



OPCW

Conference of the States Parties

Ninth Session
29 November – 2 December 2004

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DECISION

PROGRAMME AND BUDGET OF THE OPCW FOR 2005

The Conference of the States Parties,

Recalling that Article VIII, subparagraph 21(a) of the Chemical Weapons Convention (hereinafter “the Convention”) provides that the Conference of States Parties (hereinafter “the Conference”) shall consider and adopt at its regular sessions the programme and budget of the OPCW;

Recalling also the First Review Conference’s encouragement to the Director-General to move ahead with the stepwise introduction of results-based budgeting (paragraph 7.127 of RC-1/5, dated 9 May 2003);

Recognising that the introduction and step-wise implementation of results-based budgeting is a process that will involve ongoing adjustment and refinement of the Organisation’s objectives and related indicators of achievement for each year’s programme and budget in the light of experience gained and the need to meet evolving operational priorities; and

Considering the recommendations relating to the programme and budget of the OPCW for 2005 submitted to it by the Executive Council (hereinafter “the Council”), as contained in EC-M-24/DEC.7, dated 1 December 2004;

Hereby:

1. **Decides** that the 2005 and future draft programmes and budgets of the OPCW should be presented in a results-based format in conformity with the provisions and objectives of the Convention and the Financial Regulations and Draft Financial Rules of the OPCW, and
 - (a) **requests** the Director-General and the Council to ensure that in future programmes and budgets the expected results, indicators, and objectives are clearly defined; and
 - (b) **also requests** the Director-General in the course of future budget consultations to submit to the Council plans for the further adjustment and refinement of objectives and indicators of achievement, commensurate with programme needs.



Adopts the programme and budget for 2005 as annexed hereto, and

- (a) **appropriates** a total amount of EUR 75,695,000, of which EUR 38,097,000 is for the chapter relating to verification costs, and EUR 37,598,000 is for the chapter relating to administrative and other costs, and **authorises** the Director-General to incur expenditures for 2005 in conformity with the Financial Regulations, not exceeding the total amounts voted respectively for each chapter;
 - (b) **notes** that these appropriations assume that certain goods and services related to inspections under Articles IV and V will be provided in kind by the inspected States Parties;
 - (c) **decides** that the appropriations specified in paragraph (a) above shall be financed from contributions by all States Parties, payable in accordance with the scale of assessments approved by the Conference, in the total amount of EUR 70,677,400 and, in accordance with the provisions of Articles IV and V of the Convention relating to verification costs, from the payment of an estimated total of EUR 4,417,600, as well as from interest income in an estimated total amount of EUR 600,000;
 - (d) **decides also** to authorise and fund 502 fixed term posts for 2005, as presented in Table 8, pages 31 and 32 of the Annex hereto;
 - (e) **decides further** that consultants shall be engaged only for discrete, short-term projects in order to augment OPCW technical expertise;
 - (f) **requests** States Parties to pay in full their assessed contributions to the OPCW budget for 2005 within thirty days of receipt of the communication from the Director-General requesting the contribution, or by 1 January 2005, whichever is later, and States Parties in arrears with assessed contributions to pay those arrears immediately;
 - (g) **also requests** States Parties that are in arrears in payment of costs of verification under Articles IV and V to pay them in strict accordance with the Financial Regulations and Draft Financial Rules of the OPCW; and
 - (h) **further requests** the Director-General to report, through the Council, to the Tenth Session of the Conference on details of any transfers from and replenishment of the Working Capital Fund.
2. **Requests** the Council, in the context of ongoing implementation of results-based budgeting and preparation of the programme and budget for 2006, and with a view to preparing recommendations for the Tenth Session of the Conference as part of its consideration of the 2006 programme and budget:
- (a) to consider the methodologies and related parameters used by the Technical Secretariat (hereinafter “the Secretariat”) for preparing the cost estimates for future programme and budget proposals, in particular those for staff costs and

expenditures involving exchange rate risk, in order to make these more transparent to States Parties and better suited to be updated quickly;

- (b) also to consider any appropriate measures to improve human resource efficiency, in light of a careful analysis of actual expenditure in 2004 on specific objects of expenditure under “Staff Costs” and information concerning human resources management within the Secretariat;
- (c) to consider whether there is a need, in addition to existing financial mechanisms, to provide for the financing of unforeseen costs that cannot be absorbed within the approved programme and budget, and if so, how best to do so; and
- (d) to consider and refine the objectives and the indicators of achievement for 2006 with a view to strengthening the link between results to be achieved and the approved level of resources, in the light of experience gained and the need to meet evolving operational priorities.

Annex: Programme and budget of the OPCW for 2005

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Annex

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**LIST OF ABBREVIATIONS USED IN THE PROGRAMME AND BUDGET
FOR 2005**

ABAF	Advisory Board on Administrative and Financial Matters
ACW	Abandoned chemical weapon(s)
BFB	Budget, Planning and Finance Branch (Administration Division)
CMS	correspondence management system
CW	chemical weapon(s)
CWDF	chemical weapons destruction facility
CWPF	chemical weapons production facility
CWSF	chemical weapons storage facility
DG	Director-General
ERD	External Relations Division
EUR	euro(s)
GS	General Service
GS-OL	General Service – other level
GS-PL	General Service – principal level
GTA	general temporary assistance
HRB	Human Resources Branch (Administration Division)
ICA	International Cooperation and Assistance Division
ISB	Information Services Branch (Administration Division)
IT	Information Technology
LAO	Office of the Legal Adviser
MTP	Medium-Term Plan
OCPF	Other chemical production facilities
OCS	Office of Confidentiality and Security
OCW	old chemical weapon(s)
ODG	Office of the Director-General
OIO	Office of Internal Oversight
OPCW	Organisation for the Prohibition of Chemical Weapons
P	Professional
PMO	Secretariat for the Policy-Making Organs
PSB	Procurement and Support Services Branch (Administration Division)
RDBMS	relational database management system
SCN	security-critical network
SNCN	security non-critical network
SSA	Special Service Agreement
TAC	temporary assistance contract
TDB	Training and Staff Development Branch (Administration Division)
TSB	Technical Support Branch (Verification Division)
UN	United Nations
USD	United States dollar

EXECUTIVE SUMMARY

Background

1. The programme and budget for 2005 builds on the experience gained in preparing previous programmes and budgets. It is also the first budget that has been prepared in Results-Based Budgeting (RBB) format, in accordance with the encouragement from the First Review Conference for the Director-General to move ahead with the stepwise introduction of results-based budgeting.
2. The budget document should be read in conjunction with the Medium-Term Plan (MTP) for the period from 2005 to 2007 (C-9/S/1, dated 2 December 2004) that has been prepared, in accordance with Financial Regulation 3.8, to accompany the 2005 budget. The budget document has likewise been prepared in full accordance with the Financial Regulations, including Regulation 3.7.

Priorities

3. The priorities for 2005 are to ensure that adequate resources are provided for the approved programme activities, covering chemical demilitarisation, non-proliferation, and international cooperation and assistance; to continue with the implementation of the tenure decisions and associated turnover of staff; and to build, where practicable, on the efficiency savings that formed part of the approved 2004 budget.

Approach to the programme and budget for 2005

4. The starting point for preparation of the programme and budget for 2005 was the approved core programme and budget for 2004 of EUR 68,653,390. Every effort has been made to produce a tightly costed budget for 2005, to keep increases to the minimum necessary, and to reflect price indexation, statutory increases in staff costs and exchange rate fluctuations, and additional programme demands.

Key assumptions

5. The key assumptions used in constructing the budget include the following:
 - (a) The projected number of continuous CWDF inspections/rotations for 2005 should be discounted by 10%, reflecting the expected increase in the volume of destruction by possessor states;
 - (b) There is a case, in terms of deterrence and credibility, for continuing with the modest increase in the number of Article VI inspections in recent budgets;
 - (c) The demands related to international cooperation and assistance show no signs of abating;

- (d) Adequate provision must be made for the costs arising from continued turnover of staff (approximately 50 P and higher categories and 15 GS) and associated recruitment;
- (e) Statutory increases for staff costs of 3.6% for P and higher categories staff and 5% for GS staff and an exchange rate of 82 Eurocents per US dollar;
- (f) A start should be made on addressing the problem of long-term TACs; and
- (g) The efficiency measures of 1.4 million EUR required to deliver the programme and budget for 2004 should be reflected in the baseline for 2005 and, wherever practicable, continued for 2005 and thereafter.

Programme Changes

6. The key features of the budget for 2005 include the following:
- (a) A planned figure of 232.8 inspections/rotations for Articles IV and V of the Chemical Weapons Convention (hereinafter “the Convention”), representing a 17% increase over the budgeted figure for 2004: The costs of this expected programme growth amount to EUR 983,161, or 3.5% and have been kept to the minimum by using the Special Service Agreement (SSA) scheme. The number of SSA inspectors planned for 2005 is 10 for the first half of the year and 15 for the second;
 - (b) A target of 162 Article VI inspections in 2005, compared with 150 in 2004 – an increase of 10 OCPF and 2 Schedule 3 inspections;
 - (c) Maintenance of the ICA budget in real terms, with the additional benefit of the two additional professional level posts described below;
 - (d) Four posts, raising the total of funded fixed-term posts in 2005 to 482 from 478. These proposed four posts are as follows: the redeployment of an authorised but previously unfunded P3 post, to allow conversion of a P3 TAC in the International Cooperation Branch into a Fixed-Term Contract in order to ensure assistance with the increased workload and to assume responsibility for the Associate Programme. A second post would be redeployed for a database manager at the P3 level, with responsibility for managing and coordinating all Secretariat databases but with a particular focus on developing the two databases which are essential for the effective delivery of the ICA programme. The unfreezing of the Head of Procurement post at the P4 level is also necessary, to improve timely and efficient procurement. Finally, a redeployed post at the P2 level in Human Resources would assist with the effective implementation of tenure and associated issues. The cost of funding these 4 posts is EUR 402,066 or 0.53%. In order to keep the budget proposals to a minimum, and despite the increasing pressures on staff, only 4 additionally funded posts have been included, out of more than 20 requested by programme managers;

- (e) Arrangements to convert the Security Guard force, which is currently an unsatisfactory mix of TACs with a limited number of Fixed-Term posts, to Fixed-Term status under a separate and “ringed-fence” section of the approved post numbers. These arrangements, which would result in improvements in management efficiency and a major reduction in the number of long-term TACs, would be accommodated at a minimal cost, EUR 13,910, in 2005; and
- (f) The annual Conference will meet for no more than one week; the Executive Council (hereinafter “the Council”) will meet for four regular sessions, and the Scientific Advisory Board and the Confidentiality Commission will meet for a two-day session each.

Programme and budget for 2005

7. To implement fully the programme of work for 2005, a total funding of EUR 75,695,000 is required. The budget comprises salaries and common staff costs in the amount of EUR 49,891,502 (65.9%), and other resources in the amount of EUR 25,803,498 (34.1%). Verification Chapter costs total EUR 38,097,000 (50.3%) and Administrative and Other Costs Chapter costs total EUR 37,598,000 (49.7%).
8. The consequential budgetary impact is as follows:

1	Growth over approved 2004 Budget	3.5%
2	Indexation and statutory increases	1.8%
3	Increased programme activities	1.7%
4	Impact on assessed contributions	2.9%

Structure of the Budget

9. The purpose of an RBB approach is to provide better and clearer information, to facilitate informed decisions on budget and programme choices, and to assist in subsequent evaluation of performance. To that end, RBB seeks to provide answers to some basic questions:
- (a) what are we trying to achieve, and by when;
- (b) what resources do we need and have available; and
- (c) how effective are we in achieving the desired result.
10. An RBB approach requires the definition of core objectives as a starting point. Core objectives for the OPCW have been proposed in the MTP, derived from the mandates of the Convention and of the First Review Conference. Those core objectives, accompanied by more-detailed subordinate objectives and indicators of achievement for each programme area, have been used in developing the proposed programme and budget for 2005.

11. Accordingly, this budget document has been presented in two main sections, with a sharper focus on the results sought. The first section, including the Executive Summary as well as Core Results and the Overall Budget, sets out the main features and strategic elements. The second section provides more-detailed information, following the traditional format and approach:

Chapter One	Verification Costs
Programme 1	Verification
Programme 2	Inspectorate
Chapter Two	Administrative and Other Costs
Programme 3	International Cooperation and Assistance
Programme 4	Secretariat for the Policy-Making Organs
Programme 5	External Relations
Programme 6	Executive Management
Programme 7	Administration

12. Member States will, therefore, find the basic structure, tabular approach and quantum of information provided familiar, with the exception of two key changes. Firstly, the costs previously included in programme 8, Common Services Costs, have been re-allocated to the Division responsible for delivering the expected results from the resources involved. Secondly, to reflect United Nations practice and the Advisory Body on Administrative and Financial Matters (ABAF) recommendations, there have been some changes to the Objects of Expenditure.

The way ahead

13. The introduction of a results-based budget will represent an important step forward, but only an initial step. The continued development of RBB in the light of practical experience will be a requirement for the budgets of years to come.
14. The delivery of the tightly-costed programme and budget for 2005 will, of course, depend on the timely and full provision of the actual resources required and the necessary flexibility to manage the programme in-year. The budget is, therefore, postulated on the assumption that assessed contributions will be paid promptly and in full, that receipts from Article IV and V-related costs will be settled in like manner, and that the current discussions on the Working Capital Fund will result in a satisfactory mechanism for enhancing financial stability, facilitating the smooth delivery of the programme in-year and easing cash flow problems resulting from late payments.

CORE RESULTS AND THE OVERALL BUDGET

Core Objectives and Indicators of Achievement

1. Core objectives represent the top-level, ongoing, desired achievements for the Organisation as a whole. As explained in the Medium-Term Plan document, these objectives were derived from the mandates of the Organisation, including those emanating from the Convention and from the final documents of the First Review Conference.
2. The core objectives are made specific by their associated indicators of achievement; these will be used to describe the results actually achieved, and to set targets (desired levels of results) for the future. These indicators are shown alongside each core objective in Table 1.

TABLE 1: OBJECTIVES AND INDICATORS OF ACHIEVEMENT FOR THE PROGRAMME AND BUDGET OF THE OPCW FOR 2005*

Core Objectives	Indicators of Achievement**
1. Elimination of chemical weapons stockpiles and chemical weapons production facilities subject to the verification measures provided for in the Convention.	(a) Results of all destruction activities related to elimination of chemical weapons and their production facilities as confirmed by systematic verification in accordance with the Convention; (b) Results of conversion of CW production facilities for purposes not prohibited under the Convention as confirmed by verification in accordance with the Convention; (c) Results of systematic verification of chemical weapons storage facilities to ensure no undetected removal of chemical weapons.
2. Non-proliferation of chemical weapons, through the application of the verification and implementation measures provided for in the Convention which also serve to build confidence between States Parties.	Assessment of the extent to which the relevant verification and implementation provisions of the Convention are met, and in particular: (a) assessment of the extent to which the inspection aims of systematic inspections of Schedule 1 facilities stipulated in the Convention were attained, taking into account the factors provided for in Part VI (E) of the Verification Annex; (b) assessment of the extent to which the inspection aims of inspections of Schedule 2 facilities stipulated in the Convention were attained, taking into account the factors provided for in Part VII (B) of the Verification Annex;

* As appropriate, specific standards/benchmarks related to the indicators of achievement of the respective objectives will be developed by the Technical Secretariat and included in the OPCW programmes and budgets in subsequent years.

** Some indicators of achievement may be relevant to more than one objective.

	<p>(c) assessment of the extent to which the inspection aims of inspections of Schedule 3 facilities stipulated in the Convention were attained, taking into account the factors provided for in Part VIII (B) of the Verification Annex;</p> <p>(d) assessment of the extent to which the inspection aims of inspections of other chemical production facilities (OCPF) stipulated in the Convention were attained, taking into account the factors provided for in Part IX (B) of the Verification Annex.</p>
3. Assistance and protection against chemical weapons, their use, or threat of use, in accordance with the provisions of Article X of the Convention.	<p>(a) Amount, nature and results of responses to requests for expert advice and/or assistance under Article X, paragraph 5;</p> <p>(b) Effective functioning of the data bank of protection-related information established pursuant to Article X, paragraph 5;</p> <p>(c) The OPCW's capacity to coordinate and, as necessary, deliver assistance against chemical weapons in response to a request;</p> <p>(d) The OPCW's capacity to conduct an immediate investigation and to take emergency measures of assistance against chemical weapons in response to a request;</p> <p>(e) Percentage of States Parties providing information annually pursuant to Article X, paragraph 4.</p>
4. Economic and technological development through international cooperation in the field of chemical activities for purposes not prohibited under the Convention in accordance with the provisions of Article XI.	<p>(a) Volume, quality and results of cooperation relating to peaceful uses of chemistry;</p> <p>(b) Rate and quality of response to requests in accordance with the approved programme for international cooperation relating to peaceful uses of chemistry.</p>
Supporting Objectives	
5. Universal adherence to the Convention.	<p>(a) The number of States who are Members;</p> <p>(b) The percentage of States not Party that have reached each of two stages of interest/participation; the first level indicated by requests for information and participation, the second by requests for assistance and/or active consideration of membership by national bodies.</p>

6. Full and effective implementation by States Parties of the provisions of Article VII of the Convention.	(a) The percentage of States Parties reaching each of three defined levels of implementation, based on an assessment of each State Party's compliance with a small number of key aspects of national implementation.
Operational Objective	
7. Full, effective and non-discriminatory implementation of all provisions of the Convention by the OPCW.	(a) Efficient and effective operation of the policy-making organs and the Technical Secretariat in accordance with Article VIII, including through: <ul style="list-style-type: none"> • delivery of programme outputs on time and within the agreed budget; and • timely and efficient preparation and conduct of meetings.

3. **Core objective 1** has three indicators of achievement.
4. **Core objective 2** has four indicators of achievement.
5. **Core objective 3** has five indicators of achievement.
6. **Core objective 4**, relating to international cooperation, concentrates, in line with the concept of results-based budgeting, on the ultimate effectiveness of the programmes offered in raising the levels of skills and capability in the participating States.
7. **Supporting objective 5** has two suggested indicators. It is recognised that the first indicator, the number of Member States, will tend to move in steps rather than smoothly from year to year. The second indicator is intended to give supplementary information on the rate of progress towards increasing membership.
8. To develop indicators for **supporting objective 6** on full and effective national implementation, it will first be necessary to define the key components of effective implementation and the associated levels of compliance by Member States.
9. **Operational objective 7** should ideally have an indicator in the style of an output:input ratio or a cost:output ratio. However, the OPCW does not have a single output. It will therefore be necessary to identify ratios relevant to important areas of OPCW activity wherever possible, in order to show developments in efficiency. Each Directorate, Office and Branch has been required to develop and include in their budget plans specific efficiency indicators.

Results for Core Objective 1

10. This core objective is the joint responsibility of the Verification and Inspectorate Divisions. The starting point in considering results for this objective is the anticipated workload for Article IV and V inspections. The detailed plan of inspections/rotations is shown in Table 2. This plan adopts the figures in the plans submitted by the States Parties. However, a 10% discount factor is being applied to the CWDF categories

when calculating CWDF activities and costs (as further explained below). This discount factor is lower than the actual shortfall from submitted plans in recent years, but it recognises that work postponed will eventually have to take place, and that the speed of destruction is likely to increase. The planned figure of 232.8 inspections/rotations represents a 19% increase over the budgeted figure for 2004, (196.4) and a 55% increase over the actual figure conducted in 2003 (150). The planned figure of 23,704 inspector days represents only a 0.87% increase over the budgeted figure for 2004 (23,500), and an 81% increase over the actual figure in 2003 (13,110).

11. A decision was taken that the Secretariat should apply a discount factor of 18.5% on the projected inspection programme for CWDFs for the purpose of calculating all costs related to their verification activities during the year 2004. Following consultations with the possessor States Parties, the Secretariat believes that assumptions regarding start-up of new CWDFs are now more realistic and, therefore, that it is more likely that the discount factor of 18.5% applied for 2004 will not reflect the reality in 2005. As a result, the Secretariat is applying a more conservative discount of 10% in the following Table for calculating CWDF activities and costs for the year 2005.

