



OPCW

Conference of the States Parties

Eighth Session
20 – 24 October 2003

C-8/DG.7
20 October 2003
Original: ENGLISH

**OPENING STATEMENT BY THE DIRECTOR-GENERAL
TO THE CONFERENCE OF THE STATES PARTIES
AT ITS EIGHTH SESSION**

Madam Chairperson,
Excellencies,
Distinguished delegates,

1. I would like to start by extending a warm welcome to all of you to the Eighth Session of the Conference of the States Parties, the main policy-making organ of the OPCW.
2. Let me begin by expressing my satisfaction at the election of Ambassador Farida Ariffin of Malaysia as Chairperson of the Conference. Her talent and determination are well known and were amply demonstrated during the First Review Conference. In our new Chairperson we have a worthy successor to Ambassador Djoudi. We welcome her and commit ourselves to working together with her and to assisting her in the discharge of her duties in pursuance of the aims of the Convention.
3. Our outgoing Chairman, the distinguished Ambassador of Algeria, H.E. Noureddine Djoudi, was called to this high office after a very difficult time for the OPCW, and I can say that the Conference could not have been in better hands throughout the year, for the experience of a seasoned diplomat of Ambassador Djoudi's calibre was required on more than one occasion to handle issues related to the substance of our work but also to delicate matters affecting the life of the Organisation.
4. We come to this Conference heartened by the achievements of an extremely busy year: 2003 was undoubtedly marked by our First Review Conference. As we all know, the review was a resounding success that has consolidated and strengthened the foundations of the Organisation as a whole. The political declaration agreed by the First Review Conference confirmed the solemn and unqualified commitment of all Member States to the chemical weapons ban.
5. At the same time, a more detailed review document set out 134 agreed paragraphs of outcomes and objectives, including the decision by Member States to prepare two separate action plans—one on universality, the other on national implementation of the Convention. Significant progress has been made on both fronts. We are very close to adopting both plans, and with them the OPCW as a whole—Member States and the Technical Secretariat—will have at its disposal an even more detailed roadmap that will help us achieve the goals of the Convention.



Verification

6. Destruction campaigns are proceeding apace. As at 1 October 2003, more than 11.3% of declared stockpiles had been destroyed. Since the First Review Conference, new destruction facilities have started operations in the Russian Federation and the United States of America. The chemical weapons destruction facilities at Gornyy, Aberdeen, and Anniston are already operating. Other facilities are in the last stages of construction or systematisation, such as those in Newport, Pine Bluff, and Umatilla in the United States. The destruction facilities in India and a State Party have continued their activities according to schedule. We await the plans for destruction by the Fifth Possessor State.
7. The Convention requires States Parties to destroy 45% of their Category 1 chemical weapons stockpiles by 29 April 2004. In spite of all the progress registered, and the allocation of substantial human, technical, and financial resources, the United States and a State Party have encountered certain operational difficulties and have submitted requests for extensions of this deadline. In addition, a decision on the Russian Federation request for extension is still outstanding. We are reassured by the determination of all Possessor States Parties to meet their obligations in accordance with the terms and timelines of the Convention. We encourage them to redouble their efforts and to ensure that they comply with their key obligations.
8. In the area of industry verification, I would like to refer to my Note (EC-34/DG.11, dated 4 September 2003), in which I signalled my intention to increase the number of Article VI inspections from 132 to 150 this year. My proposal was made in strict accordance with the proportional distribution and baseline for inspections across the various categories as reflected in the 2003 programme and budget. The proposal has been made possible by a reduction in the number of Article IV and V inspections planned for, and by savings achieved through careful management. In the latter sense, it is a positive response to the desire often expressed by Member States to see the Secretariat do more with less, and do it efficiently. I hope the Conference will be able to agree to my proposal, because we need to move quickly if we are to carry out these extra inspections.
9. The chemical industry is an indispensable partner in the implementation of the Convention, and not just an object of our verification measures. Because we know that the Convention cannot live without the industry's active involvement, we value the initiatives it takes in support of the Convention, such as the Responsible Care Programme, which demonstrates how the chemical industry works to ensure the proper use of its products—products that are essential to modern manufacturing, and indeed to modern life. The International Council of Chemical Associations (ICCA) has recently published a statement calling for effective and full compliance with the requirements of the Convention, and this statement deserves all our praise. Such an active partnership between the OPCW and industry will certainly continue and grow in the future as the non-proliferation goals of the Convention are accorded a far higher priority and as the destruction of existing chemical weapons reaches completion.

