Statement

under agenda item 6 Management of the intersessional programme:
Budgetary and financial matters,

Meeting of the States Parties to the Biological and Toxin Weapons
Convention, Geneva, 4 – 7 December 2018

by Reint Vogelaar

First Secretary of the Kingdom of the Netherlands
to the Conference on Disarmament
Mr. Chair,

In addition to the statement to be delivered by the EU on this issue, we would like to make some remarks in our national capacity.

The Netherlands thanks you for your extensive work on this issue. We appreciate the transparent, inclusive and thorough way in which you sought clarifications and made adequate preparation for us to take the necessary measures at this Meeting of States Parties.

The Netherlands agrees with your analysis on the sources of the financial problems as contained in the Conference Room Paper:

First, we have a structural ‘hole’ in our budget resulting from the non-payments by a number of States Parties. This ‘hole’ is growing as arrears are being piled up. At the current rate, around 10% of the assessed contributions are not being paid by the states parties each year. This practice has resulted in a growing gap that currently stands at USD130,000 and that will continue to grow further if no action is taken.

Secondly, we have a cash flow or liquidity problem, which is on the one hand related to the late payment of assessed contributions. While on the other hand, we are currently lacking a mechanism that will allow the utilization of remaining funds into the next year.

In light of these problems, it is both timely and necessary that we take the necessary measures at this MSP in line with mandate agreed by consensus last year.

Mr. Chair

Turning to the proposals on the table, the Netherlands is of the view that we should agree on a number of measures during this MSP.
We support the measures to encourage the prompt payment of assessed contributions as well as the inclusion of a contingency provision of 10%.

In the absence of consensus on a contingency fund, the Netherlands could support a voluntary reserve fund, as an interim measure, to ensure sufficient liquidity for mandated activities, to be replenished as soon as feasible, but in any case within the financial period, which follows the period in which the funds were used.

Let me underline here that the establishment of such a fund cannot be used to cover arrears from prior year, and the voluntary fund should be dissolved once a permanent solution is found. Only when there are strict measures to address non-payment, such as the withdrawal of voting rights and the right to hold office, can my delegation consider a standing working capital fund.

Turning now to your proposal for a firm budget, the Netherlands welcomes the inclusion of a provision to permit the use of unused fund for mandated activities in the first six months of the year when there is reasonable assurance that the necessary funds will be paid by States Parties, as contained in point 7 C.

In closing, the adoption of any of these measures will not alleviate the need for additional measures addressing structural non-payment. Therefore, we propose to mandate the incoming chair to continue work on measures addressing structural non-payment.

Thank you.