TABLE 2: DETAILED PLAN OF INSPECTIONS AND ROTATIONS FOR 2005

Inspection type	Inspections			Inspection days		
	Months running	Inspections/rotations	Missions/rotations	No. of inspectors	Duration in days	Inspector days
UNITED STATES OF AMERICA						
CWDF continuous						
Anniston (ANCDF)	12	17.3	17.3	4	44	3,045
Tooele (TOCDF)	8	11.6	11.6	4	44	2,042
Tooele (TOCDF) - during changeover	4	5.8	5.8	1.5	44	383
Umatilla (UMCDF)	12	17.3	17.3	4	44	3,045
Pine Bluff (PBCDF)	11	15.9	15.9	4	44	2,798
APG (ABCDF)	6	8.7	8.7	4	44	1,531
APG (ABCDF) - during Ton Container Cleanout operations	6	8.7	8.7	2.5	44	957
Newport NECDF	8	11.6	11.6	4	44	2,042
CWDF non-continuous						
Pine Bluff Binary Destruction Facility (PBBDF)	3	4.3	4.3	4	44	757
PDTDF	1	from ABCDF				0*
CWDF visits						
PBBDF - IV		1	1	5	5	25
PBEDS - FER		1	1	5	5	25
PBBDF - FER		1	1	5	5	25
Sub-total CWDFs		104.2	104.2			16,674
CWPFs		4	3	5	10	150
CWSFs		16	6	6	14	504

Inspection type	Inspections			Inspection days		
	Months running	Inspections/rotations	Missions/rotations	No. of inspectors	Duration in days	Inspector days
RUSSIAN FEDERATION						
CWDF continuous						
Gorny	12	17.3	17.3	2.5	44	1,903
Kambarka	1	1.5	1.5	2.5	44	165
CWDF visits						
Kambarka - IV		1	1	7	8	56
Maradykovsky - IV		1	1	7	6	42
Kambarka -FER		1	1	6	7	42
Sub-total CWDFs		21.8	21.8			2,208
CWPFs		13	5	5	10	250
CWSFs		8	4	6	10	240
INDIA						
CWDF non-continuous						
CWDF/34	9	13	13	2.5	44	1,430
Sub-total CWDFs		13	13			1,430
CWPFs		2	2	5	5	50
CWSFs		2	2	5	5	50
A STATE PARTY						
CWDF non-continuous						
CWDF/15	8	11.6	11.6	1.5	44	766
Sub-total CWDFs		11.6	11.6			766
CWPFs		1	1	4	5	20
CWSFs		10	2	4	10	80
ALBANIA						
CWDF non-continuous						
None						0
CWDF visits						
CWDF/36 - IV		1	1	7	7	49
Sub-total CWDFs		1	1			49
CWSFs		1	1	4	5	20
LIBYA						
CWDF non-continuous						
CWDF/38 (Cat 2)	2	2.9	2.9	1.5	44	191
CWDF/39 (Cat 1)	3	4.3	4.3	2.5	44	473
CWDF visits						
CWDF/39 - IV		1	1	7	10	70
CWDF/39 - FER		1	1	6	10	60
Sub-total CWDFs		9.2	9.2			794
CWPFs		6	2	5	10	100
CWSFs		1	1	5	8	40
Others States Parties CWPFs						
United Kingdom		2	1	3	5	15

Inspection type	Inspections			Inspection days		
	Months running	Inspections/rotations	Missions/rotations	No. of inspectors	Duration in days	Inspector days
Total ACW		3	3	4	8	96
Total OCW		7	7	4	6	168
Total CWDF		160.8	160.8			21,921
Total CWPF*		26	13			585
Total CWSF		36	14			934
Total Article IV and V		232.8	197.8			23,704

* This figure is based upon the assumption that this facility will be monitored by inspectors at the indicated CWDF. If this is not the case, the inspector resources will be higher than listed.

12. The first desired result for core objective 1 is that all destruction activities should be verified through inspection, and additionally on the dates specified by the States Parties in their declared plans. It is recognised that States Parties sometimes need to adjust their campaigns, and that the Secretariat will always seek to accommodate these changes.
13. Achieving this desired result is essential. It was fully achieved in 2003. The Secretariat expects to do likewise and to verify in 2004 and 2005 all destruction activities declared by States Parties.
14. The second desired result concerns the quality of the inspections and of the verification as a whole. Procedures are in place to ensure that inspections are carried out rigorously. It is proposed to develop these further, by 2006, to specify more formally the standards that will apply to the results of inspections and also to allow more-formal reporting of the degree to which those standards are actually achieved. Experience suggests that there were no particular weaknesses in the quality of inspections in 2003, and the target is to maintain that situation through 2005.
15. The main risk to achievement of the targets described is the level of CWDF activity. As indicated, in preparing the budget, it has been assumed that actual activity will be 10% lower than that forecast by the possessor States Parties in their assumptions. Should activity prove to be higher, it will require more resources than have been budgeted for Article IV and V inspections. In such a situation, the Secretariat would still endeavour to achieve the targets specified, but it would need to divert resources from other budgeted activities in order to free the necessary inspector and related specialist resources. A second element of risk is unforeseen changes in the destruction campaigns of possessor States. Should these take place, the Secretariat would still aim to achieve the targets specified. However, should inspector resources have to be found at short notice in order to adapt to these changes, achievement of the high levels of utilisation of inspectors foreseen in the budget might be adversely affected.

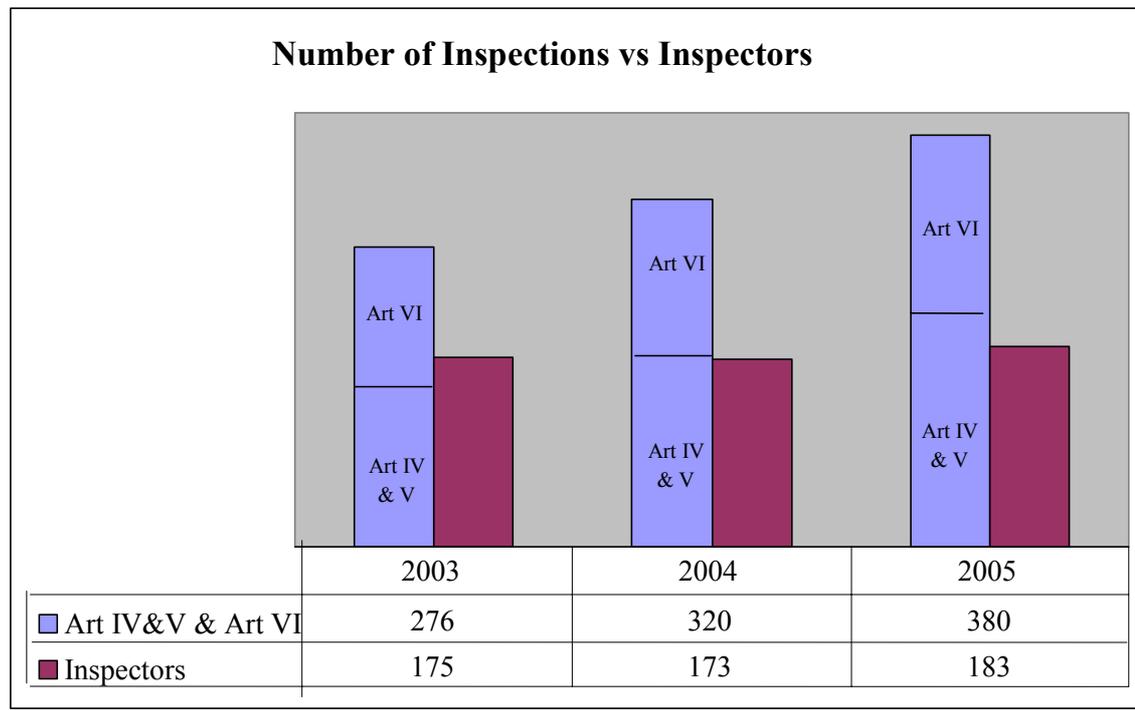
Results for Core Objective 2

16. This core objective is the joint responsibility of the Verification and Inspectorate Divisions. The starting point in considering results for this objective is the anticipated workload for Article VI inspections. The detailed plan for inspections is shown in Table 3. The budget for 2005 shows a total of 162 Article VI inspections, requiring a slight increase over the budgeted level set in 2004.

TABLE 3: PROPOSED LEVEL OF ARTICLE VI INSPECTIONS

	2002 Actual	2003 Actual	2004 Budgeted	2005 Budgeted
Schedule 1	9	16	16	16
Schedule 2	21	35	42	42
Schedule 3	23	15	22	24
OCPF	32	66	70	80
TOTAL	85	132	150	162

17. The first desired result for core objective 2 is to offer a level of assurance of non-proliferation. The level of assurance is dependent on the number of inspections undertaken relative to the number of sites, and on the sites chosen in accordance with the requirements of the Convention. Although work will be undertaken to seek to clarify the level of assurance, doing so will take time, and the results can only be expected some time in the future. The budget for 2004 showed an increase in the number of Article VI inspections from 132 to 150. The target is to increase that level to 162 in 2005.
18. Further desired results relating to core objective 2 have been identified as the timeliness of inspecting Schedule 1 and Schedule 2 sites, the percentage of Schedule 3 sites inspected each year, and the percentage sample of OCPF sites inspected each year. These relate directly to the verification requirements set out in the verification regimes for these sites in parts VI, VII VIII and IX of the Verification Annex to the Convention. In 2003, all budgeted 132 Article VI inspections were successfully planned and conducted in accordance with the different requirements of the Convention. In 2004, 150 Article VI inspections were conducted accordingly. For 2005, the target is to plan and conduct the 162 Article VI inspections in a timely and successful manner, following the requirements of the Convention.

Table 4: Planned Inspections Compared With Total Number of Inspectors 2003, 2004, and 2005***Results for Core Objective 3**

19. This core objective is primarily the responsibility of the Assistance and Protection Branch within the International Cooperation and Assistance Division. The main aim of the activities of APB in relation to the implementation of Article X of the Convention is to achieve a defined national and international response capability for protection and assistance.
20. The results of this objective are evaluated as follows:
- (a) readiness of response teams at the national level and assistance teams at the international level;
 - (b) geographical spread of assistance-related equipment and other assets; and
 - (c) standardisation of procedures, submission of declarations regarding national protection programmes, etc.
21. The achievement in each of these areas still falls short of the obligations laid down in the Convention. For example, both at an international and at an OPCW level, the capability to provide assistance is still limited. No database as required under Article X has yet been established. On the other hand, requests made by Member States under Article X have been increasing. It is expected that the resources proposed

* This chart takes into account the discount factors of 10%, 18.5% and 10% for CWDF missions in relation to the assumptions made by the possessor States Parties for the years 2003, 2004, and 2005, respectively, as agreed by the Conference. The discount factors were used when calculating costs and number of inspectors required for each year.

and the voluntary contributions to be received separately will make it possible to maintain the programme delivery in 2005 at the level of 2004. This will result in more national protection programmes being declared, the partial establishment of the database, and better preparedness to provide international assistance as a consequence of holding the ASSISTEX 2 exercise on delivery of assistance.

22. Specific activities to support achievement of these results will include:
- (a) establishment of a data bank on protection which is accessible to Member States, pursuant to Article X, paragraph 5, of the Convention; the related work has initiated in 2004, and by the end of 2005 it is expected to be about 40 percent complete, provided that a database manager is approved and appointed;
 - (b) commencement of development of training modules for protection, with a completion goal set for 2007;
 - (c) further developing Standard Operating Procedures and Work Instructions in order to build up the Secretariat's capacity to manage international response;
 - (d) improving the capability to deliver international assistance to a requesting Member State within a defined period of time; given that this can only be tested by means of exercises, a field exercise will be organised in Ukraine in 2005;
 - (e) carrying out 10 assessment visits to identify protection needs as well as 10 to 15 protection courses for awareness purposes and also for first responders, and developing 2 or 3 long-term protection projects;
 - (f) concluding 3 to 5 bilateral agreements, 10 international assistance courses and 5 visits to inspect national assets for assistance; and
 - (g) holding one refresher training course for ACAT (Assistance Coordination and Assessment team).

Results for Core Objective 4

23. This core objective is primarily the responsibility of the International Cooperation Branch (ICB) within ICA. The main focus of the activities of ICB in relation to Article XI of the Convention is to facilitate the building of skills and capability in areas relating to the peaceful application of chemistry through the exchange of scientific and technical information, internships, research projects, strengthening of analytical skills and technical capabilities of laboratories, etc.
24. The specific programmes that will be implemented in pursuance of this objective and the outcomes that will be expected will include the following:
- (a) Associate Programme (one programme with 24 participants); the participants on return to their countries will be expected to assist their National Authorities and to disseminate the knowledge gained from the programme, thereby

contributing to capacity building and assisting the OPCW in achieving its goals;

- (b) Conference Support Programme (support for at least 6 conferences, workshops, seminars, and meetings); exchange of scientific and technical information will be followed by the preparation of a report on the findings for each event;
 - (c) Internship Support Programme (support for at least 5 internships); in each case, the intern will submit a report on the activities and findings of the internship, on which the comments of the host institution will be obtained;
 - (d) Support of Research Projects (support for at least 10 projects); in each case, the researcher will submit a report on the findings of the research undertaken;
 - (e) Laboratory Assistance Programme (support for at least 2 projects); each recipient institution will submit a report on the benefits derived and the progress made towards receiving accreditation(s);
 - (f) Equipment Exchange Programme (support for at least 5 exchanges of equipment); each recipient institution will submit a report on the successful utilisation of the transferred equipment;
 - (g) Analytical Skills Development Programme (one course for 20 participants); the participants, on return to their home countries, will be expected to contribute to the enhancement of skills in their laboratories/research institutions;
 - (h) Information Service; information will be furnished within two weeks of receipt of a request; and
 - (i) Joint technical seminars/workshops in cooperation with other international organisations on specific topics related to the Convention (two events are envisaged); a report on the deliberations and findings of each event will be circulated.
25. The resources approved for international cooperation programmes in 2005 will enable the programme delivery to be maintained at least at the level indicated in the budget for 2004. A request for an additional permanent post at the P-3 level has been included in this budget to help in ensuring this. Except for the Skills Development Programme, which did not exist in 2003, all the other programmes generated the expected outcome, as described above. It is foreseen that the same level of effectiveness will be maintained in 2004 and 2005. In the longer term, the aim will be to develop the evaluation system so as to permit a more direct assessment of the contribution made by the skills developed in the States Parties which have participated, in order to develop and refine activities to the end of offering maximum benefits to those States Parties.

Results for Supporting Objective 5

26. This objective is primarily the responsibility of the External Relations Division. Since the Thirty-Sixth Session of the EC, total membership in the Organisation has risen to 162, with the number of States not Party standing at 32 (figures as of June 2004). The current expectation is that membership could increase by up to 5 States Parties during 2004, and the target will be to increase the total membership to 170 by the end of 2005. Of the States not Party, about two-thirds have reached at least level 1 participation, which is defined as requests for information and participation in organised events. About four of these have also reached level 2, defined as requests for assistance and/or active consideration of membership. The target sought by the end of 2005 will be that 70% of all States not Party will have reached at least level 1, and that at least five more will have also progressed to level 2. These targets assume that the Universality Action Plan will be strongly supported by States Parties, which will play a part in persuading those not Party of the benefits of membership. It is not considered feasible to expect more rapid progress, since those States showing higher levels of enthusiasm have already joined the Organisation. All the same, the target will need to be reviewed in the light of the actual progress achieved.
27. In addition to ongoing bilateral discussions with States not Party and to activities carried out jointly with regional organisations, the following particular initiatives are planned for 2005:
- (a) to run at least two regional workshops targeted at States not Party; and
 - (b) to intensify bilateral efforts, including assistance visits to those States not Party perceived as being more supportive of these efforts.
28. Regional workshops and bilateral efforts are proving very effective in terms of contributing to results. Of the 16 States not Party that attended regional workshops in 2003, 5 have since joined the Convention, and another 5 are preparing to do so during the course of 2004 (figures as of June 2004). Bilateral visits were made to 6 States not Party in 2003; 3 of these have already joined the Convention, and the other 3 are preparing to do so during the course of 2004 (figures as of June 2004).

Results for Supporting Objective 6

29. This objective is the responsibility of the Implementation Support Branch (IPB) in the International Cooperation and Assistance Division. The resources for 2005 will enable IPB to maintain programme delivery at a level similar to that for 2004 when the Branch is expecting to satisfy requests, *inter alia*, for national training courses in 8 States Parties, regional meetings in 4 of the 5 geographical regions as represented in the Organisation, and basic or advanced training to over 80 individuals attached to National Authorities.
30. The objective of these activities will be to achieve improvements for the recipient States in the following areas:

- (a) establishment and effective functioning of National Authorities, and adoption of adequate national implementing legislation;
 - (b) bringing relevant chemicals and facilities within the ambit of the verification measures laid down by the Convention; and
 - (c) submission of declarations that will ensure that the activities involving toxic chemicals and their precursors are for non-prohibited purposes.
31. The development of a national implementation database is of vital importance to meeting this objective; consequently, an additional post of database manager has been included in the present budget to facilitate this development.
32. The success of all these activities is dependent not only on the quality of the support provided by the Secretariat, but also on the actual compliance measures taken by the States Parties. Approximately 40% of the Member States have not provided information on their national implementing legislation. Similarly, 20% of the Member States have not provided their advance annual declarations or information on the designation/establishment of National Authorities. Compliance with the deadlines contained in the Plan of Action Regarding Implementation of Article VII Obligations will require further improvement of the above-mentioned percentages, and this in turn will help the Secretariat to provide a clearer picture of results actually being achieved in respect of implementation of the Convention.

Results for Operational Objective 7

33. The approach adopted to demonstrate ongoing efficiency will be to develop a small number of input/output ratios relevant to important areas of the Secretariat's activity. In the meantime, it is possible to examine more generally the levels of demands to be met and cost savings that are being made.
34. The overall picture for 2005 shows that the Secretariat is facing significant increases in required output in three areas:
- (a) Inspections: It is foreseen that the number of CWDFs in operation in 2005 will be considerably greater than in 2004. A more cost-effective utilisation of Inspectorate resources is planned in order to cope with the increasing number of inspections/rotations (details are included above and in Chapter 1), but clearly there is an incremental cost to be borne in delivering higher volumes of work in this area;
 - (b) Human resources activity: The average rate of recruitment for staff affected by tenure in the four years preceding full implementation of the tenure policy in 2003 was 12 per annum, but this annual rate has increased fourfold starting with 2004. In 2004, the training of new inspectors was addressed in-house, in large part by the Inspectorate and the Verification Divisions. It is foreseen that this training will need to be dealt with in the same manner in 2005. The appeals-related workload has also increased significantly, from about three appeals a year to the current level, where practically all staff members affected by tenure are appealing the decision affecting them individually; and

- (c) International cooperation and assistance activities, where the volume of projects has practically doubled as compared to that in 2002.
35. Efficiency improvements reflected in the budget for 2005, including the full-year effects of those actions already being taken to achieve the additional EUR 1,400,000 efficiency savings incorporated into the approved 2004 budget, include:
- (a) the introduction of 10 SSA inspectors (on-call inspectors), from mid-July 2004, with a further 5 to be added during 2005;
 - (b) a savings of EUR 250,688 in the cost of death and disability insurance; and
 - (c) various cost reductions, totalling EUR 470,000 in support services, notably in the area of PMO through the new reprographic services contract.
36. One key ratio is the utilisation of inspectors. The target, as in recent years, will be to achieve an utilisation of an average of 130 inspection days per inspector in 2005. The ability to achieve this target will be strongly dependent upon required levels of Article IV and V inspections taking place at the levels assumed in this budget.

The Overall Budget by Programme

37. In preparing this budget, due consideration has been given to the stated wish of States Parties to keep any increases in real terms to the minimum. Key assumptions and features of the proposed programme include the following:
- (a) turnover of internationally recruited staff during 2005 will follow the tenure policy approved by the Conference at its Second Special Session; the budget includes both the separation costs for all the departing staff members and the recruitment costs for all their replacements;
 - (b) turnover is assumed to affect approximately 50 P and higher categories and approximately 15 GS posts;
 - (c) the CWDF inspections required in accordance with the plans submitted by possessor States have been discounted by 10%, and a major increase of 17% in the planned number of inspection rotations has been accommodated;
 - (d) statutory increases in staff costs must be met, and are budgeted;
 - (e) new staff for the Secretariat will be appointed at the lowest step at which personnel with suitable qualifications and experience can be recruited, taking into account the duties of the post and the level of responsibility associated with it; when recruiting GS staff, maximum use will continue to be made of local hires;
 - (f) four extra posts will be filled and adjustments will be made to the overall ceiling and breakdown to accommodate the transfer of the Guard Force from TAC to fixed-term status;

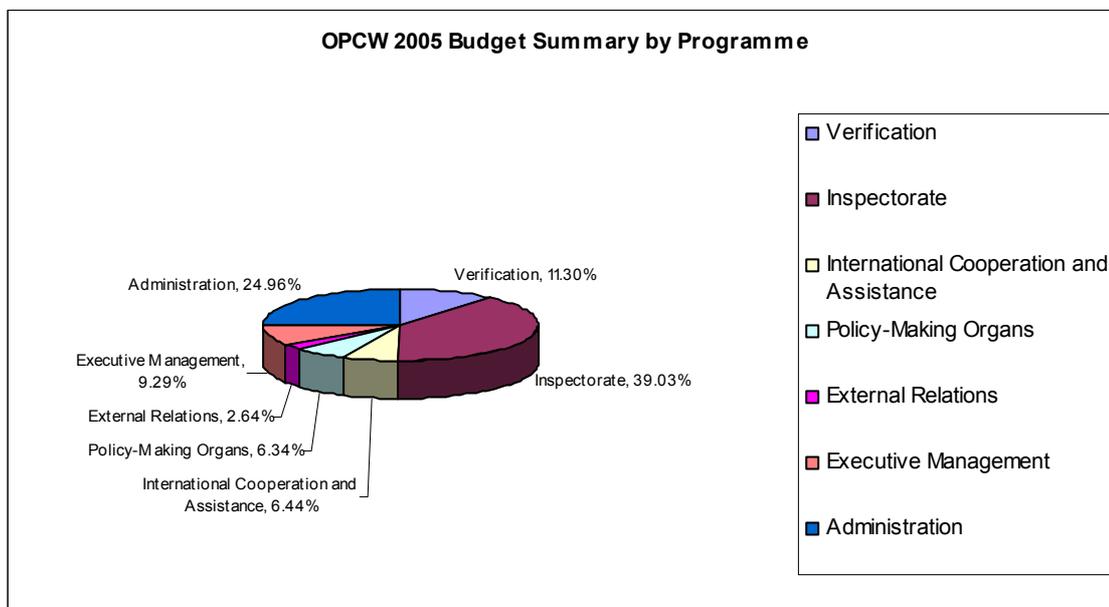
- (g) the annual session of the Conference will meet for no more than one week, with two meetings with interpretation per day and no parallel meetings with interpretation; meetings of the EC will not be held simultaneously with meetings of the Conference; and
- (h) the EC will meet for four regular sessions, and the Scientific Advisory Board and the Confidentiality Commission will meet for, one two-day session each.
38. The 2005 budget, by Chapter and Programme, is shown in Table 5, alongside figures for the 2004 approved budget, and indicative figures for 2006.