International cooperation and assistance

10. Let me turn now to international cooperation and assistance. This year we have made notable progress in implementing various ICA programmes. Last year, I stood before the Seventh Session of the Conference and committed myself to obtaining additional funds to the tune of EUR 450,000 in support of ICA programmes. I am glad to report that, indeed, we did produce the required additional funds, which have been applied throughout the year to important projects in this area. With them we have been able to increase the impact and effectiveness of our programme—and indeed there is, in my view, a strong case for incorporating these additional funds into the regular baseline budget of the Organisation.
11. The OPCW Associate Programme was expanded this year to include twice as many participants as last year. This increase presented us with additional challenges and greater practical difficulties, but I am satisfied that, thanks to the hard work of our staff and the cooperation of Member States and their institutions, including the various chemical industry associations, we have once again made this landmark activity of the Organisation a great success. We are grateful for the essential participation of chemical companies, and we hope that more Member States and chemical industries will be able to participate in the Programme in the years ahead.
12. Implementation support continues to make good progress. The development of the action plan on national implementation, on which I will have more to say later, will also help to ensure that we target our efforts and resources to best effect. Also, the Fifth Annual Meeting of National Authorities, which has just concluded, was attended by more than 110 participants representing 72 National Authorities. The national training courses are also moving along as planned, and I am happy to confirm that the second Article VI Implementation Workshop will take place before the end of the year.
13. As regards assistance and protection against chemical weapons, 2003 will be remembered for the unprecedented number of appeals for assistance by State Parties invoking the provisions of Article X. Prompted by the Iraq crisis, most of the countries in the region have asked for expert advice and training in accordance with paragraph 5 of this Article. As a result, national-capacity-building courses or visits have been held in or made to the Islamic Republic of Iran, Kuwait, Qatar, and Saudi Arabia. These projects will evolve into longer-term modules aimed at helping Member States acquire the protection capacity they need. Alongside these activities, the regularly scheduled courses on national capacity-building have continued throughout the year.

Universality

14. I am happy to report the good news that in the last 12 months we have achieved the remarkable average of one new Member State per month, for a total of 157. The whole of Europe is now covered by the Convention. In Latin America and the Caribbean, our newest States Parties are Guatemala, and Saint Vincent and the Grenadines. In Africa, Sao Tome and Principe acceded just last month; Cape Verde, two weeks ago. Asia and the Pacific Islands have also seen notable successes, with

Afghanistan, Kyrgyzstan, Palau, Samoa, Thailand, Timor Leste, and Tonga joining the OPCW in the last 12 months. It is critical to maintain this momentum and, in this regard, I am hopeful that the Executive Council's plan of action on universality will swell the ranks of our Organisation even further.

15. Concerted efforts are needed to encourage the remaining States not Party to join. We are fully aware that wider security considerations may be behind the present reluctance of some States not Party to join the Convention. In particular, the non-accession of North Korea and countries in the Middle East places a question mark over our ability to provide an adequate guarantee against a deadly type of weapon of mass destruction in these regions. However, we will not give up: We are convinced that, even in areas of tension, States not Party should realise that the chemical weapons option is out of the question and will never be legitimised by the international community, even in the exercise of the right of self-defence. No one can expect a sympathetic understanding of an ambivalent attitude towards chemical weapons, which have been stigmatised by the international community.
16. As we work to expand our membership, we are also reinforcing our relationship with regional organisations as part of an overall external-relations strategy that bears in mind the importance of partnerships, of networking, and of synergy with the efforts of sister institutions around the world whose presence and influence are well established. Since the Seventh Session of the Conference, our ties with the African Union have become stronger. My presence at the Summit of the AU earlier this year in Maputo has been followed by more targeted efforts, which will soon start with the Secretariat of the newly elected AU Commission. In the same vein we are also in contact with the League of Arab States, the Organisation of Eastern Caribbean States and the Pacific Islands Forum. I would also note that we have recently attended a meeting of the Organisation of the American States on international terrorism, and that are working to strengthen even further our relationship with the United Nations, whose First Committee I addressed just a few days ago. Consultations with the Provisional Technical Secretariat of the Comprehensive Nuclear-Test-Ban Treaty Organization have continued, with a view to concluding a cooperation agreement between the Secretariats of the two organisations.
17. In a few days I will attend the Annual General Conference of the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (OPANAL), to be held in Havana. OPANAL's invitation to this event comes at a time when efforts to prevent the spread of weapons of mass destruction require a concerted approach by all concerned, at both the global and regional levels.
18. All these efforts and initiatives are in my view clear indicators of an OPCW actively engaged on all fronts where international security is to be promoted and defended. My colleagues in the Secretariat and I will continue with such efforts, but realistically these can only support the individual and collective actions of Member States. It is that combination that will lead to decisive progress towards universality.
19. Lastly I want to express my deep gratitude to the Government of Japan for the extremely successful visit I made to their country earlier this month. The support of Japan, as one of the major stakeholders in the OPCW, is key to the success of the Convention. In Tokyo we received expressions of encouragement and commitment

from Foreign Minister Kawaguchi and the entire Government of Japan—sentiments we value and appreciate.

