
**Fourth Review Conference of the States Parties to
the Convention on the Prohibition of the Use,
Stockpiling, Production and Transfer of
Anti-Personnel Mines and on Their Destruction**

16 September 2019

English only

Second Preparatory Meeting

Geneva, 18 September 2019

Item 7 of the provisional agenda

Status of assessed contributions to the Fourth Review Conference

**Financial predictability and sustainability of United Nations
assessed contributions. Report and draft recommendations**

Submitted by the President of the Fourth Review Conference

I. Introduction

1. The Seventeenth Meeting of States Parties “noted with concern the financial situation due to late payment and arrears of assessed contributions” and “decided to continue the dialogue on this matter and to closely monitor the financial situation under the guidance of the Presidency in the lead up to the Fourth Review Conference to ensure prompt and full payment of assessed contributions and to address this issue at the Fourth Review Conference” The Meeting furthermore “called upon the States Parties and States not party participating in the Meetings of the States Parties to address issues arising from outstanding dues” and “requested the States Parties and States not party participating in the meetings of the States Parties to proceed promptly with the payment of their share of the estimated costs as soon as the assessment invoices have been received”.

II. Background

2. The costs of servicing annual Meetings of the States Parties (MSP) of the Anti-Personnel Mine Ban Convention are paid by assessed contributions from participating States adjusted in accordance with the United Nations scale of assessment in accordance with Article 14 of the Convention. Since 2016, the United Nations financial system prevents the advancement by the United Nations of resources unless sufficient funds are available three months in advance of the meeting.

3. Given that support to the meetings of the Convention falls into the category of extra-budgetary activities, the assistance rendered by the United Nations to the States Parties in organising the MSPs and Review Conferences is provided on the understanding that it will not have implications for the regular budget of the United Nations and that costs will be borne in full by the States taking part in the meeting.

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4. Though the United Nations financial regulation dictate that extra budgetary activities such as the meetings of the Anti-Personnel Mine Ban Convention must not give rise to additional financial liabilities for the Organization, upon closing the account for annual activities each year, the United Nations has been required to return any excess of estimates over actual expenditures as credits to those States that have paid their contribution in full. Meanwhile, unpaid assessed contributions from other States have left the United Nations with unfunded liabilities. In response to this situation, the United Nations informed the States Parties in a Note Verbal dated 1 April 2019 that the accounts for each year will not be closed until all contributions due are collected or new financial measures adopted (for example such as have been adopted within the Biological Weapons Convention).

5. In January of each year, the United Nations issues invoices to States consisting of their assessed contribution for the current year and their outstanding contribution from previous years. As of this year, the invoice is no longer sent to the Missions, but instead posted on a restricted part of the United Nations Office at Geneva website.

III. Status of United Nations assessed contributions

6. Over the past few years, a structural problem has arisen that has forced the States Parties to take a number of cost-cutting measures, including undesirable measures such as reducing the number of meeting days due to insufficient funds. This situation arises due to (1) non-payment of assessed contributions within the calendar year, (2) accumulated arrears by some States Parties and (3) delayed payment, i.e. payment within the budget year, but later than three months in advance of the meeting.

7. As of 31 July 2019, the total amount of outstanding contributions for the Anti-Personnel Mine Ban Convention stands at \$148,523, meaning that 82% of the assessed contributions to cover the cost estimates for 2019 have been collected.

IV. Measures established in the context of the Anti-Personnel Mine Ban Convention to ensure the financial predictability and sustainability

8. Since 2016, the following measures have been put in place to improve the financial situation:

Inclusion of a contingency line in the cost estimate

9. Since the Sixteenth Meeting of the States Parties (16MSP) the cost estimates include a 15% contingency line in order to help ensure greater financial predictability and liquidity for the planning and holding of meetings. This measure appears to enjoy support among States Parties and has helped create increased financial liquidity.

Measures related to timely payment and non-payment of contributions

10. Monthly update on the status of assessed contributions is published on the United Nations Office at Geneva website.

11. An agenda item on assessed contributions has been included in all Convention-related meetings (Pledging Conference, intersessional meetings, Meetings of the States Parties/Review Conference and Preparatory Meeting), including presentations by UNODA on the issue encouraging States to pay their dues in compliance with Article 14 and to do so as early as possible and well ahead of the three-month deadline.