TABLE 5: 2004-2005-2006 BUDGET CHAPTERS AND PROGRAMMES (WITH COMMON SERVICE COSTS FOR 2004 REALLOCATED TO OTHER PROGRAMMES, AND ADMINISTRATIVE REDUCTIONS ALLOCATED TO PROGRAMMES)

	2004 Budget	2005 Budget	% Growth	2006 Estimate
CHAPTER ONE: VERIFICATION COSTS				
Programme 1: Verification	8,498,360	8,550,869	0.6%	8,978,412
Programme 2: Inspectorate	28,519,966	29,546,131	3.6%	31,023,438
TOTAL VERIFICATION COSTS	37,018,326	38,097,000	2.9%	40,001,850
CHAPTER TWO: ADMINISTRATIVE AND OTHER COSTS				
Programme 3: International Cooperation and Assistance	4,775,712	4,872,868	2.0%	5,116,511
Programme 4: Policy-Making Organs	5,180,847	4,802,010	-7.3%	5,042,111
Programme 5: External Relations	1,946,639	1,995,215	2.5%	2,094,976
Programme 6: Executive Management	7,036,964	7,034,354	-.04%	7,386,072
Programme 7: Administration	17,194,902	18,893,553	9.9%	19,838,231
Programme 8: Common Services	0	0	0%	0
TOTAL ADMINISTRATIVE AND OTHER COSTS	36,135,064	37,598,000	4.0%	39,477,900
Total Regular Budget	73,153,390	75,695,000	3.5%	79,479,750
Miscellaneous Income				
Verification payments under Articles IV - V	-3,900,000	-4,417,600	13.3%	-4,638,480
Bank interest	-600,000	-600,000	0.0	-600,000
Assessment to Member States	68,653,390	70,677,400	2.9%	74,211,270

39. The distribution of the 2005 budget between Programmes is illustrated in Table 6. Chapter 1, Verification Costs, accounts for 50.3% of the total expenditure, Chapter 2, Administration and Other Costs, for 49.7%.

TABLE 6: DISTRIBUTION OF THE 2005 BUDGET BETWEEN PROGRAMMES



Programme Funding

40. Table 5 shows the total financial resources required in 2005 to fund the programmed activities and achieve the results described, which amount to EUR 75,695,000. Of this total, the amount of EUR 600,000 is expected to be received in the form of bank interests. On the basis of the planned number of Article IV and V inspections, the total sums invoiced under the corresponding Convention provisions are expected to be EUR 7,362,700. On the basis of past collection performance, it is estimated that EUR 4,417,600 (=60%) will actually be received.
41. The above assumptions leave EUR 70,677,400 to be raised from the assessments to Member States. The historical collection performance during and for the financial year in respect of assessed contributions has been approximately 97%; the actual figure in 2003 was 95%. It has been assumed in describing the planned results that all of the contributions will be received, or alternatively that flexibility arrangements will allow the Secretariat to spend up to the figures budgeted. Any shortfall in assumed receipts of either assessed contributions or verification payments could result in a reduction of activities, and therefore of the results achievable.

The Overall Budget by Object of Expenditure

42. The distribution of total costs by both major and main objects of expenditure is shown in Table 7. This table includes comparisons between the 2004 and 2005 budgets.

**TABLE 7: DISTRIBUTION OF THE 2004 AND 2005 BUDGETS
BETWEEN OBJECTS OF EXPENDITURE**

	Object of Expenditure	2004 Budget	2005 Budget	Growth	Percentage Growth
1	Staff Costs				
2	Salaries	33,169,051	35,650,429	2,481,378	7.5%
3	Common Staff Costs	15,364,178	14,241,073	-1,123,105	-7.3%
4	Staff Turnover	3,643,800	3,643,800	0	0.00%
5	Overtime	227,500	212,500	-15,000	-6.6%
6	Consultants	485,000	545,000	60,000	12.4%
7	Other Staff Costs	180,000	265,000	85,000	47.2%
8	General Temp. Assistance	792,000	1,272,075	480,075	60.6%
9	Total Staff Costs	53,861,529	55,829,877	1,968,348	3.7%
10	Travel Costs				
11	Travel - Inspections	3,938,058	4,137,515	199,457	5.1%
12	Travel - Official Meetings	478,500	541,167	62,667	13.1%
13	Other Travel Costs	40,000	2,500	-37,500	-93.8%
14	Total Travel Costs	4,456,558	4,681,182	224,624	5.0%
15	Contractual Services				
16	Training	455,863	609,863	154,000	33.8%
17	Translation, Interpretation	1,096,020	984,950	-111,070	-10.1%
18	Data Processing Services	695,500	360,000	-335,500	-48.2%
19	Security	837,500	42,500	-795,000	-94.9%
20	SSA Inspectors		863,161	863,161	
21	Other Contractual Services	902,564	807,577	-94,987	-10.5%
22	Total Contractual Services	3,987,447	3,668,051	-319,396	-8.0%
23	Workshops, Seminars and Meetings				
24	Support for National Authorities	833,500	833,500	0	0.00%
25	Capacity Building	801,000	801,000	0	0.00%
26	Protective Capacity	652,000	652,000	0	0.00%
27	Associate Programme	450,000	450,000	0	0.00%
28	Other Workshops, Seminars and Meetings	75,000	75,000	0	0.00%
29	Total Workshops, Seminars and Meetings	2,811,500	2,811,500	0	0.00%
30	General Operating Expenses				
31	Rental of Premises	3,082,000	3,426,930	344,930	11.2%
32	Maintenance and Utilities	1,108,536	1,152,877	44,341	4.0%
33	Rental of Equipment	1,107,000	721,240	-385,760	-34.8%
34	Maintenance of Equipment	53,500	132,000	78,500	146.7%
35	Communications	584,500	589,100	4,600	0.8%
36	Hospitality and Other Functions	60,200	81,600	21,400	35.5%
37	Insurance	159,000	165,360	6,360	4.0%
38	Supplies and Materials	381,500	388,600	7,100	1.9%

	Object of Expenditure	2004 Budget	2005 Budget	Growth	Percentage Growth
39	Cargo and Shipments	302,620	259,583	-43,037	-14.2%
40	Miscellaneous General Operating Expenses	79,000	138,500	59,500	75.3%
41	Total General Operating Expenses	6,917,856	7,055,790	137,934	2.0%
42	Inspection Equipment, Maintenance and Supplies				
43	Inspection Equipment Acquisition - Running Costs	0	0	0	
44	Inspection Equipment Maintenance	400,000	400,000	0	0.00%
45	Supplies and Materials	10,000	10,000	0	0.00%
46	Total Inspection Equipment, Maintenance and Supplies	410,000	410,000	0	0.00%
47	Furniture and Equipment - Running Costs				
48	Office furniture and Equipment - Running Costs	17,000	17,000	0	0.00%
49	Computer Hardware and Software - Running Costs	0	242,000	242,000	
50	Transportation Equipment - Running Costs	0	0	0	
51	Other Furniture and Equipment - Running Costs	0	2,100	2,100	
52	Total Furniture and Equipment - Running Costs	17,000	261,100	244,100	1435.9%
53	Inspection Equipment, Maintenance and Supplies - Capital				
54	Inspection Equipment Acquisition - Capital Costs	250,000	250,000	0	0.00%
55	Inspection Equipment Maintenance	0	0	0	
56	Supplies and Materials	0	0	0	
57	Total Inspection Equipment, Maintenance and Supplies - Capital	250,000	250,000	0	0.00%
58	Furniture and Equipment - Capital Costs				
59	Office Furniture and Equipment - Capital Costs	65,000	235,000	170,000	261.5%
60	Computer Hardware and Software - Capital Costs	289,500	360,000	70,500	24.4%

	Object of Expenditure	2004 Budget	2005 Budget	Growth	Percentage Growth
61	Transportation Equipment - Capital Costs	0	0	0	
62	Other Furniture and Equipment - Capital Costs	87,000	132,500	45,500	52.3%
63	Total Furniture and Equipment - Capital Costs	441,500	727,500	286,000	64.8%
64	TOTAL COSTS	73,153,390	75,695,000	2,541,610	3.5%

Recosting

43. The purpose of recosting is to provide for the necessary price adjustments for inflation and exchange rates as applicable to the existing and planned resources for 2005.
44. In relation to currency, given that the budget is expressed in EUR, the movement of the EUR in relation to the USD can have a sizeable impact on those expenditures, which are sensitive to the USD exchange rate. Recosting is based on an exchange rate of 1 USD = 0.82842 EUR, the average rate of exchange applied in the twelve months from February 2003 to January 2004. The average applicable post-adjustment multiplier is 4257 (i.e., salaries will be multiplied by 1.4257).
45. With regard to inflation and statutory adjustments for salaries related to posts in the P and higher categories, the adjustments relate to the predicted movement of post-adjustment indices in 2004 and 2005, and to the adjustments to the scales for salaries (effective 1 March 2005) and pensionable remuneration (effective 1 November 2004), adjusted in accordance with the historical pattern of 3.6% per annum in base salary.
46. Similarly, with regard to GS salaries, recosting includes the forecast of probable cost-of-living adjustments in 2004 and 2005, based on anticipated inflation rates and salary scale adjustments in accordance with the historical pattern of 5% per annum, effective in the second half of each financial year. Education grants and home leave entitlements are budgeted at the actual expenditure rates for 2003, and are then adjusted to include any confirmed increases in 2004 and 2005.
47. OPCW Staff Regulations on step and level changes are applied as defined in Article III and annex I of the Staff Regulations and Interim Staff Rules.
48. The other resources component of the budget, the general operating expenses, and other contractual services are adjusted as per the contractual indexes and/or the local inflation forecast for 2005. GTA rates are adjusted according to the revised salary scales along the same percentages as mentioned above for fixed-term contracts. International travel and other international purchases are adjusted as per the relevant indexes.

Staff Numbers

49. The additions for 2005 involve three posts which will be redeployed, one existing post which was not funded during 2004, and the conversion of the Guard Force from TAC to fixed-term status, as detailed below:
- (a) A P-3 level post will be redeployed for use in ICB, to take particular responsibility for the Associate Programme and assist with the increased workload of the Branch;
 - (b) A P-3 level post will be redeployed for use as a database manager. This post will be located in ISB but will take responsibility for managing and coordinating all databases in the Secretariat; initially the main focus will be on assisting ICA in the development of their two databases;
 - (c) A P-4 head of procurement post that has been kept vacant for some time because of financial restrictions will be unfrozen to improve timeliness in procurement and develop opportunities for cost savings in purchasing; and
 - (d) A P-2 post will be redeployed for use in HRB, to help in the management of the increased workload generated by the implementation of tenure.
50. In addition, it is proposed to make a start in 2005 on addressing the problem of long-term TACs, which has drawn the attention of both the Member States and the External Auditor. A priority for early action is the related arrangement for security guards, which are currently an unsatisfactory mix of mainly TACs and some Fixed-Term posts. The budget includes a scheme that would place all Security Officers in a separate “ringed fence” area. The fixed-term posts of Assistant to the Head of Physical Security, 6 Security Sergeants, 2 Receptionist/Badge Clerks and Security Administration Clerk would be removed from the current total of 507. These 10 posts would then be added to a separate “ringed fence” section, along with the current GTA-funded posts of 18 Security Guards, 1 Security Sergeant and 1 Receptionist/Badge Clerk, to create a special section of 30 GS Physical Security Section posts. This initiative would result in an overall decrease of 21 GTA-funded contracts, while only establishing 20 fixed-term posts in the “ringed fence” section. Additional information on the 2005 programme and budget for the OCS, and on the provision of fixed-term contracts for OPCW Physical Security Section posts, is contained in EC-38/S/1, dated 27 May 2004.
51. The breakdown by Programme and Branch of the 502 approved posts is shown in Table 8.

TABLE 8: POSTS FOR WHICH FUNDING IS REQUIRED IN 2005, BY BRANCH AND PROGRAMME

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Programme 1: Verification													
Office of the Director	-	-	1	1*	-	-	-	-	1	-	2	1	3
Declarations Branch	-	-	-	1	-	4	6	0	4	7	11	11	22
Chemical Demilitarisation Branch	-	-	-	1	-	7	1	-	-	2	9	2	11
Industry Verification Branch	-	-	-	1	-	5	-	-	-	1	6	1	7
Policy and Review Branch	-	-	-	1	-	6	1	-	-	1	8	1	9
Technical Support Branch	-	-	-	-	1	5	1	1	3	7	8	10	18
Subtotal Programme 1	0	0	1	5	1	27	9	1	8	18	44	26	70
Programme 2: Inspectorate													
	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Office of the Director	-	-	1	-	-	-	-	-	1	-	1	1	2
Inspectorate Management Branch	-	-	-	-	1	-	1	-	-	3	2	3	5
Inspection Review Branch	-	-	-	-	1	-	1	-	-	-	2	0	2
Operations and Planning Branch	-	-	-	-	1	6	3	-	-	10	10	10	20
Inspectors	-	-	-	-	25	83	58	7	-	-	173	0	173
Subtotal Programme 2	0	0	1	0	28	89	63	7	1	13	188	14	202
TOTAL CHAPTER ONE	0	0	2	5	29	116	72	8	9	31	232	40	272
Programme 3: International Cooperation and Assistance													
	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Office of the Director	-	-	1	-	-	-	-	-	-	1	1	1	2
Assistance and Protection Branch	-	-	-	1	-	2	-	-	-	1	3	1	4
Implementation Support Branch	-	-	-	1	-	2	-	-	-	1	3	1	4
International Cooperation Branch	-	-	-	1	-	1	2	-	-	0	4	0	4
Subtotal Programme 3	0	0	1	3	0	5	2	0	0	3	11	3	14
Programme 4: Secretariat for the Policy-Making Organs													
	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Office of the Director	-	-	-	-	-	-	-	1	1	5	2	6	8
Conference Services Branch	-	-	-	-	-	-	13	-	2	7	21	9	30
Subtotal Programme 4	0	0	1	0	1	7	13	1	3	12	23	15	38

Programme 5: External Relations													
	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Office of the Director	-	-	1	1	-	-	-	-	-	1	2	1	3
Government Relations and Political Affairs Branch	-	-	-	-	1	-	2	-	-	1	3	1	4
Media and Public Affairs Branch	-	-	-	-	1	-	1	-	-	2	2	2	4
Protocol Branch	-	-	-	-	1	1	-	-	1	2	2	3	5
Subtotal Programme 5	0	0	1	1	3	1	3	0	1	6	9	7	16
Programme 6: Executive Management													
	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Office of the Director-General	1	-	-	1	-	-	-	-	1	1	2	2	4
Office of Confidentiality and Security	-	-	-	-	1	3	2	-	-	1	6	1	7
Office of the Deputy Director-General	-	1	-	1	1	-	-	-	1	1	3	2	5
Health and Safety Branch	-	-	-	1	2	0	2	-	2	2	5	4	9
Office of Internal Oversight	-	-	1	-	1	3	-	-	1	1	5	2	7
Office of the Legal Adviser	-	-	1	-	2	1	2	1	1	2	7	3	10
Office of Special Projects	-	-	1	-	-	-	0	-	-	1	1	1	2
Subtotal Programme 6	1	1	3	3	7	7	6	1	5	10	29	15	44
Programme 7: Administration													
	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Office of the Director	-	-	1	1*	0	0	-	-	1	-	2	1	3
Budget, Planning and Finance Branch	-	-	-	-	1	1	3	1	5	9	6	14	20
Human Resources Branch	-	-	-	1	-	1	1	1	4	6	4	10	14
Procurement and Support Services	-	-	-	-	1	3	1	-	4	12	5	16	21
Training and Staff Development	-	-	-	-	1	1	-	-	1	4	2	5	7
Information Services Branch	-	-	-	1	-	3	7	3	6	3	14	9	23
Subtotal Programme 7	0	0	1	3	3	9	12	5	21	34	33	55	88
TOTAL CHAPTER TWO	1	1	7	10	14	29	36	7	30	65	105	95	200
GRAND TOTAL	1	1	9	15	43	145	108	15	39	96	337	135	472
Physical Security Section									1	29		30	30

* The Executive Council approved the reclassification of these two posts from P-5 to D-1, however these posts will revert to previous grades upon separation of incumbents (EC-37/DEC.14, dated 2 July 2004).

Staff Costs

52. The amounts budgeted for salaries and common staff costs represent standard costs which have been calculated on the basis of actual costs at actual salary steps as of 31 January 2004. In 2005, salaries and common staff costs for the 502 fixed-term posts currently authorised are projected to cost EUR 49,891,502.
53. The following table details the different components that constitute the staff costs for the proposed 502 posts.

**TABLE 9: BREAKDOWN OF SALARIES AND COMMON STAFF COSTS
2005**

		2004 Budget	2005 Budget	Growth	Percentage Growth
1	Salaries and post adjustment	33,169,051	35,650,398	2,481,347	7.48%
2	Dependency allowance	1,006,769	1,165,485	158,716	15.76%
3	Death and disability insurance	1,267,499	931,206	-336,293	-26.53%
4	Medical insurance	1,690,876	1,431,152	-259,724	-15.36%
5	Rental subsidy	165,530	263,961	98,431	59.46%
6	Provident fund	7,750,843	7,159,639	-591,204	-7.63%
7	Education grant	2,504,604	2,316,663	-187,941	-7.50%
8	Home leave	978,057	972,998	-5,059	-0.52%
9	Total salaries and common staff costs	48,533,229	49,891,502	1,358,273	2.80%

CHAPTER ONE: VERIFICATION COSTS

1. PROGRAMME 1: VERIFICATION

Objectives

- 1.1 Programme 1 is the responsibility of the Verification Division, which, together with the Inspectorate Division, is responsible first and foremost for delivery of core objectives 1, relating to disarmament, and 2, relating to non-proliferation. These objectives and their associated indicators of achievement are set out above in Table 1. Proposed results relating to these core objectives were described in the Section on Core Results and the Overall Budget.
- 1.2 The Verification Division has developed some subordinate objectives, the achievement of which is considered a necessary condition for success in achieving the two core objectives. The principal subordinate objectives are presented in Table 10.

TABLE 10: PRINCIPAL SUBORDINATE OBJECTIVES, VERIFICATION DIVISION

Objectives	Indicators of Achievement
1. To ensure accurate, timely and complete processing and evaluation of declarations.	(a) Percentage of States whose information is up-to-date in the database; (b) Percentage of States whose information is complete in the database; (c) Percentage of sites expected to be inspectable that prove not to be inspectable.
2. To provide feasible, flexible inspection plans.	(a) Plans provided to scheduled time; (b) Technical briefings and other Verification Division inputs to the inspection plans are satisfactory. (The elements necessary for this indicator will be included in the quality of inspection indicators prepared by Inspection Teams: see table for Inspectorate Division.)
3. To ensure an excellent technical basis for inspections, allowing execution of inspections in accordance with the Convention.	(a) Accreditation of the OPCW laboratory; (b) Quality of inspection equipment. (Elements necessary for this indicator will be included in the quality of inspection indicators prepared by Inspection Teams: see table for Inspectorate Division.)
4. To cooperate with States Parties and provide verification-related information as required to increase States Parties' capacity to decide on compliance issues.	(a) Annual Verification Implementation Report and other reports are produced in time; (b) All important issues are addressed in the corresponding reports and documents.

Objectives	Indicators of Achievement
5. To improve States Parties' compliance with the Convention through technical assistance to States Parties and support of ICA/ERD activities.	(a) Number of requests met as a percentage of the number made that were in accordance with the agreed plan.
6. Efficient, effective operation of the Division.	(a) Unit cost, in real terms, of equipment maintenance.

Organisation and Activities

- 1.3 The Division consists of five Branches, as shown in Table 11, with their respective responsibilities.

TABLE 11: STRUCTURE OF VERIFICATION DIVISION

Office of the Director	Management of the Division, its staff, budgets, plans, and operations, policy advice on verification-related matters to Director-General, top management, States Parties and Policy-Making Organs, primary point of contact with States Parties and Policy-Making Organs for verification-related matters.
Declarations Branch	Processing and validation of declaration- and verification-related information, archiving and management of all confidential verification-related information, review and evaluation of all CW and Article VI related declarations and verification-related information: conduct of data monitoring; dissemination of declaration information to States Parties, submittal of reports to Policy-Making Organs on declaration-related matters.
Chemical Demilitarisation Branch	Plan, technically support, and finalise initial, routine and systematic inspections related to declared CW sites; develop short-term inspection plans, medium-term and long-term verification plans; evaluate destruction plans and/or conversion requests; develop and negotiate facility agreements with States Parties; develop technical requirements and provide staff to support training of inspectors and National Authorities; provide support to States Parties and Policy-Making Organs; plan and support challenge inspections and investigations of alleged use.
Industry Verification Branch	Plan, technically support, and finalise initial, routine and systematic inspections; provide technical information for facility agreement finalisation; build and maintain public source database on chemical industry; provide technical support to ICA and ERD; provide support to States Parties and Policy-Making Organs; plan and support challenge inspections and investigations of alleged use.

