u>Explanatory Notes for Completing the Grant Application Form</u>: 23 February 2017.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li><u>Explanatory Notes for Completing the Detailed Budget Form</u>: 23 February 2017.</li> </ul>	Secretariat
6.	Deadline for project proposals.	<ul style="list-style-type: none"> <li>31 March 2017.</li> <li><i>21 proposals from 19 States received.</i></li> </ul>	Secretariat VTF Chairperson
7.	VTF meeting.	<ul style="list-style-type: none"> <li>23 February 2017.</li> </ul>	Secretariat VTF Chairperson
8.	Preliminary assessment of project proposals.	<ul style="list-style-type: none"> <li>Assessment of eligibility to be shortlisted: 31 March – 03 April 2017.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Preparation of list of administrative defects to be communicated to and addressed by applicants.</li> </ul>	Secretariat
9.	Rectification of administrative defects.	<ul style="list-style-type: none"> <li>Applicants given opportunity to rectify administrative defects: 03 - 10 April 2017.</li> </ul>	Secretariat
		<ul style="list-style-type: none"> <li>Detailed review of each proposal and preparation of list of questions and comments to be communicated to and addressed by applicants.</li> </ul>	Secretariat



10.	Request for clarification.	<ul style="list-style-type: none"> <li>Applicants given opportunity to respond to request for clarification: 12 - 28 April 2017.</li> </ul>	Secretariat
11.	Pre-screening of project proposals and preparation of shortlist.	<ul style="list-style-type: none"> <li>Project proposals shortlist ready: 01 May 2017.</li> <li>Liaison with UNSCAR to prevent duplications.</li> </ul>	Secretariat
12.	Circulation of project proposals shortlist to Selection Committee.	<ul style="list-style-type: none"> <li>Report to VTF Selection Committee: 10 May 2017.</li> </ul>	Secretariat
13.	Selection Committee meeting: Consideration and approval of successful project proposals.	<ul style="list-style-type: none"> <li>18 May 2017.</li> </ul>	Selection Committee Secretariat
14.	Notification of applicants on the Selection Committee's preliminary decisions.	<ul style="list-style-type: none"> <li>09 June 2017.</li> </ul>	Secretariat
15.	Request for refinement.	<ul style="list-style-type: none"> <li>Selected applicants asked to respond to request for refinement of certain proposals sought by Selection Committee: 23 June – 17 July 2017.</li> </ul>	Selection Committee Secretariat
16.	Selection Committee consideration of final proposals from selected applicants.	<ul style="list-style-type: none"> <li>05 - 17 July 2017.</li> </ul>	Secretariat
17.	Notification of selected applicants on the Selection Committee's final decisions.	<ul style="list-style-type: none"> <li>21 July 2017.</li> </ul>	Secretariat
18.	Contracting (Grant Agreement) between VTF and successful Grant Recipients.	<ul style="list-style-type: none"> <li>23 June - 31 August 2017.</li> </ul>	Secretariat Grant Recipients
19.	Transfer of grants (1 <sup>st</sup> instalment)	<ul style="list-style-type: none"> <li>28 July – 31 August 2017.</li> </ul>	Secretariat Grant Recipients
20.	Preparation of report to CSP3	<ul style="list-style-type: none"> <li>11 August 2017.</li> </ul>	Secretariat
21.	Presentation to CSP3.	<ul style="list-style-type: none"> <li>11-15 September 2017</li> </ul>	All

**Annex B. Financial Contributions Received: Voluntary Trust Fund First Cycle (2017)**

<b>Voluntary Trust Fund 2017</b>	<b>Pledged</b>	<b>Received</b>
<b>Contributions received</b>		
Australia	73,778.90	73,746.75
Czech Republic	9,594.35	9,594.35
Finland	268,942.50	268,936.24
France	179,186.79	179,186.79
Germany	530,850.00	530,823.98
New Zealand	68,908.50	68,896.16
Sweden	327,834.02	327,827.98
Switzerland	129,151.93	129,145.96
United Kingdom	389,180.00	389,180.00
<b><i>Subtotal Contributions received</i></b>	<b><i>1,977,426.99</i></b>	<b><i>1,977,338.21</i></b>
<b>Contributions pledged</b>		
Ireland <sup>1</sup>	27,448.65	
Netherlands <sup>2</sup>	112,000.00	
<b><i>Subtotal Contributions pledged</i></b>	<b><i>139,448.65</i></b>	
<b>TOTAL (USD)</b>	<b>USD 2,116,875.64</b>	<b>USD 1,977,338.21</b>

