

**Meeting of the States Parties to the Convention
on the Prohibition of the Development,
Production and Stockpiling of Bacteriological
(Biological) and Toxin Weapons and on Their
Destruction**

4 December 2018

English only

2018 Meeting**Geneva, 4–7 December 2018**

Item 6 of the provisional agenda

Management of the intersessional programme**Budgetary and financial matters**

**Elements of a Decision on Measures to address the Financial
Predictability and Sustainability of the Convention**

Submitted by the Chairman

1. Recalling [the Eighth Review Conference] --> [the report of the 2017 Meeting of States Parties in (Section V, sub-paragraph 19(f)] which states that: "The Meeting of States Parties will be responsible for managing the intersessional programme, including taking necessary measures with respect to budgetary and financial matters by consensus with a view to ensuring the proper implementation of the intersessional programme."
2. Concerned by the gravity of the financial situation of the Convention, stresses the importance of taking urgent measures to ensure financial predictability and sustainability for the meetings agreed by States Parties and for the Implementation Support Unit.
3. Affirms that the financial problems encountered by the BWC result from:
 - (a) Structural non-payment, which is a persistent pattern of non-payment of contributions within the calendar year, creating a consistent deficit in the revenues available for the work of the intersessional programme as well as accumulated debts currently in excess of \$130,000;
 - (b) Delayed payment, which is a payment within the budget year, but later than the thirty days expected upon receipt of the invoice, such that funds may not be available at the time they are required;
 - (c) Inadequacy in applying the Financial Regulations and Rules of the United Nations to the agreed programme of work of the BWC, in light of the requirement that full funding is on hand before staff contracts are signed or meetings are held and thus have led to difficulties in extending ISU contracts, as well as to cancelling (or reducing) meetings agreed in the intersessional programme.
4. Further affirms that payment on-time and in full by States Parties is the only guarantee of financial predictability and sustainability for the intersessional programme and the Implementation Support Unit.

Hereby:

[MEASURES TO ENCOURAGE PROMPT PAYMENT]

- (1) Calls on States Parties that are in arrears to pay their past assessed contributions without further delay;



(2) Calls on all States Parties to pay their assessed contributions not later than thirty days after the start of the year to which the invoices apply;

(3) Requests UNODA to ensure that invoices are sent out as soon as possible and encourages States Parties in a position to do so to pay the invoices before the start of the year;

[CONTINGENCY FUND]

(4) Decides to add a contingency provision of 10% to the cost estimates for 2019 and 2020 that were approved by the 2017 Meeting of States Parties [and to issue revised invoices.]

[IMPLEMENTATION SUPPORT UNIT]

(5) Emphasises that the ISU, as established by the Sixth Review Conference, is an integral part of the intersessional programme and is mandated through to the next Review Conference in 2021, and therefore:

- (a) recalling the request of the 2009 Meeting of States Parties that the administrative arrangements, including employment contracts, for the staff of the ISU appropriately reflect the full duration of its mandate, sets the goal that the ISU staff be given fixed-term contracts that cover the length of the intersessional programme, or at the minimum, rolling one-year fixed-term contracts;
- (b) decides that funding of staff contracts should be given priority over meetings when deciding on the prioritisation of available funds; and
- (c) requests UNODA and UNOG to advise on measures to achieve the goal of multi-year contracts – bearing in mind the consistently predictable rate of collection of contributions year after year.