Policy and Review Branch	Preparation of reports on the results of verification activities; assessment of inspection results and addressing issues emanating from these inspections; assessment of the overall effectiveness of the verification regime; advice on verification-related policy issues; development of alternative verification methodologies; development, update and test the headquarters procedures for the conduct of challenge inspections and investigations of alleged use; preparation and negotiation of Facility Agreements with States Parties; technical support to the Scientific Advisory Board; support for ERD/ICA activities.
Technical Support Branch	Management of the OPCW Equipment Store and the OPCW Laboratory, in support of verification activities; procurement of inspection and laboratory equipment; maintenance, control, certification, issuance, and receipt of inspection equipment; provision of technical advice and support on equipment-related issues and verification-related analytical issues; conduct of proficiency tests; support for the training of inspectors.

Results for 2005 - Core Objectives

- 1.4 Proposed results relating to the core objectives were described above in the section on Core Results and the Overall Budget.

Subordinate Objective 1 - To ensure accurate, timely and complete processing and evaluation of declarations.

- 1.5 The first performance indicator selected is the percentage of States Parties whose information is up-to-date in the database. The percentage referred to is the percentage of data provided by the States Parties that is included in the databases in less than 10 working days for normal amendments and correspondence, and in less than 60 days for the Annual Declarations. During 2003, about 50% of the declarations submitted by the States Parties arrived on time. All the data were loaded in the databases in the stated times. In 2004 and 2005, it is intended to continue to load all data submitted into the databases in the required timelines. This will also be achieved in the event that all declarations are submitted on time by the States Parties.
- 1.6 The second performance indicator is the percentage of States Parties whose information in the databases is complete. This percentage includes two elements of performance: firstly, the overall correctness of the data itself; and secondly, the effectiveness of the process applied to incorporate this data into the databases. As concerns the first element, a total of 742 requests for clarification have been sent to the States Parties from 2000 to 2003. Of these, 544, or 73%, received full or partial responses. For 2004 and 2005, it is assumed that the number of necessary requests will decrease, as a direct result of the past learning process and also through the activities conducted by ICA in cooperation with the Verification Division. As concerns the second element, all declarations and declaration-related information that were received in 2003 were processed and evaluated in time to allow both the timely

planning of inspections and the preparation of reports to the PMOs. It is expected that this level of performance will continue in 2004 and 2005.

- 1.7 The third performance indicator refers to the percentage of sites expected to be inspectable that prove not to be inspectable. The target is to maintain this at nil, as it has been in previous years.

Subordinate Objective 2 - To provide feasible, flexible inspection plans.

- 1.8 In 2003 the yearly and quarterly plans covering Articles IV, V and VI inspections were all developed and provided in time. This allowed for the timely conduct of inspections. In 2003, 197.3 inspections/rotations under Article IV and V were budgeted. All budgeted CWSF, CWPF, ACW and OCW inspections were planned, conducted and evaluated. However, it became necessary to adjust the budgeted and planned number of CWDF rotations/inspections as a result of changes in campaigns made by the respective States Parties during the year 2003.
- 1.9 In 2004, the yearly and quarterly plans covering inspections under Articles IV, V and VI have been and will be developed and provided in time. In 2004, 196.4 inspections/rotations under Article IV and V are budgeted. It is expected that all planned CWSF, CWPF, ACW and OCW inspections will be conducted by the end of 2004, although changes in the campaigns might be made, and plans for rotations/inspections to CWDFs have to be adjusted accordingly. The aim is to achieve the same results in 2005, when 232.8 inspections/rotations under Articles IV and V are planned, although once again changes might be made in CWDF campaigns.
- 1.10 The preparation of each inspection includes technical briefings by the planning officers of the Verification Division and technical discussions between the Inspection Team and the planning officer. In 2003, these activities were successfully carried out and, in all cases, they contributed to the successful conduct of the inspections. In 2004 and 2005, the preparation of each inspection will continue to include technical briefings and discussions.
- 1.11 Changes in CWDF campaigns can lead to deviations from the budgeted number of inspections/rotations. It is assumed that States Parties will inform the Technical Secretariat (hereinafter "the Secretariat") of such changes in time to allow a proper adjustment of the inspection plans.
- 1.12 In 2003, 132 inspections under Article VI were successfully planned and conducted. For 2004, 150 inspections under Article VI are budgeted, and it is expected that the budgeted number of inspections will have been conducted by the end of 2004. For 2005, 162 inspections are foreseen: Out of 27 Schedule 1 facilities, 150 Schedule 2 plant sites, 399 Schedule 3 plant sites, and 4164 other chemical production facilities, 59.3%, 28%, 6% and 1.9%, respectively, will be inspected. The target is that all 162 inspections will have been planned, conducted and evaluated by the end of 2005.
- 1.13 There was an increase from 2003 to 2005 in the number of inspections without any increase in staff resources. In 2005, the expected increase in workload without any increase in the number of Verification Division staff implies that activities not directly linked to the planning and conduct of inspections might have to be cancelled or

reduced to the absolute minimum. In addition, an equivalent of 0.5 inspector on loan is the minimum required to conduct the planning of inspections under Article VI. Consequently, the flexibility in inspection planning as a whole will also be reduced.

Subordinate Objective 3 - To ensure an excellent technical basis for inspections, allowing execution of inspections in accordance with the Convention.

- 1.14 During recent years, the accreditation of the OPCW Laboratory under ISO 17025 and International Laboratory Accreditation Cooperation (ILAC) G13 was achieved and maintained. It is expected that this accreditation will be maintained in 2005.
- 1.15 In 2003, 2 Proficiency Tests were successfully conducted. The same number is planned for 2004, and the target for 2005 is again 2 tests.
- 1.16 In 2003 all inspections were successfully supported by the provision of inspection equipment in accordance with the corresponding Standard Operating Procedures. This implied that the equipment was fully tested and operational, and that it was provided in time to the inspection teams. The target is to maintain these standards in 2004 and 2005.
- 1.17 During recent years, both the required maintenance and control of all inspection equipment and the calibration and testing of non-analytical inspection equipment have been undertaken on a regular basis. The target is to continue to achieve this in 2005.
- 1.18 Equipment that is at the end of its life cycle, or that does not fulfil the high technical standards required, has been or will be replaced. In 2003, new equipment such as GC/MS (gas chromatographs/mass spectrometers) has been tested for the purpose of replacing outdated equipment in order to maintain compliance with high technical standards. Five GC/MS systems must be replaced, at an estimated value of EUR 150,000 per system. It is intended to complete the replacement of GC/MS inspection systems in 2004. The cost will partly be covered by a voluntary contribution of EUR 400,000 received from a State Party in 2003. In 2005, satellite phones, laptops, individual protective equipment, sample transport containers, etc. need to be replaced. The amount of EUR 250,000 has been included in the budget to the end of replenishing Special Account 1.
- 1.19 The OPCW Rijswijk Facility faces an increasing shortage of storage and office space. Although no provision for extra space has been included in this budget, this matter will need to be addressed in future budgets.

Subordinate Objective 4 – To cooperate with States Parties and provide verification-related information as required to increase States Parties' capacity to decide on compliance issues.

- 1.20 Reports such as the annual Verification Implementation Reports and the Annual Reports have been provided in time during the previous years. The issues addressed covered the information necessary for States Parties to assess compliance with the Convention as well as the status of its implementation.

- 1.21 During 2003, those verification-related matters that required consideration or decisions by the policy-making organs have been brought to their attention through reports and presentations. In 2003, the Verification Division provided to the policy-making organs a total of 146 documents, in which all these matters were duly addressed. The target is to continue the efforts with sustained success in 2004 and 2005.

Subordinate Objective 5 - To improve States Parties' compliance with the Convention through technical assistance to States Parties and support of ICA/ERD activities.

- 1.22 In 2003, all requests by States Parties for technical assistance were met. The Verification Division supported ICA and ERD with approximately 600 person days for this purpose. In 2004, approximately 700 person days are likely to be requested by ICA/ERD in support of their activities. If the verification activities for 2004 are conducted as planned, it will only be possible to partially meet requests for technical assistance by ICA/ERD. In addition, an estimated 80 person days will be spent in new inspector training, and an as yet undeterminable amount of time will be spent in training new staff recruited as a result of implementation of the tenure policy. These factors will have an impact on the ability of the Verification Division to provide full support to ICA/ERD.
- 1.23 For 2005, it is assumed that the support requested from the Verification Division by ICA and ERD will remain within the same range. The Verification Division will always do its utmost to provide the technical assistance required by ICA/ERD in 2004 and 2005; the target is to provide approximately 500 person days.

Subordinate Objective 6 - Efficient, effective operation of the Division.

- 1.24 Details of performance indicators have yet to be developed. However, the cost increase in this budget chapter only amounts to 0.62%, despite the significant increase in the number of inspections to be planned and evaluated, meaning that greater efficiency will be achieved. All targets relating to internal management of the Division, such as budget planning, resource planning and allocation and strategic planning, were achieved in 2003. The target is to maintain this effectiveness and efficiency in 2004 and 2005.

Programme Costs and Resources

- 1.25 Costs for 2005 are shown in Table 12, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Table 13 shows the proposed distribution of staff resources among Branches for 2005.
- 1.26 The Office of Internal Oversight has recommended in its Review of the Archive Management System of the Verification Division that "the two short term appointments (TACs) should be converted into fixed term posts in order to avoid using short-term staff for the handling of classified information." It has not been possible to accommodate this suggestion within the budget for 2005.
- 1.27 It is proposed to implement the RDBMS fully in 2005. This task will involve reloading all past Article VI data, which cannot be achieved with the resources

shown. The calculations performed on this matter indicate that 4 to 5 GS staff (bilinguals) and 1 P staff as supervisor are the additional resources that will be required for this purpose, over a period of 12 months.

- 1.28 It should be noted that the budgeted staffing presented in Table 13 does not reflect the full staffing that is required and used for current operations, and that is required for the projected operations of this programme. The operations are conducted with the support of 7 inspectors on loan from the Inspectorate Division - 2 full time inspectors and the equivalent of 5 inspectors on a rotational basis. The distribution of inspectors on loan is as follows: 2 P-4 in the IVB; 1 P-3 in the CDB; 1 P-4 in the DEB; and 3 P-4 in the TSB. It should be noted that the equivalent of 0.5 inspectors on loan is required to support the planning activities for Article VI inspections in 2005.

TABLE 12: RESOURCES BY OBJECT OF EXPENDITURE

	Verification	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	4,737,634	5,018,498	5.93%	5,269,423
3	Common Staff Costs	2,165,226	1,997,124	-7.76%	2,096,980
4	Overtime	8,000	8,000	0.00%	8,400
5	Consultants	85,000	85,000	0.00%	89,250
6	GTA	80,000	80,000	0.00%	84,000
7	Total Staff Costs	7,075,860	7,188,622	1.59%	7,548,053
8	Travel Costs				
9	Travel - Inspections				
10	Travel - Official Meetings	102,000	99,234	-2.71%	104,196
11	Other				
12	Total Travel Costs	102,000	99,234	-2.71%	104,196
13	Contractual Services				
14	Other Contractual Services	669,000	611,513	-8.59%	642,089
15	Total Contractual Services	669,000	611,513	-8.59%	642,089
16	Total Workshops, Seminars, Meetings	0	0		
17	General Operating Expenses				
18	Hospitality	1,500	1,500	0.00%	1,575
19	Total General Operating Expenses	1,500	1,500	0.00%	1,575
20	Inspection Equipment, Maintenance and Supplies				
21	Inspection Equipment Maintenance	400,000	400,000	0.00%	420,000
22	Total Inspection Equipment, Maintenance and Supplies	400,000	400,000	0.00%	420,000
23	Total Furniture and Equipment	0	0		
24	TOTAL RUNNING COSTS	8,248,360	8,300,869	0.64%	8,715,912

	Verification	2004 Budget	2005 Budget	% Growth	2006 Estimate
25	Inspection equipment, Maintenance and Supplies				
26	Inspection Equipment Acquisition	250,000	250,000	0.00%	262,500
27	Total Inspection equipment, Maintenance and Supplies	250,000	250,000	0.00%	262,500
28	Total Furniture and Equipment	0	0		
29	TOTAL CAPITAL COSTS	250,000	250,000	0.00%	262,500
30	Anticipated Revenue				
31	TOTAL NET COSTS	8,498,360	8,550,869	0.62%	8,978,412

TABLE 13: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS- PL	GS- OL	P & Above	GS	Total
Programme 1: Verification													
Office of the Director	-	-	1	1*	-	-	-	-	1	-	2	1	3
Declarations Branch	-	-	-	1	-	4	6	-	4	7	11	11	22
Chemical Demilitarisation Branch	-	-	-	1	-	7	1	-	-	2	9	2	11
Industry Verification Branch	-	-	-	1	-	5	-	-	-	1	6	1	7
Policy and Review Branch	-	-	-	1	-	6	1	-	-	1	8	1	9
Technical Support Branch	-	-	-	-	1	5	1	1	3	7	8	10	18
Subtotal Programme 1	-	-	1	5	1	27	9	1	8	18	44	26	70

* The Executive Council approved the reclassification of this post from P-5 to D-1, however this post will revert to previous grade upon separation of incumbent (EC-37/DEC.14, dated 2 July 2004).

2. PROGRAMME 2: INSPECTORATE

Objectives

- 2.1 Programme 2 is the responsibility of the Inspectorate Division, which, together with the Verification Division, is responsible first and foremost for delivery of core objectives 1, relating to disarmament, and 2, relating to non-proliferation. These objectives and their associated indicators of achievement are set out above in Table 1. Proposed results relating to these core objectives were described in the Section on Core Results and the Overall Budget.
- 2.2 The Inspectorate Division has developed some subordinate objectives, the achievement of which is considered a necessary condition for success in achieving the two core objectives. The principal subordinate objectives are presented in Table 14.

TABLE 14: PRINCIPAL SUBORDINATE OBJECTIVES, INSPECTORATE DIVISION

Objectives	Indicators of Achievement
1. To deliver on time a sufficient number of properly equipped and skilled Inspection Teams in order to implement the evolving inspection programme for Article IV, V and VI inspections.	(a) Timeliness – Inspection Teams deployed at the time required for Article IV and V inspections; (b) Volume of Article VI inspections – completion of number specified as required; (c) Quality of inspection – measured by compliance with some key specified elements of a good inspection, including compliance with agreed procedures, availability and proper functioning of all necessary equipment, timely reporting, and others.
2. To be prepared to deliver on time a sufficient number of properly equipped and skilled Inspection Teams to implement the Challenge Inspection and Investigation of Alleged Use requirements of the Convention.	(a) Readiness –Trained Inspection Teams ready to be deployed at the time required. Realistic procedures and work instructions developed and on place; (b) Quality of inspection – measured by compliance with all the required specified elements of a complete investigation, availability and proper functioning of necessary equipment, timely completion of the final report, and others.
3. To provide assistance in response to requests necessitating inspector expertise, in accordance with an agreed half-yearly plan, to support the programmes of the Verification Division, ICA, and ERD.	(a) Number of requests met as a percentage of the number made that were in accordance with the agreed plan.

4. Efficient and effective operation of the Inspectorate Division, including improvement in the cost-effectiveness of inspection operations.	(a) Number of inspector days, per inspector, either deployed on inspections or on assignment to ICA and ERD.
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Organisation and Activities

- 2.3 The Division consists of three Branches, as shown in Table 15, with their respective responsibilities.

TABLE 15: STRUCTURE OF INSPECTORATE DIVISION

Office of the Director	Management of the Division, its staff, budgets, plans, and operations, policy advice to Director-General and top management.
Inspectorate Management Branch	Implementation and monitoring of the annual programme and budget (Inspectorate); preparation of mission travel and subsistence arrangements; processing of invoicings and payments to States Parties; supervision of inspectors when they are not deployed on inspections; co-ordination and implementation of training activities; provision of personnel and general administrative support.
Inspection Review Branch	Implementation of Quality Assurance Regime; harmonisation of operating procedures and instructions within the Inspectorate; improvements in cost effectiveness.
Operations and Planning Branch.	Planning and monitoring of all inspection/missions; arrangements for personnel and equipment transportation, administrative and logistical support for each inspection; planning of inspection resource requirements; briefings to management.
Inspectors	Undertaking of inspections and provision of assistance to other Divisions or Branches as required.

Results for 2005 - Core Objectives

- 2.4 Proposed results relating to the core objectives were described in the earlier Section on Core Results and the Overall Budget.

Subordinate Objective 1 - To deliver on time sufficient number of properly equipped and skilled Inspection Teams in order to implement the evolving inspection programme for Article IV, V and VI inspections.

- 2.5 In 2003, all Article IV and V inspections were accomplished within the required timelines, in accordance with the Approved Verification Plan and taking due account of the declared and notified timelines provided by the possessor States Parties. Inspections are progressing in a similar manner in 2004. The Inspectorate has achieved a sustained level of quality in the conduct of Article IV and V inspections over the years, as indicated by the fact that there have been no communications from possessor States Parties to the contrary. The Inspectorate expects to maintain this standard throughout 2005.

- 2.6 In 2003, all programmed and budgeted Article VI inspections were conducted (132 inspections), and all Inspection Teams were delivered to Points of Entry of Inspected States Parties within the timelines specified in the Approved Verification Plan and in the inspection mandates. Article VI inspections were accomplished capably in 2003, and are progressing similarly in 2004, as indicated from States Parties comments on inspection reports. The Inspectorate expects to maintain this high standard throughout 2005.
- 2.7 If the rate of CWDF destruction activity increases to the degree that the assumed discount rate of 10% is found to be excessive, resources would be redeployed to assure delivery of Objective 1. However, it is likely that this redeployment would have a negative impact on the capacity to deliver both Objective 3 and the Article VI component of Objective 1.
- 2.8 As yet, no specific provision has been made in the 2005 budget preparations in relation with the accession of the Libyan Arab Jamahiriya, a State Party with a chemical weapons stockpile and CW production capability. The stringent verification measures put in place in 2004 will be likely to carry on into 2005 and beyond. Should this new accession generate significant Article IV and V inspection requirements in 2005, the implications for results will be similar to those described in the preceding paragraph for the event that the discount rate should prove excessive.

Subordinate Objective 2 - To be prepared to deliver on time a sufficient number of properly equipped and skilled Inspection Teams to implement the Challenge Inspection and Investigation of Alleged Use requirements of the Convention.

- 2.9 There has been no request for a Challenge Inspection since entry into force of the Convention. Nonetheless, with a view to the Secretariat being prepared to deploy in order to conduct a Challenge Inspection if so requested, the Inspectorate conducts courses and training exercises in order to be able to fulfil this Objective at any time. The situation is exactly the same with regard to requests for Investigations of Alleged Use.
- 2.10 The Secretariat has identified certain areas not entirely within its control where there is room for improvement with regard to the OPCW's ability to respond to a request for a Challenge Inspection (e.g., availability of air transport at short notice, notification of Standing Diplomatic Clearance Numbers, and provision of visas, as indicated in the Note by the Director-General on the readiness to conduct a Challenge Inspection, EC-36/DG.5, dated 3 February 2004). These points will receive further attention.
- 2.11 A request for a Challenge Inspection would undoubtedly be assigned the highest priority in terms of operational activity. This could result in the delay of other, routine operational missions. It could also require the recall of inspectors from other assignments, thus having a negative impact on the ability of the Inspectorate to fulfil this Objective and the Article VI component of Objective 1. Every effort would be made to ensure that there is no negative impact on fulfilment of the Article IV and V components of Objective 1. The same situation would apply if there were a request for an Investigation of Alleged Use.

Subordinate Objective 3 - To provide assistance in response to requests necessitating inspector expertise, in accordance with an agreed half-yearly plan, to support the programmes of the Verification Division, ICA, and ERD.

- 2.12 In 2003, the Inspectorate satisfied requests for assistance from other Divisions. In 2004, the Inspectorate agreed to assign to the Verification Division 5 fixed-term inspectors (person years) to perform essential duties other than inspections. Historically, the Inspectorate has also assigned the equivalent of an additional 3 fixed-term inspectors to the Verification Division on an as-required and as-available basis; and it has also assigned the equivalent of 2 fixed-term inspectors to ICA on an as-required and as-available basis. The requirement for the Verification Division is expected to increase slightly in 2005, but the requirement for ICA is expected to decrease slightly to 1.5 person years. The Inspectorate expects to fulfil this Objective 3 in full in 2005. There is an element of risk in that changes in operational requirements as noted under Core Objectives 1 and 2 could have a negative impact on the ability of the Inspectorate to fulfil Objective 3.

Subordinate Objective 4 - Efficient and effective operation of the Inspectorate Division, including improvement in the cost-effectiveness of inspection operations.

- 2.13 The current planning is based on the achievement of an average of 130 inspection days per inspector per annum, and the target is to maintain that level in 2005.
- 2.14 In 2003, the Inspectorate, in cooperation with the Verification Division, implemented a number of cost-saving measures (e.g. reduction in the duration of inspections, in the size of Inspection Teams, and in cargo) in order to improve the cost-effectiveness of inspections while maintaining the necessary standards of verification. These measures will be consolidated in 2004, and will continue in 2005.
- 2.15 The requirement to train new inspectors, resulting from turnover and from the implementation of decisions on tenure, has created in 2004 an additional workload which has been absorbed principally by the Inspectorate (but which has also created significant additional demands on the Verification Division, as well as on other areas of the Secretariat). If the pace of operational activity increases, especially in regard to Article IV and V inspections, it will become increasingly difficult to perform the training task and fulfil this Objective without bringing about some negative impact on the overall fulfilment of subordinate Objectives 1, 2 and 3.
- 2.16 It should be noted that the training concept for new inspectors envisages, in addition to a seven-week in-house training programme, on-the-job training during the course of actual inspections. Until all new inspectors are fully trained, this procedure may work against the effort to minimise the size of Inspection Teams to the end of achieving cost savings.
- 2.17 Should there be a decline in operational activity such that the prescribed average number of inspection days per inspector is not being achieved, it would then be possible to deploy additional inspector support with a view to the fulfilment of Objective 3. It would also then be possible to increase the time allocated to training, for example in relation to the fulfilment of Objective 2.

