CSP5: Matters pertaining to Financial Contributions: UK Statement

Mr President,

We align with the comments made on behalf of the European Union and its Member States.

I would like to thank the Management Committee for their work on ATT finances.

**We must be clear that the underlying cause of the current financial problems is non-payment of contributions by some states.** The current financial rules are robust in challenging non-payment.

To solve the long-term financial issues, it is essential that any measures address the root cause and incentivise States to meet their obligations. The ongoing application of Financial Rule 8.1(d) is crucial in this regard.

At the outset, we recall that the current financial rules were carefully developed to provide financial stability. They are fit for purpose and they must be preserved. We support in principle the proposals to address problems related to financial liquidity with further refinement and clarification. With this in mind, we would like to propose the following additions and amendments to the recommendations in the Management Committee’s Draft Proposal:

We would propose an additional paragraph between paragraphs 14 and 15;
“States Parties should reaffirm the importance of the full implementation of all of the Financial Rules; and agree that from the next invoice (for 2020) Rule 8.4 will be fully implemented. Therefore, from 2019, the uncommitted balance of appropriations from the previous financial period shall be rolled-over to the next financial period, thereby reducing States’ contributions for the next financial period. This will be reflected in invoices.”

We also propose amendments to clarify paragraph 15, incorporated in the following. I will flag the beginning and end of new language.

“States Parties should agree, as an exceptional measure, as the Financial Rule 8.4 had not been fully implemented to date, that the total credits due to States that paid all their contributions until 2018, which are not currently available (and not showing as ‘ring-fenced’) in the accounts at the start of CSP5, will not be rolled-over at the time of the next invoice (for 2020). These will be rolled-over (offset against the next contribution payments) for a period of 5 years at least in equal parts annually, starting from the next invoice. For the purpose of transparency, the full amount still due from the previous years should be reflected in the subsequent invoices, and any spreadsheet on the status of the payment of contributions, until the uncommitted balance of appropriations still owed to States Parties has been fully rolled-over. The implementation of this measure should be reviewed at CSP7.”

In addition to these amendments to the Recommendations of the Draft Proposal, we would suggest a change in the annexed Terms of Reference for the Voluntary Reserve Fund. I will flag the beginning and end of new language. I read the penultimate bullet point:
“The target and cap for the Fund is set at the equivalent amount of the annual costs of the ATT Secretariat. The Secretariat will inform the Management Committee when the cap is reached and will not accept additional contributions unless funds are withdrawn by the contributing States Parties.”

To conclude, proper financial management is crucial to ensure value for money and accountability. Along with these proposed measures, we encourage the Management Committee to continue to identify financial efficiencies, including in the Secretariat and the strategic scheduling of meetings. We need to ensure we deliver realistic, concrete proposals.

Thank you, Mr. President