12. Update on the financial situation provided by UNODA to the Convention's Coordinating Committee at every meeting of the Coordinating Committee.
13. The Convention's Implementation Support Unit has been asked to communicate to all States Parties once the new figures are posted on the United Nations Office at Geneva website.
14. Together, measures 2 – 5 have helped build awareness of the financial situation and served as a reminder and encouragement for States Parties to make timely payments.
15. In 2018, letters were sent by UNODA to States that have accumulated two or more years of arrears encouraging payment as soon as possible;
16. In 2019, the President sent letters to all States as well as to specific States encouraging payment of their 2019 contributions as well as to address arrears;
17. Bilateral meetings were organised by the President and/or UNODA with selected States with outstanding contributions (15MSP, 16MSP and Seventeenth Meeting of the States Parties (17MSP) and ahead of the Review Conference).

Cost-cutting measures on an ad-hoc basis

18. Since the 15MSP in 2016, a number of measures were taken on an ad-hoc basis to cut down the costs of meetings in response to a situation of insufficient funds available. A number of these, including reducing the number of meeting days, have not been desirable measures and should be avoided if possible in the future. Others, like the following appear not to have impeded the substantial work of the Convention and could be continued in the future if need be:

- Reduction of number of pages of documents (15MSP, 16MSP and 17MSP);
- Reduction of number of languages in which the documents are being translated (15MSP, 16MSP and 17MSP);
- E-document meeting with official documents no longer distributed during meetings (15MSP, 16MSP and 17MSP);
- Reduction of United Nations staff supporting meetings (15MSP and 16MSP).

V. Recommendations for further for consideration

19. While these measures taken together have had a positive effect, they have not in themselves proven enough to remedy the current situation. While the States Parties have recognized that only payment of annual assessed contributions in full and on time can fully guarantee the financial sustainability of the Convention, a number of additional measures should be considered by the States Parties in order to improve the situation. Based on consultations and assessment of financial measures introduced or considered within other disarmament Convention, the President recommends the following measures for consideration by the Review Conference:

- (a) Requests the President to continue the measures described in points 1 – 6 above as needed and encourages the President to establish an ad-hoc group of interested States Parties from within the Coordinating Committee to support him/her in the follow-up of these and the below proposed measures. Such a group should ideally be geographically balanced;
- (b) Requests the ISU to circulate the monthly update on the status of assessed contributions to all States Parties to further build awareness and encourage timely payment;

- (c) Requests States in arrears to pay outstanding amounts at the earliest possible date;
 - (d) Decides that a State whose contributions are in arrears for two or more years shall enter into a payment schedule with the President of the Convention and/or the United Nations to permit it to clear outstanding arrears, taking into account its financial circumstance;
 - (e) Requests States to notify the Presidency at the beginning of the year when they expect their assessed contribution to be paid;
 - (f) Requests the President to contact States that have not paid their assessed contribution by 30 April to clarify when it will be paid. This will facilitate financial planning throughout the year;
 - (g) Decides that arrears for unpaid contributions should remain the amount of the initial assessment invoiced to the relevant State Party for the year in question, unless expenditures are higher than initial cost estimates. Currently the State Party in arrears receives a final invoice reflecting its share of the actual costs which in the majority of cases is lower than the estimated costs. This effectively rewards a State Party for paying after the end of the financial year;
 - (h) Decides to close the accounts late. Accounts should remain open 12 months following the closing of an MSP, at which time the accounts should be closed, a final balanced determined and any surplus funds allocated back to States as credit against their next assessment;
 - (i) Requests the United Nations to prepare a multi-year cost-estimate that covers a two-year period for the provisional approval by the States Parties and to issue invoices based on these estimates in August of the preceding year, to encourage early payment and improve the liquidity in the first half of each year;
 - (j) Requests the United Nations to resume the practice of sending to each billed State its individualised invoice via its Permanent Mission (in addition to posting it on the United Nations Office at Geneva website).
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