Programme Costs and Resources

- 2.18 Costs for 2005 are shown in Table 16, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Table 17 shows the proposed distribution of staff resources among Branches for 2005.
- 2.19 Savings will be achieved through the introduction of Special Service Agreements (on-call inspectors.) Ten SSAs were formalised in mid 2004 and, subject to the success of the scheme, another 5 will be formalised during 2005, thus providing cost savings in the order of 40% in comparison with the costs of the equivalent number of full-time inspectors.
- 2.20 Other cost savings arise from successful efforts to reduce cargo (and hence costs) required for routine inspections; reductions in the size of Inspection Teams in some CWDFs (thus reducing the average number of inspectors per rotation to USA/Tooele from 6 to 5, Russian Federation/Gorny from 4 to 2.5, India from 3 to 2.5, and A State Party from 2 to 1.5); and reductions in the average sizes of Inspection Teams for Article VI inspections, including sequential inspections.
- 2.21 In regard to staffing, there is a need for one new GS-OL position which will be met in 2005 by a TAC. A related fixed-term post will be sought in 2006.
- 2.22 Allowance has had to be made for real increases in costs in two areas, due to experience of price increases above the general rate of inflation. The calculation of air travel costs reflects the actual increases experienced during 2003 and at the beginning of 2004, and translation costs (i.e., interpretation during inspections) have had to be revised due to a very significant increase in 2003 of the related costs being charged to the Secretariat by States Parties.

TABLE 16: RESOURCES BY OBJECT OF EXPENDITURE

	Inspectorate	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	15,674,317	16,409,002	4.69%	17,229,452
3	Common Staff Costs	7,781,288	7,010,164	-9.91%	7,360,672
4	Overtime	58,000	58,000	0.00%	60,900
5	GTA	40,000	40,000	0.00%	42,000
6	Total Staff Costs	23,553,605	23,517,166	-0.15%	24,693,024
7	Travel Costs				
8	Travel - Inspections	3,938,058	4,137,515	5.06%	4,344,391
9	Travel - Official Meetings	15,000	14,593	-2.71%	15,323
10	Other	0	0		
11	Total Travel Costs	3,953,058	4,152,108	5.04%	4,359,713
12	Contractual Services				
13	Training	124,663	124,663	0.00%	130,896
14	Translation and Interpretation	542,020	595,950	9.95%	625,748
15	SSA Inspectors		863,161		906,319
16	Total Contractual Services	666,683	1,583,774	137.56%	1,662,963

	Inspectorate	2004 Budget	2005 Budget	% Growth	2006 Estimate
17	Total Workshops, Seminars, Meetings	0	0		
18	General Operating Expenses				
19	Cargo and Shipments	302,620	259,583	-14.22%	272,562
20	Hospitality	1,000	1,000	0.00%	1,050
21	Miscellaneous General Operating Expenses	33,000	22,500	-31.82%	23,625
22	Total General Operating Expenses	336,620	283,083	-15.90%	297,237
23	Inspection Equipment, Maintenance and Supplies				
24	Supplies and Materials	10,000	10,000	0.00%	
25	Total Inspection Equipment, Maintenance and Supplies	10,000	10,000	0.00%	
26	Total Furniture and Equipment	0	0		
27	TOTAL RUNNING COSTS	28,519,966	29,546,131	3.60%	31,023,438
28	Total Inspection equipment, Maintenance and Supplies	0	0		
29	Total Furniture and Equipment	0	0		
30	TOTAL CAPITAL COSTS	0	0		
31	Anticipated Revenue	3,900,000	4,417,600	13.27%	4,638,480
32	TOTAL NET COSTS	24,619,966	25,128,531	2.07%	26,384,958

TABLE 17: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Programme 2: Inspectorate													
Office of the Director	-	-	1	-	-	-	-	-	1	-	1	1	2
Inspectorate Management Branch	-	-	-	-	1	-	1	-	-	3	2	3	5
Inspection Review Branch	-	-	-	-	1	-	1	-	-	-	2	0	2
Operations and Planning Branch	-	-	-	-	1	6	3	-	-	10	10	10	20
Inspectors	-	-	-	-	25	83	58	7	-	-	173	0	173
Subtotal Programme 2	0	0	1	0	28	89	63	7	1	13	188	14	202

CHAPTER TWO: ADMINISTRATIVE AND OTHER COSTS

3. PROGRAMME 3: INTERNATIONAL COOPERATION AND ASSISTANCE

Objectives

- 3.1 Programme 3 is the responsibility of the International Cooperation and Assistance Division. The ICA Division is responsible first and foremost for delivery of core objectives 3, 4, and 6, relating to assistance and protection, international cooperation in the peaceful uses of chemistry, and national implementation. These objectives and their associated indicators of achievement are set out earlier in Table 1.
- 3.2 The ICA Division has developed some subordinate objectives, the achievement of which is considered a necessary condition for success in achieving the three core objectives. The principal subordinate objectives are presented in Table 18.

TABLE 18: PRINCIPAL INTERNATIONAL COOPERATION AND ASSISTANCE DIVISION SUBORDINATE OBJECTIVES, AND

Objectives	Indicators of Achievement
1. To provide support and assistance requested or identified as needed within a specified time period.	(a) Percentage of requests and identified needs for support of implementation/protection met within a specified time; (b) Percentage of programmes provided as per plan; and, percentage of programmes completed within their scheduled time.
2. To provide support and assistance that satisfies customers.	(a) Satisfaction of client at the end of the programmes provided.
3. To provide support and assistance that is effective.	(a) Visible signs of progress with implementation or with development of protection levels in States assisted, within two years.
4. Cost-effective operation of the Division.	(a) Cost per participant of courses/meetings; (b) Real-term reduction, from one year to the next, in the cost of other programmes; (c) Value of programme delivery per unit of staff.

Organisation and Activities

- 3.3 The ICA Division consists of three Branches, as shown in Table 19, with their respective responsibilities.

TABLE 19: STRUCTURE OF INTERNATIONAL COOPERATION AND ASSISTANCE DIVISION

Office of the Director	Management of the Division, its staff, budgets, plans, and operations, policy advice to Director-General and top management.
Implementation Support Branch	Regular assessment of and reporting on status of implementation; provision and/or facilitation of support for National Authorities to develop their capacity for implementation.
Assistance and Protection Branch	Collation of information on national programmes for protection against chemical weapons; provision and/or facilitation of support for the development and improvement of national capacities for protection; development of the capability to mobilise the OPCW and international assistance mechanism and manage the international response.
International Cooperation Branch	Implement Associate Programme and other capacity-building programmes for conference support, laboratory assistance, research projects, internships, equipment exchange, analytical-skills development, technical seminars, and information service.

Results for 2005: Core Objectives

- 3.4 Proposed results relating to the core objectives were described in the Section on Core Results and the Overall Budget.

Subordinate Objective 1 - To provide support and assistance requested or identified as needed within a specified time period.

- 3.5 In the case of implementation support programmes, the backlog of unsatisfied requests of Member States presently stands at 13. The backlog of such unsatisfied requests may increase in 2005. To prevent this increase and reduce the backlog it would be necessary to increase the staffing of the Implementation Support Branch.
- 3.6 In the case of assistance and protection, there is presently a backlog of 18 months in the provision of expert advice based on requests for national capacity building received from the Member States. This level of backlog will persist, and may increase, if the present inflow of requests is maintained. With the level of resources available, for example, the provision of assistance within the 12-hour timeline may not be met.
- 3.7 As regards international cooperation programmes, the Associate Programme and the Analytical-Skills Development Course will be run once a year on pre-determined dates. In the case of the other programmes, support will normally be provided within 60 days after a complete proposal for support is received, including any additional information that may be required in individual cases, or at least 10 days before the planned date of commencement of the project, whichever is later.

Subordinate Objective 2 - To provide support and assistance that satisfies customers.

- 3.8 In the case of implementation support programmes, feedback procedures have been specifically designed depending upon the objectives and the purposes of each type of programme. The feedback is processed and incorporated into successive improved versions of the programmes, as appropriate.
- 3.9 In the case of assistance and protection, feedback is obtained from the Member States and their first responders, who are supported to establish a response system. At the international level, client satisfaction cannot be measured unless a formal request for assistance is made. However, the success of exercises held to demonstrate the OPCW's capability to deliver timely and efficient assistance will be an indicator of the results achieved in this regard.
- 3.10 In the case of international cooperation programmes, all the programmes are evaluated with reference to the comments made by the beneficiaries/participants. Further, a system of reporting has been put in place in which feedback is obtained both from the sponsoring institutions/National Authorities and from the institutions and companies which host some of these programmes. Based on these responses, modifications are made in the programmes, as appropriate.
- 3.11 In all cases, feedback to date has generally indicated that the beneficiaries are satisfied with the support and assistance provided. It is expected that this level of satisfaction will be maintained in 2005. The evaluations will be further developed to permit a more quantitative assessment of customer satisfaction in future budgets.

Subordinate Objective 3 - To provide support and assistance that is effective.

- 3.12 The effectiveness of ICA will be evaluated with the help of the following indicators:
- (a) In the case of the implementation support programmes, this will be evaluated with reference to achievement of the programmes' stated objectives, and to their ability to complement/supplement each other. Systematic follow-up with the Member States is crucial for maintaining the momentum created by each implementation support effort. However, staff shortages have so far impeded an adequate follow-up of these activities, and hence hindered the possibilities for full effectiveness of the programmes. In this context, it is worth mentioning that in February 2001, 109 Member States had formally notified the Secretariat about the establishment of National Authorities. By 16 April 2004, another 20 Member States had made similar notifications, which represents an 18% increase. During the same period, there has been a 6% increase in the number of cases in which legislation was written covering the areas key to the implementation of the Convention. Similarly, there has been a 33% increase in the number of Member States that have submitted industry declarations during the same period; and
- (b) In the case of the APB, effectiveness will be evaluated on the basis of the response system developed by the OPCW, the fulfilment of the obligations under Article X of the Convention by the Member States, and the development of their protective programmes. Exercises organised by the OPCW, as well as

participation by the OPCW in the exercises of other international organisations, have improved its assistance capability. Similarly, the development of national protection programmes is manifest in the more-active participation of Member States in regional and international events organised in the area of assistance and protection.

Subordinate Objective 4 - Cost-effective operation of the Division.

- 3.13 All ICA activities will be evaluated, to the extent feasible, on the basis of parameters such as the cost per participant in respect of courses like the Associate Programme and the Analytical Skills Development Programme, cost per participant of the National Authority training courses and protection courses, cost per participant in regional meetings, real-term cost reduction from one year to the next, value of programme delivery per unit of staff, etc. Information on these indicators has not so far been collected, but procedures will be put in place to obtain the necessary data for the future.

Risks to Achievement of Results

- 3.14 The success of all the activities undertaken by the International Cooperation and Assistance Division is critically dependent not only on the quality of the support provided by the Secretariat but also on the cooperation and on the complementary action undertaken by Member States and the individual participants alike.

Programme Costs and Resources

- 3.15 Costs for 2005 are shown in Table 20, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Table 21 shows the proposed distribution of staff resources between Branches for 2005.
- 3.16 Conversion to fixed-term of a post at P-3 level filled for a number of years through a TAC, and funded accordingly, will assist in the co-ordination and implementation of the Associate Programme and other international cooperation programmes. This objective would be achieved by funding and redeploying a frozen post. Other than this, the costs in the 2005 budget are unchanged in real terms from those in the 2004 approved budget.
- 3.17 Another P-3 post, which would be created by funding and redeploying a frozen post, is considered essential to assist in the development and maintenance of the Implementation Profiles Database and the Assistance and Protection Database. It has been proposed that this post should be located within Information Services Branch, and should take responsibility for overall management of databases within the OPCW. Co-ordination of these databases is vital. In 2005, it is expected that, in the main, the activities of this post will centre on ICA matters, facilitating the monitoring of the status of implementation, the fulfilment of the obligation to establish a database under Article X, and ensuring both the maintenance and the improvement of the ICA database.
- 3.18 Some temporary short-term assistance may be required to manage the work peaks relating to programme delivery during certain periods of the year. The financial

implications of such requirements would be met from the funds allocated for the respective programmes.

TABLE 20: RESOURCES BY OBJECT OF EXPENDITURE

	International Cooperation and Assistance	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	1,048,749	1,166,436	11.22%	1,224,758
3	Common Staff Costs	490,463	478,908	-2.36%	502,853
4	Overtime	6,000	6,000	0.00%	6,300
5	Consultants	65,000	65,000	0.00%	68,250
6	GTA	140,000	132,000	-5.71%	138,600
7	Total Staff Costs	1,750,212	1,848,344	5.61%	1,940,761
8	Travel Costs				
9	Travel - Official Meetings	36,000	35,024	-2.71%	36,775
10	Total Travel Costs	36,000	35,024	-2.71%	36,775
11	Contractual Services				
12	Training	100,000	100,000	0.00%	105,000
13	Translation and Interpretation	32,000	32,000	0.00%	33,600
14	Total Contractual Services	132,000	132,000	0.00%	138,600
15	Workshops, Seminars, Meetings				
16	Support for National Authorities	833,500	833,500	0.00%	875,175
17	Capacity Building	801,000	801,000	0.00%	841,050
18	Protective Capacity	652,000	652,000	0.00%	684,600
19	Associate Programme	450,000	450,000	0.00%	472,500
20	Total Workshops, Seminars, Meetings	2,736,500	2,736,500	0.00%	2,873,325
21	General Operating Expenses				
22	Hospitality	1,000	1,000	0.00%	1,050
23	Total General Operating Expenses	1,000	1,000	0.00%	1,050
24	Total Inspection Equipment, Maintenance and Supplies	0	0		
25	Total Furniture and Equipment	0	0		
26	TOTAL RUNNING COSTS	4,655,712	4,752,868	2.09%	4,990,511
27	Total Inspection equipment, Maintenance and Supplies	0	0		
28	Furniture and Equipment				
29	Computer hardware, software	33,000	33,000	0.00%	34,650
30	Other furniture and equipment	87,000	87,000	0.00%	91,350
31	Total Furniture and Equipment	120,000	120,000	0.00%	126,000
32	TOTAL CAPITAL COSTS	120,000	120,000	0.00%	126,000
33	TOTAL NET COSTS	4,775,712	4,872,868	2.03%	5,116,511

TABLE 21: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Programme 3: International Cooperation and Assistance													
Office of the Director	-	-	1	-	-	-	-	-	-	1	1	1	2
Assistance and Protection Branch	-	-	-	1	-	2	-	-	-	1	3	1	4
Implementation Support Branch	-	-	-	1	-	2	-	-	-	1	3	1	4
International Cooperation Branch	-	-	-	1	-	1	2	-	-	-	4	-	4
Subtotal Programme 3	0	0	1	3	0	5	2	0	0	3	11	3	14

4. PROGRAMME 4: SECRETARIAT FOR THE POLICY-MAKING ORGANS

Objectives

- 4.1 Programme 4 is the responsibility of the Secretariat for the Policy-Making Organs. The PMO Division has some direct responsibility for the delivery of operational objective 7, efficiency and cost effectiveness, and also has subordinate objectives, the achievement of which is considered a necessary contribution to the overall success in achieving the core objectives of the Organisation. The principal subordinate objectives are presented in Table 22.

TABLE 22: PRINCIPAL SUBORDINATE OBJECTIVES, SECRETARIAT FOR THE POLICY-MAKING ORGANS

Objectives	Indicators of Achievement
1. To facilitate effective meetings of the policy-making organs.	(a) All meetings go to business on time; (b) No significant lack of action in support of meetings of the policy-making organs; (c) Agendas completed on time in accordance with timelines established with Member States; (d) Customer survey of satisfaction with services (meetings). The indicators are: convenience to delegates of venues that are fit for the purpose; timely distribution of relevant documentation; and effective language and conference support services.
2. To assist delegations to work smoothly together (day-to-day and in meetings) through the provision of advice.	(a) Customer survey of satisfaction with services; (b) Individual complaints and plaudits.
3. To provide guidance in the direct dealings with the policy-making organs, and language and document processing support, to all areas of the Secretariat.	(a) Minimal reported procedural errors; (b) Documentation circulated in accordance with established timelines.
4. To ensure prompt and effective reprographic services within the OPCW premises.	(a) Downtime of photocopiers (average of 4hrs); (b) Complaints and plaudits concerning reprographic services.
5. Efficiency and cost effectiveness of the Secretariat for the Policy-Making Organs.	(a) Effective and efficient operation of the Secretariat for the PMO, in accordance with Article VIII of the Convention.

Organisation and Activities

- 4.2 The PMO Division consists of the Office of the Director and the Conference Services Branch, with their respective responsibilities as shown in Table 23.

TABLE 23: STRUCTURE OF THE SECRETARIAT FOR THE POLICY-MAKING ORGANS

Office of the Director	Organisation of sessions of the policy-making organs and subsidiary bodies; follow-up on the implementation of decisions; coordination of preparation and circulation of official-series documents; organisation of venues, equipment and facilities for meetings of the policy-making organs; maintenance of the archive of official-series documents; reprographic services.
Conference Services Branch	Interpretation and translation for meetings of the policy-making organs, and other users as required; administration of contractual translation; management of the Organisation's editorial policy, and editing of official-series documents.

Results for 2005

Subordinate Objective 1 - To facilitate effective meetings of the policy-making organs.

- 4.3 This objective is the joint responsibility of the Office of the Director of PMO and the Conference Services Branch. The main aims are to facilitate and support the setting of agendas for each meeting, and to coordinate and manage, for these meetings, the preparation of all relevant documentation on the performance of the core objectives of the organisation, thus ensuring the implementation of decisions of the policy-making organs. The current expectation is to hold one regular session of the Conference; four Council sessions; five meetings of the Council; and one two-day session of the Scientific Advisory Body and the Confidentiality Commission, respectively, with related documentation to be provided to the Member States at least six weeks prior to the meetings. The results to date are that all meetings have been organised and conducted in accordance with the agreed agendas, and the target in 2005 will be to maintain that position.

Subordinate Objective 2 – To assist delegations to work smoothly together (day-to-day and in meetings) through the provision of advice.

- 4.4 Feedback from delegates is generally very good and there are no complaints; the target in 2005 will be to maintain that position.

Subordinate Objective 3 – To provide guidance in the direct dealings with the policy-making organs, and language and document processing support, to all areas of the Secretariat.

- 4.5 The success in meeting this objective is achieved through the follow-up and monitoring of implementation of the decisions of the policy-making organs. This is provided by tracking the progress of preparation of documents required from other

parts of the Organisation, their editing and translation, and their subsequent distribution.

- 4.6 The results in relation to this objective are evaluated by:
- (a) Timely completion and circulation of all documentation (official-series and other, as required);
 - (b) Quality interpretation services for all meetings that require them (official and unofficial); and
 - (c) Quality translation and editing services provided in accordance with the established deadlines.
- 4.7 The desired result of this objective is the smooth and effective cooperation between the Member States and the Secretariat, with minimal reported procedural errors. The resources proposed for 2005 will enable PMO to maintain these first-rate language services (i.e. translation and interpretation), editing and document processing support for all areas of the Secretariat at a similar level to that provided in 2004.

Subordinate Objective 4 – To ensure prompt and effective reprographic services within the OPCW premises.

- 4.8 As the new leasing contracts for the Organisation's reprographic services have been assigned to two independent companies, this budget proposal has included the replacement of external contractual staff by the engagement of two staff members (reprographic operators) on TACs for the reprographics section. This will rationalise the administrative control and operative monitoring of reprographic services within the organisation, and subsequently the efficient and effective measurement of this new PMO objective. The expected indicator for this objective is a reduction in the downtime of photocopiers.

Subordinate Objective 5: Efficiency and cost effectiveness of the Secretariat for the Policy-Making Organs.

- 4.9 At present, it is difficult to determine the cost effectiveness of the operation of PMO in relation to its input. However, the results can be evaluated on the basis of minimal reported procedural errors; minimal corrective actions required for the output of PMO, a result of which is the efficient coordination with the policy-making organs and all other areas of the Secretariat, through the provision of guidance and of language, conference support, documentation and reprographic services. The target in 2005 is to maintain the current position.

Programme Costs and Resources

- 4.10 Costs for 2005 are shown in Table 24, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Table 25 shows the proposed distribution of staff resources between the Office of the Director and the Conference Services Branch for 2005.

- 4.11 Overall, the budget for 2005 represents a cost reduction of about EUR 300,000 from the 2004 budget. The reduction in the cost of reprographic services has already been explained. There are additional reductions in the costs of interpretation and translation; these arise from a reduction in the number of meetings to be serviced and thus in the number of short-term interpreter days, in the light of actual expenditure in recent years.

