Meeting of the High Contracting Parties to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects

Geneva, 13–15 November 2019
Item 13 and 14 of the provisional agenda
Financial issues related to the Convention and its annexed Protocols
Issues related to the Implementation Support Unit

Further suggested measures that could be considered to improve the stability of the Secretariat’s support to the Convention and on financial issues related to the Convention and its annexed Protocols

Submitted by the Chairperson-elect

I. Background

1. Following the adoption of the financial measures, the 2017 Meeting of the High Contracting Parties (HCP) to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (CCW) requested the Chairperson-elect, in consultation with the United Nations Office at Geneva (UNOG), United Nations Office for Disarmament Affairs (UNODA) and High Contracting Parties, to identify and report to the High Contracting Parties in 2018 any further measures that could be considered to improve the stability of the Secretariat’s support to the Convention, recognizing the role of the Implementation Support Unit (ISU) in performing this function according to the decision in this regard of the 2009 Meeting of the High Contracting Parties, and to keep the measures under review in order to ensure the financial sustainability of the Convention.

2. The Chairperson of the 2018 Meeting of HCP, following extensive informal consultations, submitted a report on further measures that could be considered to improve the stability of the Secretariat’s support to the Convention and on financial issues related to the Convention and its annexed Protocol (CCW/MSP/2018/7). The 2018 Meeting of HCP took note of the Chairperson’s Report and, while re-confirming the relevance of the financial measures adopted at the 2017 Meeting of the HCP, agreed to certain additional clarifications. The HCP also:

   (i) decided to continue monitoring the financial situation of the CCW; and

   (ii) considered the measures to improve the stability of the ISU support to the Convention, as indicated in the Report submitted by the Chairperson (CCW/MSP/2018/7) and decided to ask the Chairperson elected to continue consultations in this regard in 2019 (emphasis added). Recalling the decision on the establishment of a CCW ISU contained in CCW/MSP/2009/5, which remains effective, the Meeting decided to request UNODA to provide temporary staff support to the ISU to provide support to CCW activities and services in 2019, provided sufficient funding exists and without prejudice to future staffing arrangements of the ISU.
3. The Chairperson of the 2019 Meeting of HCP has identified two recurring financial issues related to the Convention and its annexed Protocols:
   (i) Structural and Cash flow related issues; and
   (ii) Issues related to the CCW Implementation Support Unit.

II. Structural and Cash flow related issues

4. The structural and cash flow related issues arise from: (a) non-payment of contributions within the calendar year, resulting in the accumulation of arrears and unfunded liabilities; and (b) delayed payment, i.e. payment within the budget year but later than the thirty days expected upon receipt of the invoice. Late payments, together with accumulated deficits, make the situation increasingly unsustainable. The accumulation of arrears implies that the financial problem is being pushed into future and is likely to worsen unless appropriate measures are put in place.

5. At the 2018 Meeting of HCP, the High Contracting Parties stressed that the payment of annual assessed contributions by the High Contracting Parties in a timely manner and in full is of utmost importance and is prerequisite for the sustainability of the CCW and urged all High Contracting Parties to honour their financial obligations under Convention.

6. A unanimous understanding has already been reached that the payment of annual assessed contributions by the HCP in a timely manner and in full is the only guarantee of the sustainability of the CCW processes. No measures addressing cash flow issues will fully remedy non-payment of assessed contributions by some HCP.

7. The Chairperson of the 2018 Meeting of HCP suggested additional possible safeguards to ensure sustainability of the cash flow including a Contingency Provision and the creation of a CCW Voluntary Reserve. However, no consensus could be reached on them.

8. The following measures are proposed to address the structural and cash flow related issues:
   (a) Non-Payment
      (i) HCP in arrears should be called upon to pay outstanding amounts at the earliest possible date.
      (ii) Arrears for unpaid contributions should remain the amount of the initial assessment invoiced to the relevant HCP for the year in question.
      (iii) HCP whose arrears equal or exceed the amount of the contributions due from them for the preceding two full years shall inform the Meeting of HCP of the reasons for non-payment and shall be encouraged to contact the Chairperson to explore the possibility of multi-year payment plans with UNODA and UNOG.
   (b) Delayed Payment: All HCP should be called upon to seek to pay invoices at the earliest possible date and, where feasible, in advance of the beginning of the year.
   (c) Establish a Working Capital Fund (WCF) to provide liquidity during the financial year with a view to ensuring the stability of ISU support to the Convention. The WCF shall operate in accordance with the Terms of Reference attached as Annex I.
   (d) In order to stop accumulating unfunded liabilities, request the United Nations to ensure that expenditures remain below the average year-end collection rate of the prior 3 years.

III. Issues related to the Implementation Support Unit (ISU)

9. The 2018 Meeting of HCP, in its final report (CCW/MSP/2018/11) noted that: “Recalling the decision on the establishment of a CCW ISU contained in CCW/MSP/2009/5, which remains effective, the Meeting decided to request UNODA to provide temporary staff support to the ISU to provide support to CCW activities and services in 2019, provided sufficient funding exists and without prejudice to future staffing arrangements of the ISU.”
10. During the course of informal consultations conducted by the Chair of the 2019 Meeting of HCP, support was expressed by HCP for retaining the ISU in its original form, consisting of two full-time staff members embedded within the Geneva Branch of the United Nations Office for Disarmament Affairs. All costs related to the ISU are funded by the States through the estimated costs of the CCW meetings. The scope of ISU functions as agreed by the HCP at the 2009 HCP meeting and contained in the document CCW/MSP/2009/5 (attached as Annex-II) would remain applicable and would be performed alongside with services outlined in article 15 of the CCW Rules of Procedure (attached as Annex-III).

