Mr. President,

I have the honour to speak on behalf of the European Union and its Member States.

The Candidate Countries the former Yugoslav Republic of Macedonia*, Montenegro*, Serbia* and Albania*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as Georgia align themselves with this statement.

The EU welcomes the fact that financial matters have been included as a stand-alone item on our agenda. Financial stability is essential for the effective functioning of the Treaty and of its institutions.

We are seriously concerned by the fact that a significant number of States Parties have not met their financial obligations. We therefore call upon all States Parties that have not yet done so to pay their dues in full and on time.

As we must avoid an accumulation of arrears which would harm the functioning of the Secretariat, could lead to the cancellation of meetings and hamper the work of the Conference as a whole, we

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* The former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.
should look to reinforce the already robust Financial Rules and ensure that they are implemented. In this regard, we need to take all appropriate measures to improve the payment rate and cash flow and thereby the financial situation of the ATT. We should carefully observe and review the situation and continue work to address the financial situation during the intersessional process between CSP4 and CSP5. We are keen to see concrete proposals to this end at an early date.

The ATT Management Committee plays an important role in enforcing the financial rules. It is in our common interest to ensure that we have a strong committee, with the necessary skills and expertise and institutional memory to execute an important number of tasks, inter alia to address the financial challenges facing the Treaty. We encourage the Presidency to continue informal consultations in order to find a solution that would take into account the various proposals and concerns as regards the capacity of the Management Committee and notably its enlargement.

Thank you, Mr. President