TABLE 24: RESOURCES BY OBJECT OF EXPENDITURE

	Policy-Making Organs	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	2,370,045	2,491,808	5.14%	2,616,398
3	Common Staff Costs	1,053,802	884,857	-16.03%	929,100
4	Overtime	28,000	28,000	0.00%	29,400
5	Consultants				
6	GTA	95,000	175,000	84.21%	183,750
7	Total Staff Costs	3,546,847	3,579,665	0.93%	3,758,648
8	Travel Costs				
9	Travel - Official Meetings	85,000	82,695	-2.71%	86,830
10	Total Travel Costs	85,000	82,695	-2.71%	86,830
11	Contractual Services				
12	Translation and Interpretation	522,000	357,000	-31.61%	374,850
13	Total Contractual Services	522,000	357,000	-31.61%	374,850
14	Total Workshops, Seminars, Meetings	0	0		
15	General Operating Expenses				
16	Rental of Premises		221,650		232,733
17	Rental of Equipment	1,026,000	560,000	-45.42%	588,000
18	Hospitality	1,000	1,000	0.00%	1,050
19	Total General Operating Expenses	1,027,000	782,650	-23.79%	821,783
20	Total Inspection Equipment, Maintenance and Supplies	0	0		
21	Total Furniture and Equipment	0	0		
22	TOTAL RUNNING COSTS	5,180,847	4,802,010	-7.31%	5,042,111
23	Total Inspection equipment, Maintenance and Supplies	0	0		
24	Total Furniture and Equipment	0	0		
25	TOTAL CAPITAL COSTS	0	0		
26	Anticipated Revenue				
27	TOTAL NET COSTS	5,180,847	4,802,010	-7.31%	5,042,111

TABLE 25: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Programme 4: Policy- Secretariat for the Making Organs													
Office of the Director	-	-	1	-	-	-	-	1	1	5	2	6	8
Conference Services Branch	-	-	-	-	-	7	13	-	2	7	21	9	30
Subtotal Programme 4	0	0	1	0	1	7	13	1	3	12	23	15	38

5. PROGRAMME 5: EXTERNAL RELATIONS

Objectives

- 5.1 Programme 5 is the responsibility of External Relations Division. The Division has lead responsibility for delivery of core objective 5, relating to universality. That objective and its associated indicators of achievement are set out above in Table 1. Proposed results relating to that core objective were described in the Section on Core Results and the Overall Budget.
- 5.2 The External Relations Division has developed some subordinate objectives, the achievement of which is considered a necessary condition for success in achieving the core objective. The principal subordinate objectives are presented in Table 26.

TABLE 26: PRINCIPAL SUBORDINATE OBJECTIVES, EXTERNAL RELATIONS DIVISION

Objectives	Indicators of Achievement
1. To enhance support for the OPCW and cooperation within the Organisation by the Member States, and to serve as a cooperative interface for all States, as well as for international and non-governmental organisations.	(a) The percentage of States Parties whose annual statements to the Conference give positive support to the OPCW, and the level of involvement of Member States in other OPCW activities; (b) The level of involvement of international and non-governmental organisations in OPCW events.
2. To maintain a positive international profile and image of the OPCW, including adequate representation of the OPCW at pertinent events organised by others and at events organised by the OPCW.	(a) The volume of demand for the OPCW website and publications; i.e., the number of visits to the website, as well as the demand for copies of the annual report, the quarterly newsletter, issue/region-specific publications, and educational video(s); (b) The percentage of positive media references to the OPCW; (c) The number of enquiries and requests for information received by ERD, and the number and timeliness of responses providing such information; (d) The number of invitations received from international organisations, non-governmental organisations and other external partners for the OPCW to attend or participate in their events.

3. To maintain a full range of Protocol and Visa support facilities for the Organisation.	<p>(a) The percentage of cases where all necessary travel documents are received in time for planned official travel (excluding cases where documents are refused on political or nationality grounds);</p> <p>(b) The number of related complaints received following official travel;</p> <p>(c) The number of cases where a visa-related facility is not provided;</p> <p>(d) The number of services (e.g. photographs, directory) provided within a defined standard time for that type of service.</p>
4. To improve cost-effectiveness.	(a) To be determined.

Organisation and Activities

- 5.3 The External Relations Division consists of four Branches, as shown in Table 27, with their respective responsibilities.

TABLE 27: STRUCTURE OF THE EXTERNAL RELATIONS DIVISION

Office of the Director	Management of the Division, its staff, budgets, plans, and operations; provision of policy advice to the Director-General and top management; primary point of contact with Permanent Representatives of the States Parties.
Government Relations and Political Affairs Branch	Preparation of policy papers, speeches, diplomatic correspondence; monitoring, researching, facilitation of progress on ratification and accession; relationships on Convention matters with the UN; monitoring of political developments affecting the OPCW; provision of political and diplomatic support for sessions of the policy-making organs.
Media and Public Affairs Branch	Provision of information on the OPCW to the general public, non-governmental organisations, academia and the media; organisation of public events on behalf of the OPCW; maintenance of a database of media contacts; provision of media/public affairs support to the Divisions of the Secretariat.
Protocol Branch	Management and organisation of VIP visits and ceremonial events; custodianship of credentials of representatives to OPCW; focal point for liaison with the Host Country on the Headquarters Agreement; management of visa and travel documents.

Results for 2005 - Core Objectives

- 5.4 Proposed results relating to the core objectives were described in the Section on Core Results and the Overall Budget.

Subordinate Objective 1 - To enhance support for the OPCW and cooperation within the Organisation by the Member States, and to serve as a cooperative interface for all States, as well as for international and non-governmental organisations.

- 5.5 About 110 States Parties attend the Conference; less than half of this number address it during the general debate, and a high percentage of those who speak make positive statements of support for the OPCW. The Secretariat will strive to maintain good relations so that the percentage does not fall.
- 5.6 The Secretariat will strive to maintain and further develop the level of involvement of States in Secretariat activities related to the implementation of the Universality Action Plan, as well as the cooperation of relevant international organisations and non-governmental organisations in OPCW activities.

Subordinate Objective 2 – To maintain a positive international profile and image of the OPCW, including adequate representation of the OPCW at pertinent events organised by others and at events organised by the OPCW.

- 5.7 An increase both in the number of visits to the website and in the number of requests for information is expected in 2005; both indicate that the OPCW is achieving a higher public profile. An increase is planned in the number of publications to be issued in response to these requests. Present activities related with maintenance of the website, media briefing, press event management and special events are expected to meet the predicted demand. One proposed initiative is to develop a new Educational Programme within the category of special events, without thereby increasing the overall resources devoted to this category. The Media and Public Affairs Branch (MPB) also plans to develop and complete a new Educational video during 2004.
- 5.8 The amount of quantitative information available is not yet sufficient to allow for the establishment of numerical target levels for the performance indicators relating to objective 2. However, all the related information will be in place on time to allow for the establishment of numerical targets for all the indicators in the 2007 budget document.
- 5.9 MPB is tasked with informing the international community about the achievements of the OPCW in fulfilling the objectives of the Convention. Such activities include the circulation of press releases on important developments relating to the OPCW as well as the provision of information about the OPCW at the international, regional, and national levels. MPB will continue to maintain an up-to-date website on activities related to the OPCW.
- 5.10 MPB has been undertaking several activities in cooperation with schools, colleges, universities and other academic institutions and non-governmental organisations geared to promoting not only the aims and objectives of the Convention but also an awareness of the significant achievements of the OPCW since entry into force in 1997.
- 5.11 In addition, MPB will continue to respond to public queries as well as to develop publications and other printed materials that would contribute to the positive international profile of the OPCW.

Subordinate Objective 3 – To maintain a full range of Protocol and Visa support facilities for the Organisation.

5.12 No new approaches in relation to this objective are proposed. Operations will continue along current lines. The current success rate in the timely issuance of travel documents is very close to 100%, and the intention is to maintain that level of service. The number of complaints received is currently very low; a target of less than 5 complaints per annum has been set. Quantitative information is not yet available for the third and fourth performance indicators relating to this objective, but will be in place in time to set targets in the 2007 budget document.

5.13 In order to ensure maintenance of the desired level of service, additional provision has been made for GTA for the Protocol Branch.

Subordinate Objective 4 – To improve cost-effectiveness.

5.14 Savings of over EUR 40,000 have been made in other travel costs (costs of UN *laissez-passer*) and in other contractual services (flags and photography). The greater part of these savings will be applied towards funding the additional GTA mentioned at paragraph 5.13. The savings arise from tighter budgeting in the light of actual experience in recent years.

Programme Costs and Resources

5.15 Costs for 2005 are shown in Table 28, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Table 29 shows the distribution of staff resources among Branches for 2005.

TABLE 28: RESOURCES BY OBJECT OF EXPENDITURE

	External Relations	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	1,078,420	1,128,754	4.67%	1,185,192
3	Common Staff Costs	477,119	427,588	-10.38%	448,967
4	Overtime	5,000	5,000	0.00%	5,250
5	Consultants	85,000	85,000	0.00%	89,250
6	GTA	45,000	85,000	88.89%	89,250
7	Total Staff Costs	1,690,539	1,731,342	2.41%	1,817,909
8	Travel Costs				
9	Travel - Official Meetings	60,000	58,373	-2.71%	61,292
10	Other Travel Costs	40,000	2,500	-93.75%	2,625
11	Total Travel Costs	100,000	60,873	-39.13%	63,917
12	Contractual Services				
13	Other Contractual Services	77,500	73,000	-5.81%	76,650
14	Total Contractual Services	77,500	73,000	-5.81%	76,650
15	Workshops, Seminars, Meetings				
16	Other Workshops, Seminars, Meetings	75,000	75,000	0.00%	78,750
17	Total Workshops, Seminars, Meetings	75,000	75,000	0.00%	78,750
18	General Operating Expenses				
19	Hospitality	43,600	55,000	26.15%	57,750
20	Total General Operating Expenses	43,600	55,000	26.15%	57,750

	External Relations	2004 Budget	2005 Budget	% Growth	2006 Estimate
21	Total Inspection Equipment, Maintenance and Supplies	0	0		
22	Total Furniture and Equipment	0	0		
23	TOTAL RUNNING COSTS	1,986,639	1,995,215	0.43%	2,094,976
24	Total Inspection equipment, Maintenance and Supplies	0	0		
25	Total Furniture and Equipment	0	0		
26	TOTAL CAPITAL COSTS	0	0		
27	TOTAL NET COSTS	1,986,639	1,995,215	0.43%	2,094,976

TABLE 29: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS- PL	GS- OL	P & Above	GS	Total
Programme 5: External Relations													
Office of the Director	-	-	1	1	-	-	-	-	-	1	2	1	3
Government Relations and Political Affairs Branch	-	-	-	-	1	-	2	-	-	1	3	1	4
Media and Public Affairs Branch	-	-	-	-	1	-	1	-	-	2	2	2	4
Protocol Branch	-	-	-	-	1	1	-	-	1	2	2	3	5
Subtotal Programme 5	0	0	1	1	3	1	3	0	1	6	9	7	16

6. PROGRAMME 6: EXECUTIVE MANAGEMENT

Objectives

- 6.1 The Executive Management Programme embraces a number of diverse units, involved in either top-level management or the provision of important support services. Because of the diverse range of duties undertaken there are no objectives for the Programme as a whole, but there are subordinate objectives for most of the individual units. The costs, resources, and staffing figures for the Programme as a whole are followed by the subordinate objectives, with the corresponding results, costs, and resources, which are provided for each unit separately.

Programme Costs and Resources - Executive Management

- 6.2 Costs for 2005 are shown in Table 30, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Table 31 shows the proposed distribution of staff resources among Offices and Branches for 2005.
- 6.3 It should be noted, in comparing the figures for 2005 with those for 2004, that the External Audit costs, EUR 52,764, have been transferred from Programme 8, Common Services Costs, to Programme 6. The cost of the security guards has been transferred to Staff Costs. Other changes from 2004 are explained below in the sections relating to the individual units.
- 6.4 The 2005 budget for the Executive Management programme as a whole shows a slight decrease of EUR 2,610 (=0.04%) over the 2004 budget.

TABLE 30: RESOURCES BY OBJECT OF EXPENDITURE

	Executive Management	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	3,647,397	4,462,374	22.34%	4,685,493
3	Common Staff Costs	1,577,803	1,696,726	7.54%	1,781,562
4	Overtime	91,500	76,500	-16.39%	80,325
5	Consultants	250,000	100,000	-60.00%	105,000
6	GTA	120,000	80,000	-33.33%	84,000
7	Other		25,000		26,250
8	Total Staff Costs	5,686,700	6,440,600	13.26%	6,762,630
9	Travel Costs				
10	Travel - Official Meetings	160,500	231,790	44.42%	243,380
11	Total Travel Costs	160,500	231,790	44.42%	243,380
12	Contractual Services				
13	Training	22,200	26,200	18.02%	27,510
14	Security	837,500	42,500	-94.93%	44,625
15	Other Contractual Services	156,064	123,064	-21.15%	129,217
16	Total Contractual Services	1,015,764	191,764	-81.12%	201,352
17	Total Workshops, Seminars, Meetings	0	0		
18	General Operating Expenses				
19	Rental of Equipment		10,000		10,500
20	Maintenance of Equipment	53,500	60,000	20.00%	63,000
21	Hospitality	6,500	16,500	153.85%	17,325
22	Supplies and Materials	113,000	35,100	-68.66%	36,855
23	Miscellaneous General Operating Expenses	1,000	1,000		1,050
24	Total General Operating Expenses	174,000	122,600	-27.24%	128,730
25	Total Inspection Equipment, Maintenance and Supplies	0	0		
26	Furniture and Equipment				
27	Other Furniture and Equipment	0	2,100		2,205
28	Total Furniture and Equipment	0	2,100		2,205
29	TOTAL RUNNING COSTS	7,036,964	6,988,854	-0.68%	7,338,297
30	Total Inspection equipment, Maintenance and Supplies	0	0		
31	Furniture and Equipment				
32	Other Furniture and Equipment	0	45,500		47,775
33	Total Furniture and Equipment	0	45,500		47,775
34	TOTAL CAPITAL COSTS	0	45,500		47,775
35	Anticipated Revenue				
36	TOTAL NET COSTS	7,036,964	7,034,354	-0.04%	7,386,072

TABLE 31: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Programme 6: Executive Management													
Office of the Director-General	1	-	-	1	-	-	-	-	1	1	2	2	4
Office of Confidentiality and Security	-	-	-	-	1	3	2	-	-	1	6	1	7
Office of the Deputy Director-General	-	1	-	1	1	-	-	-	1	1	3	2	5
Health and Safety Branch	-	-	-	1	2	-	2	-	2	2	5	4	9
Office of Internal Oversight	-	-	1	-	1	3	-	-	1	1	5	2	7
Office of the Legal Adviser	-	-	1	-	2	1	2	1	1	2	7	3	10
Office of Special Projects	-	-	1	-	-	-	-	-	-	1	1	1	2
Subtotal Programme 6	1	1	3	3	7	7	6	1	5	10	29	15	44
Physical Security Section	-	-	-	-	-	-	-	-	1	29	-	30	30

OFFICE OF THE DIRECTOR-GENERAL

Objectives

- 6.5 The Director-General is responsible for the overall performance of the Secretariat and therefore for its performance against the core objectives. There are no separate (subordinate) objectives or associated indicators of achievement for this Office.

Costs and Resources

- 6.6 Costs for 2005 are shown in Table 32, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Staff resources for 2005 have already been shown in Table 31.
- 6.7 The reduction in the cost of consultants results from a transfer from this Office to that of the Director of Administration, intended to cover the cost of consultancies that are not currently contracted. The cost increases for travel and hospitality reflect a realistic assessment of the likely demands, given the actual and recent pattern of expenditure. Part of the official travel and hospitality costs of the ODG have been financed in the past from resources formally allocated to other units, mainly ERD and ICA, in recognition of the fact that the presence of the Director-General is frequently and increasingly required in the context of specific universality- or implementation-related activities. The proposed Budget should ensure that the ODG would, at all times, have the necessary resources to carry out its representational and leadership role in support of the core objectives.

TABLE 32: RESOURCES BY OBJECT OF EXPENDITURE

	Office of the Director- General	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	366,855	382,483	4.26%	401,606
3	Common Staff Costs	173,019	165,958	-4.08%	174,255
4	Overtime	30,000	30,000	0.00%	31,500
5	Consultants	250,000	100,000	-60.00%	105,000
6	GTA	40,000	40,000	0.00%	42,000
7	Other		25,000		26,250
8	Total Staff Costs	859,874	743,441	-13.54%	780,611
9	Travel Costs				
10	Travel - Official Meetings	80,000	150,797	88.50%	158,337
11	Total Travel Costs	80,000	150,797	88.50%	158,337
12	Contractual Services				
13	Other Contractual Services	52,764	52,764	0.00%	55,402
14	Total Contractual Services	52,764	52,764	0.00%	55,402
15	Total Workshops, Seminars, Meetings	0	0		
16	General Operating Expenses				
17	Hospitality	6,500	16,500	153.85%	17,325
18	Total General Operating Expenses	6,500	16,500	153.85%	17,325
19	Total Inspection Equipment, Maintenance and Supplies	0	0		
20	Total Furniture and Equipment	0	0		
21	TOTAL RUNNING COSTS	999,138	963,502	-3.57%	1,011,677
22	Total Inspection equipment, Maintenance and Supplies	0	0		
23	Total Furniture and Equipment	0	0		
24	TOTAL CAPITAL COSTS	0	0		
25	Anticipated Revenue				
26	TOTAL NET COSTS	999,138	963,502	-3.57%	1,011,677

OFFICE OF THE DEPUTY DIRECTOR-GENERAL

Objectives

- 6.8 The Deputy Director-General supports the Director-General in his responsibility for the overall performance of the Secretariat, and therefore for its performance against the core objectives. There are no separate ongoing subordinate objectives or associated indicators of achievement for the Office. The Deputy Director-General carries particular responsibility for oversight of the preparation for the successful transition to results-based budgeting; for improving effective operation and team working across the Secretariat; for improving the conduct of business within the Secretariat, in accordance with the terms of Article VIII, paragraph 44, of the Convention and through the necessary organisational and change-management agenda; for co-ordinating follow-up to the First Review Conference, including the Action Plan on National Implementation; for serving as the Chairperson of the Management Board of the Provident Fund and other Committees; and for managing the Health and Safety Branch (HSB).

Costs and Resources

- 6.9 Costs for 2005 are shown in Table 33, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Staff resources for 2005 have already been shown in Table 31.
- 6.10 It should be noted that the figures for 2005 allow for a transfer of EUR 9,000 for official travel to the Health and Safety Branch. Another change proposed for 2005 is a reduction in the budget for overtime.

TABLE 33: RESOURCES BY OBJECT OF EXPENDITURE

	Office of the Deputy Director-General	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	434,946	448,925	3.21%	471,371
3	Common Staff Costs	174,530	139,597	-20.02%	146,577
4	Overtime	10,000	5,000	-50.00%	5,250
5	Consultants				
6	GTA				
7	Total Staff Costs	619,476	593,522	-4.19%	623,198
8	Travel Costs				
9	Travel - Official Meetings	25,000	15,566	-37.74%	16,344
10	Total Travel Costs	25,000	15,566	-37.74%	16,344
11	Total Contractual Services	0	0		
12	Total Workshops, Seminars, Meetings	0	0		
13	General Operating Expenses				
14	Hospitality	0	0		
15	Total General Operating Expenses	0	0		
16	Total Inspection Equipment, Maintenance and Supplies	0	0		

	Office of the Deputy Director-General	2004 Budget	2005 Budget	% Growth	2006 Estimate
17	Total Furniture and Equipment	0	0		
18	TOTAL RUNNING COSTS	644,476	609,088	-5.49%	639,542
19	Total Inspection equipment, Maintenance and Supplies	0	0		
20	Total Furniture and Equipment	0	0		
21	TOTAL CAPITAL COSTS	0	0		
22	Anticipated Revenue				
23	TOTAL NET COSTS	644,476	609,088	-5.49%	639,542

OFFICE OF CONFIDENTIALITY AND SECURITY

Objectives

- 6.11 This Office does not have direct responsibility for delivery of any of the core objectives, but it has developed some subordinate objectives, the achievement of which is considered a significant contribution to success in achieving the core objectives. The principal subordinate objectives are presented in Table 34.

TABLE 34: PRINCIPAL SUBORDINATE OBJECTIVES, OFFICE OF CONFIDENTIALITY AND SECURITY

Objectives	Indicators of Achievement
1. To ensure that all occupants of and visitors to the OPCW are safe from harm while on OPCW premises.	(a) No recorded personal security incidents involving physical harm; (b) Satisfactory results from all emergency drills; building evacuations completed within time prescribed by host nation regulations; (c) Positive results from survey of staff/visitor confidence.
2. To demonstrate to Member States that confidential information handled by the OPCW is secure.	(a) Absence of confidentiality breaches; (b) No security audit findings to the effect that OPCW confidential information has been compromised as a result of inadequate control measures; (c) No unnecessary procedural delays due to confidentiality or security requirements.
3. To ensure that all staff are aware of and fulfil their personal responsibilities for security in handling information.	(a) Number of breaches identified; (b) Number of staff who receive training within specified time of joining Secretariat, and annually thereafter.
4. Effective and efficient operation of OCS.	(a) No increases in level of overtime required.

Results

Subordinate Objective 1 - To ensure that all occupants of and visitors to the OPCW are safe from harm while on OPCW premises.