1) Ireland pledge, 15/05/2017: EUR 25,000.00 = USD 27,449.64

2) Netherlands pledge, 17/08/2017

**Annex C. 1<sup>ST</sup> Voluntary Trust Fund Cycle (2017): Overview of Projects Approved for ATT VTF Funding**

No.	State	Project Title	Budget Total (USD)	Duration (months)			Implementing Partner	Type of implementation assistance
				12	6to8	<6		
1	Cameroon	Fast Tracking the Universalization and Implementation of the ATT in Cameroon	94'642.00	✓			Cameroon Youths and Students Forum for PEACE (CAMYOSFOP)	National workshops to promote ATT (Publication and dissemination of ATT manual; 'advocacy' workshops with Govt. Ministries and Parliamentarians; building capacity of journalists; building capacity of key Govt. Ministries)
2	Costa Rica	Training and facilitation of the exchange of experiences in the sub region: clarifying regional processes in customs and border control, as well as promoting inter-institutional coordination to better create national and joint policies for the effective implementation of the Arms Trade Treaty (ATT)	96'118.00	✓			Arias Foundation for Peace and Human Progress	Two regional conferences
3	Côte d'Ivoire (1)	Building capacities of national stakeholders on the implementation of the Arms Trade Treaty	78'096.00			✓		National workshops (x 3) to build capacity of 3 groups: Government Ministries, parliamentarians, civil society

4	Côte d'Ivoire (2)	Strengthening of tools and procedures for transfer control	28'329.00			✓		Assessment and revision of existing transfer controls
5	El Salvador	Strengthening the capacities of the National Authority for the implementation of the ATT through equipment and training.	97'081.00	✓			United Nations Regional Centre for Peace, Disarmament, and Development in Latin America and the Caribbean (UNLIREC)	National workshops (x 3) on legal assistance; technical assistance; and developing National Control List; plus equipment acquisition (marking machine)
6	Ghana	Adoption of National Control List and Capacity Building for Implementing Agencies in Ghana	89'345.00		✓		UNDP	Development of National Control List and training on the list
7	Guatemala	Implementation of the Arms Trade Treaty in the Republic of Guatemala	96'325.68	✓			United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UNLIREC)	Strengthen national capacities for establishing effective transfer controls; strengthening normative and institutional framework for ATT implementation; establishment of National Control Authority; Legal Assistance - review of current legislation
8	Liberia	Drafting legislations to support the effective implementation of the ATT in Liberia	91'501.05	✓			Liberia Action Network on Small Arms (LANSA)	National awareness dialogue; Strengthen capacity of LANSA; Develop new legislation; Adopt Wassenaar Control List; Complete Broker registry; Establish NPC on ATT;

								establish cross-governmental Licensing Committee
9	Mauritius	Capacity Building for enforcement authorities and legal departments	19'795.00			✓		National workshop to build capacity for Mauritius Police Force, Ports Authority, Revenue authority (Customs Department), State Law Office
10	Palau	Enhancing Palau's arms control system: Ready to meet Arms Trade Treaty obligations	85'505.00	✓			Centre for Armed Violence Reduction (CAVR) - Secretariat for the Pacific Small Arms Action Group (PSAAG)	Assessment of legislative and procedural gaps in current transfer control system; Capacity building workshops for sub-region
11	Philippines	Developing and Implementing a Training Course on Licensing, Investigation and Enforcement Policies and Procedures on Conventional Weapons	99'996.85	✓			Nonviolence International	Training course to build and enhance the capacity of the state's implementing agencies on the areas of licensing, investigation and enforcement
12	Samoa	Streamlining arms data collection and reporting in Samoa	72'113.00	✓			Centre for Armed Violence Reduction (CAVR)	Assessment of gaps in current information management, data collection and reporting system; Implementation Plan for database system; Train the Trainer Workshop on Information management and database system

13	Senegal	Building Capacity in Effective Implementation of the Arms Trade Treaty (ATT)	85'739.00		✓		Geneva Centre for Security Policy (GCSP)	5-Day Training Course for Officials involved in ATT implementation
14	Sierra Leone	Assessing Sierra Leone's ATT implementation compliance	78'495.00	✓			Saferworld	Production of Assessment Report; Presentation of Final Report to Sierra Leone Stakeholders; Workshop to discuss development of National Action Plan for Adoption by Sierra Leone Government
15	Togo (1)	TCA appropriation and implementation training project; Advocacy for the adoption and popularization of the preliminary draft law on the arms regime	99'675.00		✓			Training Workshops on the appropriation and implementation of the ATT in the chief locations of the five regions of Togo and Grand Lomé; Awareness and popularization campaign of the preliminary draft law on weapons (exchanges dialogues, radio broadcasts and broadcast of audio spots)
16	Togo (2)	Strengthening the capacities of African States in the implementation of the ATT	190'512.00		✓		Permanent Delegation of the African Union in Geneva	Capacity building three-day workshops for better understanding of the ATT and of processes at its Secretariat, better synergy between Geneva-based Missions and African capitals, identify

								opportunities and challenges in implementing ATT, share experience among countries
17	Zambia & Swaziland	ATT Academy for Southern Africa	170'344.00	✓			Control Arms	ATT Academy training on ATT implementation
				10	4	3		
		<b>Total</b>	<b>1'573'612.58<sup>1</sup></b>					

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<sup>1</sup> Some of the Project budgets are still subject to refinement for Grant Agreement purposes. Accordingly, this total is an approximate figure, not the exact / final total.