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|  |  | CCM/CONF/2020/CRP.2 | |
| **Review Conference of States Parties to the Convention on Cluster Munitions** | | | 25 November 2020  English only |

**Second Review Conference**

**Geneva, 25-27 November 2020 and 4-5 February 2021**

Item 8 of the provisional agenda

**Financial Status of the Convention**

Elements for the decision on measures to address the financial predictability and sustainability of United Nations assessed contributions

Submitted by the President of the Second Review Conference

I. Introduction

1. The Ninth Meeting of States Parties requested the President of the Second Review Conference to conduct consultations on “Possible measures to address financial predictability and sustainability of the Convention on Cluster Munitions”. Such possible measures were discussed at an informal meeting held on 14 October 2020, taking into account a working paper prepared by the Presidency. Exchanges were very fruitful as well as useful to the presidency. Relying on these exchanges as well as on comments provided by the United Nation regarding the feasibility of the measures discussed, the Presidency suggests that the Conference adopts the measures below to improve the situation with regard to assessed contributions.

II. Elements for the decision on measures to address financial predictability and sustainability of the Convention

2. It is proposed that the Review Conference adopts measures with regard to assessed contributions relying on the following elements:

(a) to continue implementing the following measures:

* monthly reports on the status of financial contributions are issued and posted on the website of the United Nations Office at Geneva.
* an agenda item on the “Status of the assessed contributions received pursuant to Article 14 of the Convention” is included in all Convention-related meetings.
* the United Nations Office at Geneva and United Nations Office for Disarmament Affairs (UNODA) deliver presentations on the status of assessed contributions to inform States on the financial status of the Convention and support them in making informed decisions, and to encourage States to pay their dues in compliance with Article 14 as early as possible and well ahead of the three-months deadline.
* UNODA regularly updates the Convention’s Coordinating Committee on the financial situation.
* the United Nations sends individualised digital invoices to States.
* initial billing of the State Parties for the assessed contribution is based on the prior year participation in the CCM MSP or Review Conference, as applicable, the final billing being based on the actual participation in the respective meeting.

(b) to request UNODA to distribute the monthly updates on the status of assessed contributions to States Parties to further build awareness and encourage timely payment;

(c) to request the United Nations to prepare a multi-year cost-estimate that covers a two-year period for the approval by the States Parties and to issue invoices based on these estimates at least 90 days before the start of the financial period, to encourage early payment by those in a position to do so and improve liquidity;

(d) to include a 15% contingency in the cost estimates of the Meetings of the States Parties and Review Conferences in order to help ensure greater financial predictability and liquidity for the planning and holding of those reunions;

(e) that States other than States Parties will be invoiced retrospectively for their participation in the Meeting of States Parties or the Review Conference. Any State other than States Parties that has indicated that it will take part in a Meeting of States Parties or Review Conference will be promptly informed of the financial implication resulting from a participation in the reunion;

(f) to request the President of the Convention, for the purpose of financial planning, to contact States that have not paid their assessed contribution by 30 April to ask them to clarify when it will be paid;

(g) to encourage each State whose contributions are in arrears for two or more years to enter into a payment schedule with the President of the Convention, supported by the United Nations, to permit it to clear outstanding arrears, taking into account its financial circumstances;

(h) to request the United Nations to close the accounts for each financial period within 12 months of the conclusion of that financial period:

* at which time the part of the credit available in the cash balance of the closed account will be returned to each State that paid its assessed contribution prior to the end of the financial period and reflected in the next annual invoice, and
* the part of the credit not available in the cash balance of the closed accounts, due to outstanding assessed contributions, will be recorded and returned to each State that paid its assessed contribution prior to the end of the financial period at a later date as arrears are paid, this settlement occurring every 5 years.

(i) that arrears for unpaid contributions should remain the amount of the initial assessment invoiced to the relevant State for the year in question, unless expenditures are higher than initial cost estimates to encourage timely payment. Currently, a State in arrears receives a final invoice reflecting its share of the actual costs that is lower than the estimated costs in most cases, and which therefore effectively rewards a State Party for paying after the end of the financial year.