- 6.12 In 2003, no personal security incidents involving physical harm were recorded; additionally, a satisfactory result (as indicated by the vast majority of more than 300 response cards completed by staff members) was obtained from the first OPCW HQ building evacuation exercise to be held in nearly two years. Despite limitations with the HQ building public address (PA) system, the evacuation was completed within the time required by Dutch fire prevention regulations.
- 6.13 As of June 2004, no personal security incidents involving physical harm have been recorded, and several building access control improvements are aimed at continuing this trend. The first-ever training of OPCW Fire Wardens (as required by Host Country regulations) is expected to further boost the level of fire safety assurance of all building occupants/visitors. As and when funds permit, OCS will also attempt to rectify an existing problem with the HQ building PA system.
- 6.14 The completion of building access control improvements and the necessary upgrades in security monitoring equipment, along with the hiring of Security Officers on a fixed-term basis (see EC-38/S/1) and the training improvements this new staffing setup would allow, will permit OCS to continue providing in 2005 effective measures aimed at preventing personal security incidents involving physical harm. Completion of Fire Warden training and increased attention to related issues by a dedicated Fire Safety Sergeant will also provide greater assurances of a safe working environment for all OPCW staff and visitors. Any remaining limitations of the HQ building PA system will be addressed.

Subordinate Objective 2 - To demonstrate to Member States that confidential information handled by the OPCW is secure.

- 6.15 In 2003, 17 breaches of confidentiality procedure were recorded and investigated by OCS. It was determined that none of these resulted in a breach of confidentiality (loss or compromise of confidential information). The Security Audit Team-III (SAT-III) concluded its work with satisfactory results (i.e., free of findings that OPCW confidential information was seriously threatened due to a lack of adequate control measures), and no unnecessary procedural delays resulted from the implementation of the confidentiality regime as applied to both confidential and unclassified material processed by the Secretariat.
- 6.16 As of June 2004, seven breaches of confidentiality procedure have been recorded and investigated by OCS, with no actual breaches of confidentiality occurring. Two scheduled OIO confidentiality-related audits and an external SAT-IV audit are expected to conclude with satisfactory results (i.e., free of findings that OPCW confidential information is seriously threatened due to a lack of adequate control measures), and no unnecessary procedural delays due to implementation of any aspect of the confidentiality regime are foreseen.

- 6.17 In 2005, continued work to strengthen the confidentiality regime is expected to again prevent breaches of confidentiality; satisfactory results are expected from all security audits, despite significant changes planned for the Secretariat's information processing systems; and the streamlining of confidentiality and security requirements is expected to reduce even those minor, inherent delays caused by compliance with confidentiality/security requirements.

Subordinate Objective 3 - To ensure that all staff are aware of and fulfil their personal responsibilities for security in handling information.

- 6.18 In 2003, no breaches of confidentiality were recorded by OCS. OCS also provided confidentiality training to a total of 462 staff members, both on an initial and on an annual refresher basis.
- 6.19 As of June 2004, no breaches of confidentiality have been recorded by OCS. OCS will provide confidentiality, Information Technology security, and physical security training to all staff members, as required by the Confidentiality Annex to the Convention.
- 6.20 In 2005, OCS will continue to work to reduce breaches of confidentiality procedure and prevent any actual breach of confidentiality through a number of initiatives, including the improved training of all staff members, the further streamlining of confidentiality-related policies and procedures, and the upgrading of aging physical security systems.

Subordinate Objective 4 - Effective and efficient operation of OCS.

- 6.21 In 2003, OCS operated effectively with a budget somewhat lower than that for many previous years. While the level of overtime required for OCS to meet minimum security requirements did not increase, only minor changes could be made to further improve efficiency in the distribution of personnel resources and assigned duties.
- 6.22 In 2004, the OCS budget was increased in an amount sufficient to permit several upgrades to the security infrastructure of the OPCW. These upgrades are initial steps toward the provision of an effective level of security for the OPCW in the current environment. Projects are currently underway, at both the HQ building and the Rijswijk facility, to improve access control and screening equipment, closed-circuit television systems, alarm systems, and passive physical security measures. A study of the OPCW Security Control Centre will also be conducted, and a capital equipment replacement scheme developed, to determine the most efficient means of replacing aging equipment in the HQ building in the coming years. OCS has also begun combining its badge office, staffed by one Badge Clerk, with the OPCW reception desk, staffed by two OCS Receptionists. This move, which requires some infrastructure modifications, will permit OCS to make better use of the personnel resources available by having them cover both responsibilities, thus further reducing overtime requirements.
- 6.23 To continue operating effectively in 2005, OCS requires sufficient funding to accomplish necessary equipment replacements on the basis of the study and capital equipment replacement scheme developed in 2004. Failure to replace aging

equipment, much of which has been operating on a 24-hour basis since 1997 or earlier, could result in the loss of one or more vital security systems and seriously jeopardise the ability of OCS to meet its objectives. Additional upgrades of the access control infrastructure at the HQ building, combined with reinforced efficiency in both the physical layout and the operation of the Security Control Centre, would further improve the use of personnel resources and minimise the need to increase overtime requirements, even in the event that threat levels should continue to increase. The proposed conversion of Security Officers' TACs to fixed-term contracts will also help ensure that the necessary level of skills and professionalism are maintained by the staff of the Physical Security Section, thus enabling the continuation of an effective mode of operations in a changing threat environment.

Risks

- 6.24 In 2003, OCS was unable to upgrade its access control infrastructure, to replace aging equipment, or to provide its staff with necessary training in some areas. As the level of external threat has continued to increase, with terrorist attacks now having targeted several international organisations, including two in The Hague, it has become increasingly apparent that the Secretariat's ageing physical security systems could leave the Organisation vulnerable. The Secretariat's reliance on proprietary Security Management System (SMS) software has also required the renewal of an adequate but increasingly expensive and poorly supported security maintenance contract. Replacement of this software would permit the Secretariat to once again open this contract to tenders; on the other hand, continuing with this software will require renewal of the current maintenance contract, and thus prolong the poor service and rising costs that accompany it.

Costs and Resources

- 6.25 Costs for 2005 are shown in Table 35, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 31.
- 6.26 There are several differences in the 2005 OCS budget proposal, resulting both from the new structure of the submission and from the proposed change of staffing within the Office. These changes are outlined below:
- (a) Costs associated with the 20 GTA staff members assigned to OCS (18x Security Guards, 1x Security Sergeant, and 1x Receptionist) are no longer reflected under 'Contractual Services', as was the case in 2004. In the 2005 budget, these former GTA positions are realigned with posts staffed on a fixed-term basis, and thus all related costs are reflected as 'Staff Costs' in Table 35 below. The total increase for this concept in 2005 over the 2004 OCS budget figures amounts to EUR 13,910; and
 - (b) The apparent reduction in 'General Operating Expenses' from 2004 to 2005 is the result of the more accurate differentiation between General Operating Expenses and 'Capital Costs'.

TABLE 35: RESOURCES BY OBJECT OF EXPENDITURE

	Office of Confidentiality and Security	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	875,683	1,540,271	75.89%	1,617,285
3	Common Staff Costs	346,495	544,895	57.26%	572,140
4	Overtime	50,000	40,000	-20.00%	42,000
5	Consultants	0	0		
6	GTA	40,000	0	-100.00%	
7	Total Staff Costs	1,312,178	2,125,166	61.96%	2,231,424
8	Travel Costs				
9	Travel - Official Meetings	5,000	4,864	-2.72%	5,107
10	Total Travel Costs	5,000	4,864	-2.72%	5,107
11	Contractual Services				
12	Security	837,500	42,500	-94.93%	44,625
13	Total Contractual Services	837,500	42,500	-94.93%	44,625
14	Total Workshops, Seminars, Meetings	0	0		
15	General Operating Expenses				
16	Rental of Equipment	0	10,000		10,500
17	Maintenance of Equipment	50,000	55,000	10.00%	57,750
18	Supplies and Materials	101,000	16,000	-84.16%	16,800
19	Total General Operating Expenses	151,000	81,000	-46.36%	85,050
20	Total Inspection Equipment, Maintenance and Supplies	0	0		
21	Furniture and Equipment				
22	Other Furniture and Equipment	0	0		
23	Total Furniture and Equipment	0	0		
24	TOTAL RUNNING COSTS	2,305,678	2,253,530	-2.26%	2,366,207
25	Total Inspection equipment, Maintenance and Supplies	0	0		
26	Furniture and Equipment				
27	Other Furniture and Equipment		45,500		47,775
28	Total Furniture and Equipment	0	45,500		47,775
29	TOTAL CAPITAL COSTS	0	45,500		47,775
30	Anticipated Revenue				
31	TOTAL NET COSTS	2,305,678	2,299,030	-0.29%	2,413,982

HEALTH AND SAFETY BRANCH

Objectives

- 6.27 The Health and Safety Branch does not have direct responsibility for delivery of any of the core objectives but has developed some subordinate objectives, the achievement of which is considered a significant contribution to success in achieving the core objectives. The principal subordinate objectives are presented in Table 36.

TABLE 36: PRINCIPAL SUBORDINATE OBJECTIVES, HEALTH AND SAFETY BRANCH

Objectives	Indicators of Achievement
1. Healthy staff, physically and mentally capable of performing their duties without risk to themselves, their colleagues, or the environment.	(a) Sick-leave statistics within acceptable norms for comparable organisations; (b) Number of incidents at all OPCW workplaces with health and safety implications that could reasonably have been prevented by actions of Secretariat staff.
2. Inspection activities on hazardous sites accomplished with minimal health and safety risk to inspectors and site personnel.	(a) Number of inspectors meeting minimum standards in health and safety proficiency testing prior to and following annual training in key health and safety skills; (b) Number of incidents during inspections with health and safety implications that could reasonably have been prevented by actions of Secretariat staff.
3. Compliance with the health, safety and medical requirements of the individual States Parties.	(a) Number of inspections hindered by lack of compliance with defined health, safety and medical requirements of the individual States Parties.
4. Availability of a defined health, safety, and medical component in the OPCW's response capability for assistance and protection.	(a) Extent of agreed support to ICA that is delivered on time.
5. Efficient and effective operation of the Health and Safety Branch	(a) Cost increases for future budgets limited to demonstrable increases in activity or external costs; (b) Savings in expenditure on medical examinations via phased introduction of a health-risk-based approach to pre-employment and periodic evaluations of headquarters staff.

Results

Subordinate Objective 1 - Healthy staff, physically and mentally capable of performing their duties without risk to themselves, their colleagues, or the environment.

- 6.28 In 2003, the overall reported sick leave occurrence for the Secretariat was 2.31%, well within acceptable norms for comparable organisations.
- 6.29 No preventable incidents with health and safety implications occurred during 2003 in OPCW workplaces, and the target for 2004 and 2005 remains at zero.
- 6.30 Risks to the achievement of targets result from the relatively small size of the Secretariat. It requires only a few staff to develop longer-term medical problems for overall statistical measures to become skewed. Careful analysis of all results will be performed to demonstrate whether indicators reflect general trends or individual problems.

Subordinate Objective 2 - Inspection activities on hazardous sites accomplished with minimal health and safety risk to inspectors and site personnel.

- 6.31 This objective is supported through the provision of rigorous induction and annual refresher training for inspectors, detailed pre-departure health and safety planning, and involvement with appropriate equipment procurement and training. More staff time will be allocated to induction and inspector training in 2004 and 2005 due to the tenure-related recruitment programme.
- 6.32 During 2003, all inspectors met the minimum health and safety proficiency requirements as assessed during periodic refresher training. The target for 2004 and 2005 remains at 100%. No preventable incidents with health and safety implications occurred during inspections in 2003, and the target for 2004 and 2005 remains at zero. The major risk to achieving this objective is linked to the higher turnover figures, as larger numbers of newly-recruited staff members whose health and safety proficiency remains to be assessed will be participating in inspection activities.

Subordinate Objective 3 - Compliance with the health, safety and medical requirements of the individual States Parties.

- 6.33 Guided inspection planning and the production of detailed written health and safety plans for all inspections is the cornerstone for ensuring that the health, safety, and medical requirements of individual Member States are met. No inspections were hindered by lack of compliance during 2003. The target for 2004 and 2005 remains at zero.

Subordinate Objective 4 - Availability of a defined health, safety, and medical component in the OPCW's response capability for assistance and protection.

- 6.34 The Health and Safety Branch achieves this objective through maintenance of a database of relevant and up-to-date information regarding the health, safety, and medical aspects of chemical defence and disarmament, and related support for the

activities of ICA. During 2003, a total of 138 person-days were spent in support of ICA activities (with 59 of these days being response to short-notice unplanned requests). ICA has requested 60 out-of-office days from the Health and Safety Branch for 2005 (twelve 5-day trips). With the addition of 3 days per trip as preparation time for these activities, a total of 96 days has been allocated (with a grade breakdown of 16 days at P-5 level, and 80 days at P-3 level).

Subordinate Objective 5 - Efficient and effective operation of the Health and Safety Branch.

- 6.35 Efficiency and effectiveness are strived for through implementation of current, internationally accepted, and evidence-based occupational health policies and procedures. This is supported by the availability of current relevant reference information, regularly reviewed guidance documentation, and ongoing professional development of the health and safety staff. During 2004 and 2005, increased emphasis will be directed towards health risk assessment and control, with a view to decreasing medical costs to the minimum. Savings of 30% on the costs of medical examinations for headquarters staff will be sought by 2006.

Costs and Resources

- 6.36 Costs for 2005 are shown in Table 37, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 31.
- 6.37 In the figures for 2005, EUR 9,000 for official travel has been reallocated to the Health and Safety Branch from the Office of the Deputy Director-General.
- 6.38 Tenure-related turnover will lead to increased costs for medical examinations and vaccinations. These increases have been accommodated by eliminating the previous allocation for fitness promotion activities.

TABLE 37: RESOURCES BY OBJECT OF EXPENDITURE

	Health and Safety Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	598,371	630,143	5.31%	661,650
3	Common Staff Costs	238,794	241,464	1.12%	253,537
4	Overtime				
5	Consultants				
6	GTA				
7	Total Staff Costs	837,165	871,607	4.11%	915,187
8	Travel Costs				
9	Travel - Official Meetings	0	9,000		9,450
10	Total Travel Costs	0	9,000		9,450
11	Contractual Services				
12	Training	22,200	26,200	18.02%	27,510
13	Other Contractual Services	75,300	44,800	-40.50%	47,040
14	Total Contractual Services	97,500	71,000	-27.18%	74,550
15	Total Workshops, Seminars, Meetings	0	0		
16	General Operating Expenses				
17	Rental of Equipment				
18	Maintenance of Equipment	3,500	5,000	42.86%	5,250
19	Supplies and Materials	12,000	19,100	59.17%	20,055
20	Miscellaneous General Operating Expenses	1,000	1,000		1,050
21	Total General Operating Expenses	16,500	25,100	52.12%	26,355
22	Total Inspection Equipment, Maintenance and Supplies	0	0		
23	Furniture and Equipment				
24	Other Furniture and Equipment	0	2,100		2,205
25	Total Furniture and Equipment	0	2,100		2,205
26	TOTAL RUNNING COSTS	951,165	978,807	2.91%	1,027,747
27	Total Inspection equipment, Maintenance and Supplies	0	0		
28	Total Furniture and Equipment	0	0		
29	TOTAL CAPITAL COSTS	0	0		
30	Anticipated Revenue				
31	TOTAL NET COSTS	951,165	978,807	2.91%	1,027,747

OFFICE OF INTERNAL OVERSIGHT

Objectives

- 6.39 The Division does not have direct responsibility for delivery of any of the core objectives but has developed some subordinate objectives, the achievement of which is considered a significant contribution to success in achieving the core objectives. The principal subordinate objectives are presented in Table 38.

TABLE 38: PRINCIPAL SUBORDINATE OBJECTIVES, OFFICE OF INTERNAL OVERSIGHT

Objectives	Indicators of Achievement
1. To provide reasonable assurance to the Director-General and to the policy-making organs that internal financial, confidentiality and security controls are sound, observed and effective.	(a) Satisfactory external audit of internal controls, compliance with rules and regulations, and management reporting system; (b) All areas of planned annual work programme of financial controls achieved; (c) All areas of concern identified by audit on financial controls addressed by the Director-General; (d) All areas of planned annual work programme of confidentiality and security controls achieved; (e) All areas of concern identified by audit on confidentiality and security controls addressed by the Director-General.
2. To make an effective contribution to the improvement of internal management within the Secretariat through internal audits (including value-for-money audits), confidentiality and quality assurance audits, inspections, monitoring, evaluations, and ad-hoc investigations.	(a) Acceptance of recommendations. (b) Timeliness of decision on recommendations. (c) Completion of action on recommendations.
3. To maintain and develop further the successful implementation of quality management systems within the Secretariat.	(a) Maintenance of existing ISO/IEC 17025 and ILAC G13 accreditation. (b) Achievement of further accreditation in accordance with phased development programme. (c) Meet requirements of ISO 15489 (archive). (d) Meet requirements of ISO/IEC 17799, (ISMS).

4. Effective and efficient operation of the Office of Internal Oversight.	(a) Quality of reported findings and recommendations. (b) Timely implementation of the OIO annual work programme.
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Results

Subordinate Objective 1 - To provide reasonable assurance to the Director-General and to the policy-making organs that internal financial, confidentiality and security controls are sound, observed and effective.

- 6.40 The external audit report was satisfactory in 2003, and satisfactory reports are also expected in 2004 and 2005. A target is to increase the number of reports on financial controls and evaluations from 4 in 2003 to 6 in 2004 and 8 in 2005.

Subordinate Objective 2 - To make an effective contribution to the improvement of internal management within the Secretariat through internal audits (including value-for-money audits), confidentiality and quality assurance audits, inspections, monitoring, evaluations, and ad-hoc investigations.

- 6.41 Indicators of achievement relating to this objective will be introduced in 2006. Nevertheless, some indicators have been introduced in 2005. Cumulative implementation of audit recommendations in the internal audits was 67% in 2003, and it is aimed to increase this to 70% in 2004 and 73% in 2005. Cumulative implementation of confidentiality and security audit recommendations was 86% in 2003, and it is aimed to increase this to 92% in 2004 and 93% in 2005. There is a need to improve the response time of the units concerned when it comes to deciding on critical or significant recommendations made by OIO.

Subordinate Objective 3 - To maintain and develop further the successful implementation of quality management systems within the Secretariat.

- 6.42 It is expected that existing accreditation will be maintained in 2004 and 2005. In 2005 the target is to achieve phase 2 of the laboratory accreditation, provided adequate human resources are given to the OPCW Laboratory; to achieve 70% compliance with ISO 15489 by the Archive Section; and to achieve 50% compliance with the requirements of ISO/IEC 17799, which concerns ISMS.

Costs and Resources

- 6.43 Costs for 2005 are shown in Table 39, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 31.
- 6.44 The increase in staff costs in 2005 is due to the filling of a post that was expected to remain vacant for a portion of 2004. The small increase in travel costs is intended to allow OIO staff to attend appropriate training events. These increases are offset in part by a reduction in the expected cost of assessment of laboratories.

TABLE 39: RESOURCES BY OBJECT OF EXPENDITURE

	Office of Internal Oversight	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	532,310	578,459	8.67%	607,382
3	Common Staff Costs	297,717	233,983	-21.41%	245,682
4	Overtime				
5	Consultants				
6	GTA	40,000	40,000	0.00%	42,000
7	Total Staff Costs	870,027	871,435	0.16%	915,007
8	Travel Costs				
9	Travel - Official Meetings	7,500	9,729	29.72%	10,215
10	Total Travel Costs	7,500	9,729	29.72%	10,215
11	Contractual Services				
12	Other Contractual Services	28,000	25,500	-8.93%	26,775
13	Total Contractual Services	28,000	25,500	-8.93%	26,775
14	Total Workshops, Seminars, Meetings	0	0		
15	Total General Operating Expenses	0	0		
16	Total Inspection Equipment, Maintenance and Supplies	0	0		
17	Total Furniture and Equipment	0	0		
18	TOTAL RUNNING COSTS	905,527	887,671	-1.97%	932,055
19	Total Inspection equipment, Maintenance and Supplies	0	0		
20	Total Furniture and Equipment	0	0		
21	TOTAL CAPITAL COSTS	0	0		
22	Anticipated Revenue				
23	TOTAL NET COSTS	905,527	887,671	-1.97%	932,055

OFFICE OF THE LEGAL ADVISER**Objectives**

- 6.45 The Division does not have direct responsibility for delivery of any of the core objectives but has developed subordinate objectives, the achievement of which is considered a significant contribution to success in achieving the core objectives. The principal subordinate objectives are presented in Table 40.

TABLE 40: PRINCIPAL SUBORDINATE OBJECTIVES, OFFICE OF THE LEGAL ADVISER

Objectives	Indicators of Achievement
1. Timely provision of legal advice.	(a) Percentage of responses within defined time standards; (b) Delays to programmes while awaiting legal advice.
2. Effective, reliable legal advice.	(a) Satisfaction of recipients; (b) Evaluation at conclusion of legal cases.
3. Efficient operation of the Office of the Legal Adviser.	

Results

- 6.46 The Office of the Legal Adviser expects to be able to meet the objectives in full, although the current workload pressure is not expected to abate. The need to provide legal advice on a daily basis on individual and policy issues, compounded with the need to advise on the legal issues arising from tenure implementation, to deal with the growing number of appeal cases, and to take forward the review of Staff Rules and Regulations, represent a growing workload.

Costs and Resources

- 6.47 Costs for 2005 are shown in Table 41, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 31.
- 6.48 The increase in staff costs in 2005 is due to the filling of a post that was expected to remain vacant for a portion of 2004.