National implementation

20. National implementation continues to be one of the keys to the success of the Convention. In spite of the progress made in some areas, we are still lagging behind in terms of a satisfactory level of internal application of the Convention. Less than 40% of Member States have the required legislation in place, and we cannot remain indifferent to this.
21. The plan of action regarding the implementation of Article VII obligations is complete. By implementing this plan we shall be better prepared to assist States Parties in meeting their national implementation obligations. This is a joint effort that brings together the Secretariat and States Parties as they are called upon to provide assistance to other States Parties in accordance with their capabilities in a variety of implementation-related areas.
22. The work of National Authorities is in this regard central to the success of this strategy, which requires of each State Party the adoption of a minimum of administrative measures and the enactment of legislation, including penal legislation, as mandated by the Convention. In this connection let me remind you that for some time now the Secretariat has been assisting those State Parties that need help with their implementing legislation. This has been done through the collection of data and the dissemination of information in various forms. We shall continue to do this, *inter alia* by supporting the Network of Legal Experts, which has been expanded this year to cover all five regions.

OPCW Programme and Budget

23. Consultations on the budget have been going on at various levels and at different levels of intensity for several months. Now the time has finally come for the Conference to take a final decision. In my view, the proposed budget for 2004 represents a fair assessment of the financial requirements arising from the aims and programme priorities set by Member States. It is worth recalling that the increase over the agreed 2003 budget results mainly from mandatory and statutory increases and from staff-turnover costs resulting from the decision of the Conference on the implementation of the tenure policy. Delegations have requested detailed information on expenditures and budget lines—information that has been provided throughout the consultations on the matter. Aware of the fact that, in the view of many, a lower figure for the budget would be more acceptable, last September I made a proposal (EC-34/DG.14, dated 19 September 2003) to manage our programme at a budgetary level a full 1% below that in my initial proposal. In making this revised proposal, I committed myself to producing further savings in non-core activities and to providing additional funds required for international cooperation and assistance programmes. I am aware that, to achieve those objectives, I will require flexibility and tight management of the budget, and that the proposed 1% reduction will not be easy to achieve.

24. In a further note on budgetary matters (EC-M-23/DG.1, dated 14 October 2003), I indicated that I would achieve these reductions by managing operational savings in such areas as insurance, the use of consultants, travel, the “on-call” scheme for inspectors, and ensuring overall compatibility with the UN Common System. On insurance, I should also mention that we have now received the draft report from the consultant on non-service incurred death and liability insurance. The report confirmed that this is a complex issue but at the same time that there are options for change, starting in 2004. We are examining these options and will report further in due course.
25. In EC-M-23/DG.1, I illustrated the consequences of further reductions in the budget. If these were to be applied, it is clear that we would be approaching a risk zone in which I, as your chief executive, would not be prepared to ensure programme delivery and savings at the proposed levels. In that Note, I set out different scenarios illustrating how incremental reductions in my own proposal could be carried out.
26. These are broad options. The political choice rests now with Member States. I can only hope that any decision will be consistent with the support Member States have declared for the mission of the OPCW. Ultimately we will work with the budget you give us.
27. I must also emphasise that the size of the 2004 budget is not the only problem we are facing. Equally serious is the longstanding failure to solve the problems of surplus income and the late receipt of Articles IV and V income—problems that continue to reduce the effectiveness of programme delivery. I am addressing these problems through two draft decisions that have been submitted for approval. One, on withholding the distribution of the cash surplus from 2001, follows the previous recommendation by the Executive Council that the Conference consider authorising me to use any cash surplus to finance the decision on tenure that we have started to implement despite the lack of resources to cover separation and recruitment costs.
28. At the same time, you are well aware that the OPCW has experienced recurring financial difficulties because of unforeseen delays in chemical weapons destruction activity and in assessed contributions and reimbursements under Articles IV and V. Although the situation has improved somewhat in the last year, there remain serious financial and budgetary problems that we need to resolve if we are to avoid disruptions to our programmes. This is the reason behind the proposed decision on the late receipt of Articles IV and V income, which seeks to establish a programme stabilisation fund to guard against such severe disruptions in the future.
29. I appeal to you to take the necessary decisions on both these issues, thereby enabling us to move forward and at the same time provide a more rational and sustainable basis for future budget discussions and programme management.
30. In close connection with this, it is my duty to bring to your attention that payments of assessed contributions have come in more slowly than last year. So far this year we have received 94% of contributions due, as against the 97% we received last year. As at 30 September EUR 3.6 million in assessed contributions was still outstanding. I would also urge all Member States to pay their contributions for 2004 and subsequent years in full and at the start of each year.