11. In order to ensure the continuity of approved programmes and activities, priority should be given to funding the contracts of the Implementation Support Unit.

12. The stability of the dedicated ISU support to the CCW HCPs and the predictability of ISU staff contracts will be guaranteed by the establishment of WCF which would be used, if needed, to provide liquidity to ensure the continuation of the contracts of the ISU staff.

IV. Further Measures

13. The HCP should continue to monitor the financial situation, keep the already agreed measures under review, and identify further measures that could be considered to improve the financial sustainability of the Convention. Among other potential measures, the HCP could consider at the Sixth CCW Review Conference in 2021 to agree on a programme of meetings and the corresponding budget for the entire five-year period up to the Seventh Review Conference in 2026, thus allowing for sound financial planning and sending out of preliminary invoices earlier in the year.
Annex I

Terms of Reference for the CCW Working Capital Fund (WCF)

(a) Contributions to the WCF are strictly voluntary;
(b) Only CCW HCPs may contribute funds to the WCF;
(c) Voluntary contributions to the WCF should be accepted in accordance with the Financial Regulations and Rules of the United Nations.
(d) The voluntary contributions to WCF are irrevocable, i.e. they cannot be withdrawn by the donor till such time that the WCF is abolished;
(e) Any interest on funds held in the WCF should accrue to the WCF and be transferred to the donors when the WCF is abolished;
(f) The minimum target of WCF, for planning purposes, is 100% of one year’s full cost estimate;
(g) The WCF cannot be used to cover arrears of assessed contributions in any circumstance;
(h) The purpose of the WCF is to provide liquidity to the CCW over the course of the calendar year. The WCF is used solely as a source of short-term financing pending receipt of reasonably anticipated contributions;
(i) Funds may only be withdrawn from the WCF to provide short-term liquidity to finance the contracts of the staff of the CCW Implementation Support Unit (ISU). Withdrawals from the WCF in a calendar year may not exceed the amount of reasonably anticipated contributions in a calendar year, defined by applying the average year-end collection rate over the preceding three years;
(j) Withdrawals from the WCF will be replaced by deposits from assessed contributions as soon as the assessed contributions are paid;
(k) UNODA is fully responsible for use of the WCF according to these Terms of Reference and shall provide a financial report on the use of funds prior to each meeting of HCPs;
(l) The functioning of the WCF is to be reviewed at the Sixth CCW Review Conference in 2021. If and when the HCP will decide to dismantle the WCF, funds will be returned to the respective contributing HCP, along with the interest accrued, or used otherwise in accordance with their instructions.
Annex II

Excerpts from Document CCW/MSP/2009/5, final report of the 2009 HCP meeting pertaining to the establishment of the ISU

1. Taking into account the importance of securing the continuity and stability of the support provided by the Secretariat to the CCW High Contracting Parties and observer States with regards to the effective and comprehensive implementation and universalization of the Convention and its annexed Protocols, including the exchange of information and cooperation among the High Contracting Parties, the Meeting decided that an “Implementation Support Unit” (ISU) shall be established, while noting that the increased work relating to the CCW and its Protocols could benefit from a strengthened UNODA, Geneva branch.

2. The ISU will consist of two full-time staff members within the Geneva Branch of the United Nations Office for Disarmament Affairs and will be funded by the States through the estimated costs of the CCW meetings. It will work under the authority of the annual Meetings of the High Contracting Parties to the Convention.

3. The CCW ISU will operate in the most efficient way and will perform the following tasks:

   (a) Provide administrative support to and prepare documentation for meetings agreed by the meetings of the High Contracting Parties to the CCW, Amended Protocol II and Protocol V;

   (b) Facilitate communications among High Contracting Parties and, upon request, with international organizations;

   (c) Serve as a focal point for submission of information by and to the High Contracting Parties related to the Convention and its annexed Protocols; develop and maintain the CCW website and the CCW databases as directed by the annual Meetings of the High Contracting Parties;

   (d) Support the High Contracting Parties, on request, in the implementation of the CCW and its Protocols and assist the Secretary-General of the United Nations in the discharge of his/her responsibilities pursuant to Article 11 (2) of Protocol V, Article 14 (4) of Amended Protocol II and the CCW Compliance mechanism;

   (e) Contribute to the promotion of the universalization of the CCW and its annexed Protocols and support the High Contracting Parties in the implementation of the CCW Plan of Action for the Universalization of the CCW and its Protocols and the CCW Sponsorship Programme;

   (f) Perform any other duty as mandated by the High Contracting Parties of the CCW or its Protocols.

4. The Head of the ISU will report to the annual Meetings of the High Contracting Parties to the Convention on the operation of the ISU. The Unit’s performance will be evaluated by the annual Meetings of the High Contracting Parties to the CCW. The number of staff employed and the functions of the ISU will be reviewed by the Fourth Review Conference.
Annex III

Excerpts from Document CCW/CONF.V/4 (Rules of Procedure)

Rule 15

Duties of the secretariat

The secretariat of the Conference shall, in accordance with these rules:

(a) Interpret speeches made at meetings;
(b) Receive, translate, reproduce and distribute the documents of the Conference;
(c) Publish and circulate the instruments adopted by the Conference, including its Final Document, and all the official documents of the Conference;
(d) Prepare and circulate summary records of plenary meetings;¹
(e) Make and arrange for the keeping of sound recordings of meetings;
(f) Arrange for the custody and preservation of the records of the Conference in the Archives of the United Nations; and
(g) Generally, perform all other work required in connection with the servicing of the Conference.

¹Decision 7” of the Fifth CCW Review Conference states: “To retain the practice of keeping Summary Records only for the final sessions of: the future Review Conferences; the meetings of the High Contracting Parties to the Convention; and the Conferences of the High Contracting Parties to Amended Protocol II and Protocol V.