[MECHANISM FOR ENHANCED LIQUIDITY WITHIN A BUDGET YEAR]

(6) Decides to establish a Reserve Fund, financed by voluntary contributions, to serve as a liquidity buffer:

- (a) The establishment of the Fund will serve as a measure to ensure liquidity, pending consideration and adoption of other measures to ensure financial predictability and sustainability;
- (b) The desired level of the Fund not to be less than 50% of the average anticipated annual expenditure for the calendar years 2019 and 2020;
- (c) In addition to new voluntary contributions, accumulated credit from prior years may, at the discretion of individual States Parties, be applied to the Reserve Fund;
- (d) the Fund may only be used as a means of financing expenses of mandated activities, pending receipt of contributions reasonably anticipated to be received within the calendar year in which those activities take place, and is 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;
- (e) The Fund cannot be used to cover arrears from prior years – States Parties that have fallen behind in payment of past contributions will still be required to clear their arrears or commit to a structured payment plan to that end;
- (f) Reporting on the status of the Fund should be provided regularly by UNOG and available at a week's notice to the MSP Chair; and
- (g) The Fund will be dissolved once permanent measures to ensure adequate liquidity are in place and all funds contributed will be returned to the contributors unless otherwise directed by them.

[WORK WITH A FIRM BUDGET]

- (7) Recognizing the need for additional measures to help ensure financial predictability and sustainability, the Meeting of States Parties decides:
- (a) to adopt the financial estimates for 2019 and 2020 as firm budgets for those years;
 - (b) to limit actual financial obligations for a given year based upon the average collection rate for contributions for the preceding three years, unless actual contributions for the given year indicate that level will be exceeded;
 - (c) to close the account for each financial period within 12 months of the conclusion of that financial period; unused funds residing on the BWC accounts at the end of the calendar year can be used to fund mandated activities from the intersessional programme that are taking place by July of the following calendar year when there is a reasonable assurance that funds will be paid by the States Parties to cover those expenses before the previous year financial accounts are closed and remaining funds are credited to the States Parties;
 - (d) to base the calculation of credits for States Parties that have paid their contributions at the conclusion of a financial period, beginning with the 2018 financial year, on the excess of actual receipts over expenditures, to automatically apply such credits against amounts due for the year following the closure of the accounts, unless otherwise stipulated by the relevant State Party, and for those funds to be immediately available for mandated activities;
 - (e) to request UNODA and UNOG to provide assessment notices for a calendar year to States Parties prior to the end of the preceding calendar year and to include, for planning purposes, estimated assessments for the following calendar year where these are available.
- (8) Decides to calculate arrears upon the closure of the year based on the initial assessment of contributions and not as part of the final costs;
- (9) Decides a one-time roll-over of the outstanding arrears from previous years as expenditures for 2019, with the understanding that the arrears will remain receivable and will be deposited into the Reserve Fund once received;
- [FURTHER MEASURES]**
- (10) Proposes that careful consideration be given to whether to elect office-holders or to be eligible for sponsorship funding from States Parties whose arrears for prior years equals or exceeds the amount of the contributions due from them for the preceding two full years;
- (11) Decides that States other than States Parties who attend the meetings should pay a contribution in respect of the meeting(s) attended. They will be invoiced for contributions retroactively, starting from 2019;
- (12) Requests the ISU, UNODA and UNOG, together with the MSP Chair and Vice-Chairs to continually monitor income and expenditure and to propose measures if the anticipated income does not equal the expenditure in a financial year. UNODA and UNOG should report to the Chair and Vice-Chairs of any measures undertaken by them that are a consequence of the financial situation (as they may relate to any aspect of the intersessional programme);
- (13) Requests the 2019 MSP Chair to identify further measures to encourage timely payment of assessed contributions and discourage accumulation of multi-year arrears and to present recommendations to States Parties for consideration and action at the 2019 Meeting of States Parties;
- (14) Requests the Chair of the 2019 Meeting of States Parties to report on the overall financial condition of the BWC, on the implementation of the measures in this decision, and on any further recommendations to ensure financial predictability and sustainability for the meetings agreed by the States Parties and for the Implementation Support Unit;
- (15) Decides to place the item "Financial Condition of the BWC" on the agenda of each annual Meeting of States Parties and future Review Conferences;

(16) Requests the 2019 Meeting of States Parties to review the implementation of the measures agreed by this Meeting of States Parties and requests the Ninth Review Conference to evaluate the need for additional measures.