31. I should also report that good progress is being made in the preparations for the introduction of a results-based budget in 2005, as shown most recently by the visit of the RBB consultants earlier this month. However, much remains to be done, and we shall need to ensure that the Secretariat and Member States continue to cooperate closely on the matter.

Tenure policy

32. The primary focus of the Secretariat's human resource activities is the implementation of the tenure policy. In accordance with the relevant decisions of the Conference, we have started implementing it this year and as a consequence, a number of staff members have already received non-renewal notices. Concurrently with this, recruitment procedures have been set in motion. The Organisation is preparing for its first effective change in personnel.
33. This will certainly not be an easy process. Departing staff members feel directly affected, and legal challenges will occur. At the same time, within the Secretariat the Appeals Council has already pronounced itself on the first tenure-related cases by formally requesting me to suspend action on decisions not to extend contracts on the basis of the tenure policy until the cases have been examined and decided by the International Labour Organisation Administrative Tribunal. Clearly, I could not suspend the application of the tenure policy unless Member States were to modify the decision they took last May. As Director-General I can operate only on the basis of the mandate of the policy-making organs of the OPCW.
34. We are all aware of the human, operational, legal, and financial aspects of the tenure policy. To cite an example, our Verification Division tells us that they have calculated that there will be a decrease of as much as 11% in the effectiveness of verification activities as a result of the impending personnel changes. The situation is therefore complex, but we are working to make it feasible on a variety of fronts. The introduction of the on-call inspector scheme I mentioned above, the application of cost-efficient measures in the verification of demilitarisation activities, and the reduction of the "gap factor" in the recruitment process are some of the ways in which we are working to make this whole equation work.
35. We are dealing with a major human-resources operation that requires both careful management and the contribution of Member States at different levels. For example, Member States could join us in conducting an in-depth evaluation in 2004 of how the first phase of the tenure policy has been carried out.
36. The Secretariat's very small Human Resources Branch has been stretched beyond its capacity to deliver what is required by the decision on tenure. In spite of this I have instructed the HRB to start planning a system of transition support for staff members leaving the Organisation. Such an outplacement mechanism is crucial in the transitional period prior to 2006, after which greater predictability and stability will be possible. The priority now is to provide appropriate support to those staff members whose contracts were not renewed in 2003 and to those who will not be offered a renewal in 2004. To ensure continued operational effectiveness, HRB has already begun to fill the vacancies created in 2003, and planning has begun for next year.

37. The fact is that funding will be required for these initiatives, which will involve both outsourcing to external suppliers and the need to increase the range of services provided by the in-house human resources function.
38. When the decision on tenure was arrived at after long and painstaking negotiations, some described it as historical. Only time will tell whether that characterisation was warranted; but I hope that you will agree that such a crucial decision in the life of this Organisation was taken without the prior allocation of the funds required to cover separation and recruitment costs and the necessary outplacement mechanism I have just mentioned. Whatever the reason for that, this is the situation and a number of practical steps must now be taken. I referred earlier to draft decisions that are required of the Conference to fund the application of the tenure policy.
39. The Organisation moves on. As we clear one set of obstacles, new ones arise. As we move ahead, new talent joins us, and some valuable friends and colleagues leave us. This is an integral part of the normal evolution of an institution such as ours. This is a non-career organisation, and the tenure policy requires us not to renew the contracts of a good number of staff members who have contributed to the establishment and growth of a new international organisation. It would be impossible for me to mention all those who are leaving us, but I want to say how much I appreciate what they have done for the OPCW.
40. In the same spirit, I want to pay a special tribute to one of our Directors, Ambassador Sergei Batsanov, who has informed me that he will be leaving the Organisation in a few months. Sergei has been one of the pillars of a Secretariat to whose creation he contributed so much. It is difficult to find a major area of OPCW activity where he has not given us the benefit of his experience and creative thinking: His contributions over the years have been invaluable. I recently tasked him to assist me in developing the OPCW's contributions to the fight against international terrorism and, thanks to him, the voice of the OPCW is increasingly relevant in places such as the United Nations Committee on Counter-Terrorism. His efforts in the area of universality will also be remembered. The recent accession of important Central Asian countries such as Kyrgyzstan and Afghanistan has much to do with Ambassador Batsanov's relentless efforts. Through discreet diplomacy and concrete initiatives he has helped the Secretariat on many fronts. I know that he will continue to contribute to the cause of international security in whatever endeavours he engages in in the future. I am sure that you will want to join me and the entire Secretariat in expressing our sincere gratitude to Ambassador Batsanov for all he has done for the Organisation. He is a young man of outstanding abilities, and I feel certain that important opportunities will open up for him in the next phase of his career.

Ladies and gentlemen,
Friends and colleagues,

41. Our agenda is full, and your decisions and guidance are needed. I wish you all a very productive Conference.

Thank you.