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Arms Trade Treaty

**Seventh Conference of States Parties**

Geneva, Switzerland, 30 August – 03 September 2021

## **ATT PROVISIONAL BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2022**

### **INTRODUCTION**

1. Article 17 (3) of the Arms Trade Treaty (ATT) provides that the Conference of States Parties shall, at each ordinary session, adopt a budget for the financial period until the next ordinary session.
2. The preparation and management of ATT budgets is governed by the ATT Financial Rules. Rule 4 (1) of the ATT Financial Rules provides that the ATT Secretariat shall prepare and, following a review by the Management Committee, submit budget estimates to States Parties at least 90 days before the opening of the Conference at which the budget is to be adopted.
3. The budget estimates submitted for adoption by the Conference of States Parties should cover budget estimates for the Conference and the ATT Secretariat. Financial considerations for the Conference and the ATT Secretariat budget estimates are set out in Rules 5 and 6 of the ATT Financial Rules, respectively.
4. The ATT draft budget estimates for the 2022 financial period were prepared in accordance with the requirements of the ATT Financial Rules.

### **ECONOMIC SITUATION**

5. The ATT budget estimates are presented and adopted in US dollars (USD), the ATT currency of budgeting and accounting. However, the ATT approved budget is expended in transactions based on the Swiss Francs (CHF). This results in ATT budgets being exposed to the fluctuation of the USD – CHF rate of exchange. The USD – CHF rate of exchange has remained constant for the past five years<sup>1</sup>. However, since 2020 the USD has lost value against the CHF<sup>2</sup>. This situation impacts the outlook of the 2022 draft budget estimates.
6. The current economic situation resulting from the COVID-19 pandemic affects most states. In reviewing the 2022 draft budget estimates in accordance with Rule 4 (1) of the ATT Financial Rule, the Management Committee highlighted the importance of striking a right balance between planned activities to support ATT imperatives and the need to contain costs in the context of the current economic situation. In this regard and after consideration, the ATT Secretariat has identified budget items that could potentially be considered for a reduction together with risks associated with such a reduction (see Annex A).

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<sup>1</sup> 1 CHF = 1.0081708946 USD.

<sup>2</sup> 1 CHF = 1.10643947776057 USD.

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## **2021 FINANCIAL YEAR INCOME FIGURES**

7. Rule 4 (1) of the ATT Financial Rules provides that budget estimates presented for adoption by Conference of States Parties must include the actual income figures for the previous period, which in this instance is the 2021 financial year.

8. The 2021 financial income is based on the 2021 budget adopted by the Sixth Conference of States Parties. In this regard, the total ATT budget for 2021, inclusive of the ATT Secretariat component (USD 738,572.00) and the Conference component (USD 329,628.00), is USD 1,068,200.00. It is against this amount that assessed financial contributions to the ATT 2021 budget were calculated using the formula prescribed in the ATT Financial Rules.

9. In October 2020, the ATT Secretariat issued 121 assessment notices to all relevant States in accordance with Rules 5 and 6 of the ATT Financial Rules. As of 31 May 2021, the total financial contributions received from 67 States is USD 935,606.68. The total outstanding financial contributions from the other 54 States assessed for the 2021 ATT budget is USD 132,593.32.

10. In March 2021, in accordance with Rule 8 (1) of the ATT Financial Rules, the President of the Seventh Conference of States Parties wrote to all States with outstanding financial contributions reminding them of this fact and impressing upon them the importance of paying their respective arrears.

## **BUDGET ADMINISTRATION**

11. On adoption by the Seventh Conference of States Parties, the ATT budget will be managed by the ATT Secretariat according to the provisions of the ATT Financial Rules and under the oversight of the Management Committee. Accordingly, the ATT Secretariat will notify all States of their assessed financial contributions to the 2022 budget in October 2021.

## **CONCLUSION**

12. Pursuant to Rule 4 (1) of the ATT Financial Rules, the ATT Secretariat hereby submits to States Parties the 2022 draft budget estimates for consideration and adoption at the Seventh Conference of States Parties (CSP7).

