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Submitted by: ATT Management Committee

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THE MANAGEMENT COMMITTEE'S RECOMMENDED FINANCIAL OPTION TO ADDRESS THE ACCUMMULATED ATT UNCOMMITTED FUNDS

INTRODUCTION

1. The Third CSP3 Informal Preparatory Meeting held on 01 June 2017 considered the status of the ATT financial status (contributions) for the 2015/2016 and 2017 financial years with a view to making proposals to the Third Conference of States Parties (CSP3) on possible measures to be adopted to improve the ATT financial situation.
2. During the discussion, the following questions were considered:
 - a. How should States be encouraged to make their financial contributions in a timely manner?
 - b. Should the status of assessed financial contributions be published on the ATT website?
 - c. What should be the intervals of financial updates provided by the ATT Secretariat?
 - d. How should the accumulated uncommitted funds from the 2015/16 and 2017 ATT budgets be handled in view of the changing nature of States' contributions and the future ATT financial uncertainties?
3. After the discussion, the Third CSP3 Informal Preparatory Meeting requested that the States' views on the identified financial questions be further considered by the Management Committee, in its capacity as the ATT subsidiary body mandated to provide oversight over the ATT financial matters, and, where necessary, prepare financial recommendations to be presented to CSP3.

MANAGEMENT COMMITTEE CONSIDERATIONS

4. As requested, the Management Committee considered the ATT finances, in detail, and reflected on the views expressed by the States on the matter. In its consideration process, the Management Committee relied on the provisions of its mandate, which is wide enough to allow the Management Committee to make and implement certain financial determinations to ensure predictability and sustainability in the ATT cash flow. Accordingly, the Management Committee felt that the actions aimed at addressing questions 2 a-c above, on encouraging States to make timely contributions as well as publication of information on financial contributions, can be immediately implemented by the Management Committee and the ATT Secretariat.

IMMEDIATE INTERVENTION

5. In view of its mandate, the Management Committee decided that the following actions be immediately implemented:

- a. A notice be issued by the CSP3 President to all States advising that the status of ATT financial contributions for the 2015/16 and 2017 financial years shall be made public on the ATT website with effect from on 01 September 2017, with updates made on quarterly basis; and
- b. States with outstanding financial contributions be given an opportunity to address their outstanding accounts by 31 August 2017.

FINANCIAL OPTIONS ON UNCOMMITTED FUNDS

6. On the question of accumulated uncommitted funds from the 2015/16 and 2017 ATT budgets (question 2 d above), the Management Committee considered the following financial options:

- a. *Option 1.* In accordance with Rule 8.4 of the ATT Financial Rules, roll-over the uncommitted funds to the next financial period and reduce (discount) the States' financial contribution for the next financial period.
- b. *Option 2.* Use the accumulated uncommitted funds to establish an ATT financial buffer (reserve) for future uncertain years.
- c. *Option 3.* Use the accumulated uncommitted funds to cover the current ATT financial shortages e.g. the ATT Secretariat IT system.
- d. *Option 4.* Combination of Option 3 and Option 1, which entails using part of the accumulated uncommitted funds to address the current underfunded ATT Secretariat IT system and roll-over the balance to the next financial period and reduce (discount) the States' financial contribution for the next financial period.

MANAGEMENT COMMITTEE RECOMMENDATION FOR CSP3

7. Having considered the ATT financial status, the ATT scale of effort and the current ATT resources demands, the Management Committee recommends the following:

- a. The adoption of Option 4 which entails using part of the accumulated uncommitted funds to address the current underfunded ATT Secretariat IT System and roll-over the balance to the next financial period and reduce (discount) the paid-up States' financial contribution for the next financial period.

In practice this will mean that of the accumulated uncommitted funds (estimated at USD 400 000), USD 150 000 should be used to supplement the current IT budget of USD 100 000. The balance, estimated at USD 250 000, should be rolled-over to the next financial period and reduce (discount) proportionately the next financial contributions of the States that have contributed to the uncommitted funds.

- b. Adjustment of the ATT Financial Rule 8.4 to provide for the roll-over of the uncommitted funds to be *restricted* only to those States that have contributed to the uncommitted funds. To that end, the Rule 8.4. of the ATT Financial Rules should be adjusted to read as follows:

*“The uncommitted balance of appropriations from previous financial periods shall be rolled-over to the next financial period, thereby reducing **proportionately** the **paid up** States’ contributions for the next financial period”*
