Arms Trade Treaty: Status of ATT Finances

Dumisani DLADLA, Head of the ATT Secretariat
12 May 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 (12 May)

<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>94.08%</td>
<td>93.20%</td>
<td>92.18%</td>
<td>91.14%</td>
</tr>
<tr>
<td>Contributions Outstanding</td>
<td>-61,167.94</td>
<td>-72,603.15</td>
<td>-93,574.51</td>
<td>-106,534.53</td>
</tr>
<tr>
<td>% of States having paid</td>
<td>84.36%</td>
<td>76.03%</td>
<td>70.87%</td>
<td>56.82%</td>
</tr>
<tr>
<td><strong>In-kind Contribution by Switzerland</strong></td>
<td><strong>288,000.20</strong></td>
<td><strong>249,523.00</strong></td>
<td><strong>274,017.00</strong></td>
<td><strong>289,139.00</strong></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>+ 13,032.36</td>
<td>+ 0.00</td>
<td>+ 4,055.53</td>
<td>+ 120,700.24</td>
<td></td>
</tr>
<tr>
<td>-305,839.68</td>
<td>-72,603.15</td>
<td>-93,574.51</td>
<td>-106,534.53</td>
<td>-578,551.87</td>
</tr>
</tbody>
</table>

### 96 Contributions outstanding from 39 States

- Contributions outstanding from 29 States
- Contributions outstanding from 37 States
- Contributions outstanding from 57 States
Cash Flow Projection: 2023

Contributions ATT 2023 Budget Received  Rollover  Staff Costs  Operations  Preparatory Meetings and CSP9  Liquidity [USD]
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.
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>Contribution: Germany</td>
<td>50,000.00 EUR</td>
</tr>
</tbody>
</table>
• Guidelines for making financial arrangements under Financial Rule 8 (1) d adopted by CSP7

• No formal request for financial arrangements submitted so far
End