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## ATT Secretariat: Draft Provisional Budget Estimates 2022

Budget <sup>i</sup> Source	Item <sup>ii</sup>	est. cost (USD)	Comments
ASSESSED from States	Total staff costs (P4, P3 and P2) <sup>iii</sup> - 12 months 2022	638'280	<i>In accordance with ATT Staff Rules and Regulations</i>
	General temporary assistance (if needed)	12'500	<i>50 days of consultancy (Junior specialist - estimated 250 USD/day)</i>
	Professional services (legal, procurement, personnel, financial)	20'000	<i>40 days of consultancy (Specialist - estimated 500 USD/day)</i>
	Staff international travel costs (inclusive of air travel, ground transportation, accommodation and daily allowances)	20'835	<i>Estimated costs of 4,167 USD/trip (2 trips for P4, 2 trips for P3, 1 trip for P2)</i>
	Staff training	4'500	
	Utilization of IT & telecommunication services (cell phone calls, fixed line calls, photocopies)	5'000	
	Secretariat website	80'000	<i>Maintenance and incremental enhancement</i>
	Audit fees	7'000	
	Insurance	16'500	
Miscellaneous (stationery, toner, etc.)	8'000		
<b>Subtotal ASSESSED</b>		<b>812'615</b>	<b>Total of which 30% is assessed as per Financial Rule 5, 70% assessed as per Financial Rule 6</b>
IN-KIND by host state <sup>iv</sup> (Switzerland)	Office premises (inclusive of building management) - 12 months	95'950	<i>Covered by the host state: Office Premises = 80,719 CHF, Archival space = 6,000 CHF</i>
	IT & telecommunication services (IT hardware, IT support (labour)) <sup>v</sup>	54'055	<i>IT line rent = 3,240 CHF, IT purchases = 6,000 CHF; IT maintenance and support = 36,795 CHF; Cell phone subscription = 420 CHF; Copy machine rent = 2,400 CHF</i>
	Accounting and financial administration (including related to the collection of contributions)	49'790	<i>Financial services = 45,000 CHF</i>
	Human resources administration	11'064	<i>HR services = 10,000 CHF</i>
	Personnel support services (DCAF staff member)	44'258	<i>Assistant salary + social costs = 40,000 CHF (12 months 50%)</i>
	DCAF overhead 2022	18'900	<i>Miscellaneous = 1,600 CHF; DCAF overhead = 15,497 CHF</i>
<b>Subtotal IN-KIND by host</b>		<b>274'017</b>	
<b>TOTAL</b>		<b>1'086'633</b>	

## Conference (CSP8): Draft Provisional Budget Estimates 2022

Budget source <sup>i</sup>	Type	Item <sup>ii</sup>	est. cost (USD)	Comments	
ASSESSED from participating states <b>CSP in GENEVA</b>	CSP8 Preparatory Process	Venue for Preparatory Meetings	35'849	2 x Working Group Meetings, 2 x Informal Preparatory Meetings (=8 days)	
		Security	8'763	2 x Working Group Meetings, 2 x Informal Preparatory Meetings (=8 days)	
		Documentation <sup>vi</sup>	44'000	Translation Services (Arabic, Chinese, French, Russian, Spanish)	
		In-session Interpretation <sup>vii</sup>	106'218	2 x Working Group Meetings, 2 x Informal Preparatory Meetings (=8 days)	
	<b>Subtotal Preparatory Process</b>			<b>194'830</b>	
	CSP8	Conference venue	19'363	No rent if held at CICG, Geneva; Estimated charges for conference services at CICG (Technical support, rent of equipment)	
		Documentation <sup>vi</sup>	48'000	Translation Services (Arabic, Chinese, French, Russian, Spanish)	
		In-session Interpretation <sup>vii</sup>	69'706	Interpretation equipment & interpreters	
		Video recording	5'500		
		Conference equipment and supplies	3'781	Computers, copy machine and corresponding supplies	
		IT Support	7'000	IT service to support computer, printers, website, online registration	
		Conference support staff	13'500	Local support staff	
		Security	15'500	CSP Security	
		Design and printing	3'400	Banners, posters, invitations, logo, badges, name plates, participants kits	
		Decoration	1'415		
Medical support		1'000			
Miscellaneous	1'100				
<b>Subtotal CSP8</b>			<b>189'265</b>		
<b>Subtotal ASSESSED</b>			<b>384'095</b>		
IN-KIND by host when <b>CSP is outside of GENEVA</b>	CSP8	Conference venue	-		
		Catering	-	Lunches, coffee breaks, reception	
		Design and printing	-	Banners, posters, invitations, logo, badges, name plates, participants kits	
		Transport	-	Buses/cars, for airport, opening ceremony etc.	
		Security	-		
		Medical support	-		
		Decoration	-		
		Miscellaneous	-		
Staff	-	Conference manager, local support staff			
<b>Subtotal IN-KIND</b>			<b>-</b>		
<b>TOTAL conference cost</b>			<b>384'095</b>		

**Explanatory Notes**

- i. In accordance with ATT Financial Rule 3, the budget covers a financial period which is equivalent to a calendar year (January-December). Accordingly, this budget includes a twelve month outlook for the calendar year 2022.
- ii. Budget lines are as determined by Financial Rule 6 (3) in respect of the Secretariat and Financial Rule 5 (3) in respect of the Conference.
- iii. In accordance with the ATT Secretariat's Staff Rules and Regulations, this budget line includes remuneration, allowances and insurance.
- iv. The current in-kind contribution by the Host State (Switzerland) will terminate in December 2023. Costing of in-kind contribution is provided by Switzerland in CHF and converted to USD at the exchange rate of 1 CHF = 1.10643947776057 USD as of 12 May 2021. The increase in the in-kind contribution expressed in USD is due to exchange rate fluctuations. The actual in-kind contribution provided in CHF remains unchanged.
- v. The IT infrastructure support and maintenance services is provided by e-Durable SA.
- vi. In accordance with Rule 49 (1) of the ATT Rules of Procedure.
- vii. In accordance with Rule 47 (1) of the ATT Rules of Procedure.

## ANNEX A: POSSIBLE BUDGET ITEMS FOR REDUCTION AND ASSOCIATED RISKS

Risk Assessment	Full Cost Budget	Reduced Cost Budget	Reduction	Associated Risk
<b>ATT Secretariat Budget</b>				
Professional services	20'000	15'000	5'000	The ATT Secretariat sources specialist professional services and advice on certain aspects of its work. This includes technical evaluation of IT solutions, evaluation and certification of legal contractual instruments, advice on accounting and auditing measures and controls etc. The budget reduction will negatively affect the ability of the ATT Secretariat to receive the said professional services, and will impact its capacity and confidence to undertake planned objectives.
Staff international travel	20'835	12'501	8'334	The proposed budget reduction will seriously curtail the ability of the ATT Secretariat to support Treaty implementation and universalization efforts undertaken by the CSP President, ATT office holders and States Parties in general. This will be inconsistent with the mandate of the ATT Secretariat to support Treaty implementation and universalization.
Staff training	4'500	0	4'500	The ability of the ATT Secretariat to enhance its staff competencies in certain areas will affect levels of staff efficiency. In turn, this may have implications for organisational effectiveness.
<b>Subtotal</b>	<b>45'335</b>	<b>27'501</b>	<b>17'834</b>	
<b>CSP8 Budget</b>				
Venue for preparatory meetings	35'849	23'683	12'166	If the ATT Secretariat cannot secure CIGG (venue provided free of charge by the Swiss government) for at least one of the two series of ATT Working Groups and preparatory meetings, the ATT Secretariat will be unable to rent private venues (at cost) to host both series of planned ATT meetings due to a financial shortage. This will negatively affect preparations for CSP8. It is to be noted that the ATT schedule of meetings can only be confirmed later in a year thus making early reservation of venues not possible.
<b>Subtotal</b>	<b>35'849</b>	<b>23'683</b>	<b>12'166</b>	
<b>Total</b>	<b>81'184</b>	<b>51'184</b>	<b>30'000</b>	