TABLE 41: RESOURCES BY OBJECT OF EXPENDITURE

	Office of the Legal Adviser	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	683,325	714,178	4.52%	749,887
3	Common Staff Costs	287,218	307,098	6.92%	322,453
4	Overtime				
5	Consultants				
6	GTA				
7	Total Staff Costs	970,543	1,021,276	5.23%	1,072,340
8	Travel Costs				
9	Travel - Official Meetings	20,000	19,458	-2.71%	20,431
10	Total Travel Costs	20,000	19,458	-2.71%	20,431
11	Total Contractual Services	0	0		
12	Total Workshops, Seminars, Meetings	0	0		
13	Total General Operating Expenses	0	0		
14	Total Inspection Equipment, Maintenance and Supplies	0	0		
15	Total Furniture and Equipment	0	0		
16	TOTAL RUNNING COSTS	990,543	1,040,734	5.07%	1,092,771
17	Total Inspection equipment, Maintenance and Supplies	0	0		
18	Total Furniture and Equipment	0	0		
19	TOTAL CAPITAL COSTS	0	0		
20	Anticipated Revenue				
21	TOTAL NET COSTS	990,543	1,040,734	5.07%	1,092,771

OFFICE OF SPECIAL PROJECTS**Objectives**

- 6.49 The Division does not have direct responsibility for delivery of any of the core objectives but has developed some subordinate objectives, the achievement of which is considered a significant contribution to success in achieving the core objectives. The principal subordinate objectives are presented in Table 42.

TABLE 42: PRINCIPAL SUBORDINATE OBJECTIVES, OFFICE OF SPECIAL PROJECTS

Objectives	Indicators of Achievement
1. To increase OPCW involvement in global efforts aimed at ensuring non-proliferation of weapons of mass destruction.	(a) Adoption of informed strategy by Secretariat management; (b) Level of support for the OPCW in Member States; (c) Level of support for multi-lateral approaches to non-proliferation.

2. To keep the Director-General aware of potential risks and challenges to the Convention and to the OPCW.	(a) Pertinent information and records up-to-date.
3. To develop policies relating to OPCW involvement in global efforts aimed at fighting terrorism.	(a) Establishment and pursuance of co-operative policies with other organisations; (b) Volume and level of information and expertise exchanges.

Costs and Resources

6.50 Costs for 2005 are shown in Table 43, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 31.

TABLE 43: RESOURCES BY OBJECT OF EXPENDITURE

	Office of Special Projects	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	156,922	167,916	7.01%	176,312
3	Common Staff Costs	59,014	63,730	7.99%	66,917
4	Overtime	1,500	1,500	0.00%	1,575
5	Consultants				
6	GTA				
7	Total Staff Costs	217,436	233,146	7.23%	244,803
8	Travel Costs				
9	Travel - Official Meetings	23,000	22,376	-2.71%	23,495
10	Total Travel Costs	23,000	22,376	-2.71%	23,495
11	Total Contractual Services	0	0		
12	Total Workshops, Seminars, Meetings	0	0		
13	Total General Operating Expenses	0	0		
14	Total Inspection Equipment, Maintenance and Supplies	0	0		
15	Total Furniture and Equipment	0	0		
16	TOTAL RUNNING COSTS	240,436	255,522	6.27%	268,298
17	Total Inspection equipment, Maintenance and Supplies	0	0		
18	Total Furniture and Equipment	0	0		
19	TOTAL CAPITAL COSTS	0	0		
20	Anticipated Revenue				
21	TOTAL NET COSTS	240,436	255,522	6.27%	268,298

7. PROGRAMME 7: ADMINISTRATION

Objectives

- 7.1 The Administration Division embraces a number of diverse units, involved in the provision of important support services. Because of the diverse range of duties performed there are no objectives for the Programme as a whole, but there are subordinate objectives for all of the individual Branches of the Administration Division. After presenting the figures of costs and resources and staffing for the Administration Programme as a whole, the subordinate objectives, results and costs and resources will be explained for each Branch of the Administration Division separately.

Programme Costs and Resources - Administration Programme

- 7.2 Costs for 2005 are shown in Table 44, alongside equivalent figures for the 2004 budget and illustrative figures for 2006.

TABLE 44: RESOURCES BY OBJECT OF EXPENDITURE

	Administration Division	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	4,607,503	4,973,558	7.94%	5,222,236
3	Common Staff Costs	1,823,463	1,745,705	-4.26%	1,832,990
4	Staff Turnover	3,643,800	3,643,800	0.00%	3,825,990
5	Overtime	31,000	31,000	0.00%	32,550
6	Consultants		210,000		220,500
7	GTA	312,000	680,075	117.97%	714,079
8	Other	180,000	240,000	33.33%	252,000
9	Total Staff Costs	10,597,766	11,524,138	8.74%	12,100,345
10	Travel Costs				
11	Travel - Official Meetings	20,000	19,458	-2.71%	20,431
12	Total Travel Costs	20,000	19,458	-2.71%	20,431
13	Contractual Services				
14	Training	209,000	359,000	71.77%	376,950
15	Data Processing Services	695,500	360,000	-48.24%	378,000
16	Total Contractual Services	904,500	719,000	-20.51%	754,950
17	Total Workshops, Seminars, Meetings	0	0		
18	General Operating Expenses				
19	Rental of Premises	3,082,000	3,205,280	4.00%	3,365,544
20	Maintenance and Utilities	1,108,536	1,152,877	4.00%	1,210,521
21	Rental of Equipment	81,000	151,240	86.72%	158,802
22	Maintenance of Equipment		72,000		75,600
23	Communications	584,500	589,100	0.79%	618,555
24	Hospitality	5,600	5,600	0.00%	5,880
25	Insurance	159,000	165,360	4.00%	173,628
26	Supplies and Materials	268,500	353,500	31.66%	371,175

	Administration Division	2004 Budget	2005 Budget	% Growth	2006 Estimate
27	Miscellaneous General Operating Expenses	45,000	115,000	155.56%	120,750
28	Total General Operating Expenses	5,334,136	5,809,957	8.92%	6,100,455
29	Total Inspection Equipment, Maintenance and Supplies	0	0		
30	Furniture and Equipment				
31	Office Furniture and Equipment	17,000	17,000	0.00%	17,850
32	Computer Hardware and Software		242,000		254,100
33	Total Furniture and Equipment	17,000	259,000	1423.53%	271,950
34	TOTAL RUNNING COSTS	16,873,402	18,331,553	8.64%	19,248,131
35	Total Inspection equipment, Maintenance and Supplies	0	0		
36	Furniture and Equipment				
37	Office Furniture and Equipment	65,000	235,000	261.54%	246,750
38	Computer Hardware and Software	256,500	327,000	27.49%	343,350
39	Total Furniture and Equipment	321,500	562,000	74.81%	590,100
40	TOTAL CAPITAL COSTS	321,500	562,000	74.81%	590,100
41	Anticipated Revenue	-600,000	-600,000	0.00%	-630,000
42	TOTAL NET COSTS	17,794,902	18,293,553	10.24%	19,208,231

TABLE 45: POSTS FUNDED IN 2005

	DG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	GS-PL	GS-OL	P & Above	GS	Total
Programme 7: Administration													
Office of the Director	-	-	1	1*	0	-	-	-	1	-	2	1	3
Budget, Planning and Finance Branch	-	-	-	-	1	1	3	1	5	9	6	14	20
Human Resources Branch	-	-	-	1	-	1	1	1	4	6	4	10	14
Procurement and Support Services	-	-	-	-	1	3	1	-	4	12	5	16	21
Training and Staff Development	-	-	-	-	1	1	-	-	1	4	2	5	7
Information Services Branch	-	-	-	1	-	3	7	3	6	3	14	9	23
Subtotal Programme 7	0	0	1	3	3	9	12	5	21	34	33	55	88

* The Executive Council approved the reclassification of this post from P-5 to D-1, however this post will revert to previous grade upon separation of incumbent (EC-37/DEC.14, dated 2 July 2004).

ADMINISTRATIVE MANAGEMENT - OFFICE OF THE DIRECTOR

Objectives

- 7.3 The responsibility of the Office of the Director is to provide timely and effective advice to the Director-General on all administrative issues; to plan and formulate appropriate strategies; to manage efficiently and effectively the day-to-day administrative functions of the Secretariat; and to produce the Programme and Budget in results-based format.

Costs and Resources

- 7.4 Costs for 2005 are shown in Table 46, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 45.
- 7.5 The figure of EUR 150,000 for consultants in 2005 represents a reallocation from the budget of the Office of the Director-General, and does not constitute an increase over the 2004 budget.

TABLE 46: RESOURCES BY OBJECT OF EXPENDITURE

	Office of Director of Administration	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	287,161	284,211	-1.03%	298,422
3	Common Staff Costs	110,118	109,797	-0.29%	115,287
4	Staff Turnover				
5	Overtime	1,000	1,000	0.00%	1,050
6	Consultants		150,000		157,500
7	GTA	7,000	7,000	0.00%	7,350
8	Total Staff Costs	405,279	552,008	36.20%	579,608

	Office of Director of Administration	2004 Budget	2005 Budget	% Growth	2006 Estimate
9	Travel Costs				
10	Travel - Official Meetings	20,000	19,458	-2.71%	20,431
11	Total Travel Costs	20,000	19,458	-2.71%	20,431
12	Total Contractual Services	0	0		
13	Total Workshops, Seminars, Meetings	0	0		
14	General Operating Expenses				
15	Hospitality	5,600	5,600	0.00%	5,880
16	Miscellaneous General Operating Expenses				0
17	Total General Operating Expenses	5,600	5,600	0.00%	5,880
18	Total Inspection Equipment, Maintenance and Supplies	0	0		
19	Total Furniture and Equipment	0	0		
20	TOTAL RUNNING COSTS	430,879	577,066	33.93%	605,919
21	Total Inspection equipment, Maintenance and Supplies	0	0		
22	Total Furniture and Equipment	0	0		
23	TOTAL CAPITAL COSTS	0	0		
24	Anticipated Revenue				
25	TOTAL NET COSTS	430,879	577,066	33.93%	605,919

BUDGET, PLANNING AND FINANCE BRANCH

Objectives

7.6 The principal subordinate objectives are presented in Table 47.

TABLE 47: PRINCIPAL SUBORDINATE OBJECTIVES, BUDGET, PLANNING AND FINANCE BRANCH

Objectives	Indicators of Achievement
1. To deliver timely, useful and reliable information to OPCW managers and to the policy-making organs including the draft budget in results-based format.	(a) The percentage of reports made available by their scheduled date; (b) The percentage of specified items not provided.
2. To maintain proper financial systems and associated records, and to safeguard cash holdings.	(a) Number of pertinent proposals on which corrective action is taken; (b) Satisfactory findings by external audit; (c) Final accounts produced to scheduled time.
3. To pay correctly-authenticated bills promptly.	(a) Percentage of payments made within 30 days.

4. To raise invoices for revenue due to the OPCW promptly.	(a) Percentage of invoices raised within 5 working days.
5. To invest cash holdings in accordance with OPCW policy.	(a) Rate of return on investment; (b) More-qualitative annual review of investment performance, to include comparisons with appropriate benchmark performances (such as base rates and other funds).
6. To improve the cost-effectiveness of the Budget, Planning and Finance Branch.	(a) No increase in real terms in the cost of the Branch; (b) No increase in the number of staff.

Results

Subordinate Objective 1 - To deliver timely, useful and reliable information to OPCW managers and to the policy-making organs, including the draft budget in results-based format.

- 7.7 In 2003, approximately 60% of reports were made available by their scheduled date. Thus far in 2004, 72% of reports have been issued on time, and it is expected that this trend will continue throughout the year. For 2005, the aim is to make available 85% of monthly financial reports by their scheduled date. In 2003, all specified items were provided. Thus far in 2004, all specified items have been provided, and the aim is to do the same in 2005.

Subordinate Objective 2 - To maintain proper financial systems and associated records, and to safeguard cash holdings.

- 7.8 For the year 2003, the final accounts were produced prior to the scheduled date. In 2004 and 2005, it is expected that 100% of the final accounts will be produced by the scheduled dates. For the same time period, the year-end financial statements will be completed and submitted to the Director-General for approval prior to 15 March of the following year.
- 7.9 For 2003, the financial statements of the OPCW represented fairly the position of the organisation. For the years 2004 and 2005, a satisfactory external audit is also anticipated.

Subordinate Objective 3 - To pay correctly-authenticated bills promptly.

- 7.10 In 2003, the Disbursements Section processed approximately 13,000 payments. Only about 5 per cent of those payments were processed after the due date, i.e. in a period exceeding the allowable 30-day payment period. The Disbursements Section will continue to carefully scrutinise all requests for payments to ensure that the requested payments are being made according to the OPCW Financial Rules and Regulations as well as to the terms and conditions of contracts and obligating documents, and that all relevant signatures and supporting documents have been submitted. Thus far in 2004, the Disbursement Section has processed 95% of payments within 30 days, and this

trend is expected to continue for the rest of the year. For 2005, it is anticipated that 98% of payments will be processed within 30 days, provided the invoices received by the Disbursements Section include complete information.

Subordinate Objective 4 - To raise invoices for revenue due to the OPCW promptly.

- 7.11 In 2003, 90% of invoices were raised within 5 working days of the receipt of requisite information from the Inspectorate. So far in 2004, 90% of the invoices have been raised within 5 working days. In 2005 the process will be computerised, and the aim is to raise 100% of invoices within 5 working days of the receipt of requisite information from the Inspectorate.

Subordinate Objective 5 - To invest cash holdings in accordance with OPCW policy.

- 7.12 In 2003, approximately 2.3% was earned on OPCW investments, a rate close to the benchmark of Euroibor. Thus far in 2004, and despite low interest rates, efforts are being made to earn the best possible rate, which at present stands at 2%. These efforts will continue throughout 2004 and in 2005. The target is to earn a higher rate through negotiation with financial institutions. In 2004 and 2005, the aim is a more-qualitative annual review of investment performance, in which OPCW performance will be compared with appropriate benchmarks.

Subordinate Objective 6 - To improve the cost-effectiveness of the Budget, Planning and Finance Branch.

- 7.13 For 2003, the costs of BFB remained within the budgeted amount. The budgeted amount for 2004 has not increased in real terms, and the same will hold true for 2005. In 2003 there were 20 funded posts in the BFB. The figure is the same for 2004, and no increase in funded posts for 2005 is sought.

Costs and Resources

- 7.14 Costs for 2005 are shown in Table 48, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 45.
- 7.15 The figure of EUR 45,000 for general operating expenses represents bank charges and the costs of foreign currency transactions that were previously included as part of programme 8, Common Services Costs.
- 7.16 The figure of revenue includes bank interest, which is expected to be EUR 600,000 in each year.

TABLE 48: RESOURCES BY OBJECT OF EXPENDITURE

	Budget, Planning and Finance Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	1,005,176	1,042,814	3.74%	1,094,955
3	Common Staff Costs	412,953	381,882	-7.52%	400,976

	Budget, Planning and Finance Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
4	Staff Turnover				
5	Overtime	6,000	6,000	0.00%	6,300
6	Consultants				
7	GTA	10,000	10,000	0.00%	10,500
8	Total Staff Costs	1,434,129	1,440,696	0.46%	1,512,731
9	Total Travel Costs	0	0		
10	Total Contractual Services	0	0		
11	Total Workshops, Seminars, Meetings	0	0		
12	General Operating Expenses				
	Miscellaneous General Operating Expenses	45,000	45,000	0.00%	47,250
13					
14	Total General Operating Expenses	45,000	45,000	0.00%	47,250
15	Total Inspection Equipment, Maintenance and Supplies	0	0		
16	Total Furniture and Equipment	0	0		
17	TOTAL RUNNING COSTS	1,479,129	1,485,696	0.44%	1,559,981
18	Total Inspection equipment, Maintenance and Supplies	0	0		
19	Total Furniture and Equipment	0	0		
20	TOTAL CAPITAL COSTS	0	0		
21	Anticipated Revenue	-600,000	-600,000	0.00%	-630,000
22	TOTAL NET COSTS	2,079,129	885,696	0.75%	929,981

HUMAN RESOURCES BRANCH

Objectives

- 7.17 The principal subordinate objectives are presented in Table 49.
- 7.18 A comprehensive human resources strategy is needed to ensure that utilisation of resources is targeted towards meeting the Secretariat's core objectives in the most timely and effective manner possible. Work on this strategy commenced at the end of 2003, and the deadline for presenting the draft to the Secretariat's Management Board is December 2004.
- 7.19 Research on best practices within the international system is required to establish benchmarks by the end of 2005, so the Secretariat may model its human-resource services and products on those found to be most appropriate, and may begin to initiate the implementation of improved practices.

TABLE 49: PRINCIPAL SUBORDINATE OBJECTIVES, HUMAN RESOURCES BRANCH

Objectives	Indicators of Achievement
1. To provide integrated human-resources advice and services to the OPCW in respect of terms and conditions of service.	(a) Percentage of pertinent enquiries receiving a satisfactory response; (b) Percentage of monthly payroll transactions concluded and passed to BFB within agreed deadlines; (c) Percentage of payments where errors in calculated entitlements are subsequently discovered.
2. To provide integrated human-resources advice and services to the Secretariat in respect of human-resources planning, recruitment, and separation processes, and transition support for affected staff members and their supervising managers.	(a) Percentage of Divisions/ Offices with agreed human-resources plans by December 2005; (b) Recruitment completed within standard timescales; (c) Percentage of those recruited who are accepted after probation period; (d) Percentage take-up of offer of transition support; (e) Percentage of those leaving participating in an exit interview.
3. To provide integrated human-resources advice and services to the Secretariat and to individual staff members in respect of conflict resolution, management of disputes and grievances, disciplinary cases and appeals.	(a) Percentage of cases decided by the International Labour Organisation's Administrative Tribunal which subsequently require amendment to OPCW human-resources policies.
4. To provide integrated human-resources advice and services to the Secretariat and to individual supervisors in respect of performance management.	(a) Percentage of reports completed within the scheduled time.

ResultsSubordinate Objective 1 - To provide integrated human-resources advice and services to the OPCW in respect of terms and conditions of service.

- 7.20 The number of separating and incoming staff members increased dramatically in mid-2003 due to turnover of approximately 30 fixed-term staff members affected by tenure. The number of transactions will continue to increase during 2004, with implementation of tenure during a full calendar year requiring turnover of approximately 50 staff. HRB is establishing the processes required to allow it to respond to this increased workload. Statistical information on user satisfaction with HRB's services was not previously collected. In 2004, HRB started establishing the required tracking systems.

- 7.21 The increased work volume in the Entitlements and Benefits area will be absorbed by means of improved processes, redistribution of duties, and HRB staff time savings resulting from the centralisation of travel administration in the Procurement and Support Services Branch.

Subordinate Objective 2 - To provide integrated human-resources advice and services to the Secretariat in respect of human-resources planning, recruitment, and separation processes, and transition support for affected staff members and their supervising managers.

- 7.22 A human-resources planning process will support the most effective use of human resources by assisting line managers to develop human-resources plans. The target is to develop and implement the system by the end of 2005, with a view to individual divisions developing human-resources plans on a yearly basis, with HRB support.
- 7.23 The average rate of recruitment for staff subject to tenure in the four years preceding tenure implementation in 2003 was 12 per annum. This rate will increase fourfold starting in 2004, in addition to the usual recruitment of GS and short-term staff. HRB must put processes in place to support the selection of suitably qualified candidates within agreed timescales, and reduce dependency on short-term contracts and work inefficiencies created by delays in replacing separating staff. The average time required to replace staff during 2003, from the time a vacancy was notified to HRB until the new staff member entered on duty, was seven to nine months for the P category, and three to five months for GS posts. One of HRB's objectives for 2005 is a benchmarking exercise to establish appropriate time frames for staff recruitment in 2006.
- 7.24 Post classification for vacancies arising during 2005 will continue to be contracted to external classification experts as required.
- 7.25 In order to maintain staff productivity and commitment, to minimise resources lost to litigation, and to attract competent candidates, the provision of transition support for separating staff members affected by tenure will also be required.

Subordinate Objective 3 - To provide integrated human-resources advice and services to the Secretariat and to individual staff members in respect of conflict resolution, management of disputes and grievances, disciplinary cases and appeals.

- 7.26 Commencing in 2004, improvements required to conflict resolution and grievance mechanisms will be identified for future implementation. A main focus will be proactive identification and resolution at the earliest stage to prevent escalation and reduce exposure to legal risk wherever practicable.
- 7.27 HRB must also manage internal procedures for appeals, rebuttals, and disciplinary cases. Prior to 2003, these averaged three to four per year. In 2003, this number increased threefold, primarily in response to procedures initiated by staff members whose contracts were not renewed. It is not possible to conclusively predict the number of cases expected in 2004 and 2005, as these may be affected by the outcome of current litigation.

Subordinate Objective 4 - To provide integrated human-resources advice and services to the Secretariat and to individual supervisors in respect of performance management.

- 7.28 A more proactive approach is required to respond to the demands on the performance management system in the new environment resulting from the implementation of the decisions on tenure. The initial focus in 2005 will be for HRB staff to work with supervisors in order to coach them in the appropriate use of the system, with a view to assisting in the accurate and consistent application of performance ratings Secretariat-wide, and to facilitating completion of reports within scheduled time frames.

Costs and Resources

- 7.29 Costs for 2005 are shown in Table 50, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources are already shown in Table 45. Costs for 2004 include some items previously included in programme 8, Common Services Costs: staff turnover, EUR 3,628,800; maternity and extended sick leave, EUR 90,000; and childcare, EUR 90,000.
- 7.30 Staffing costs contain funding for continuation of a number of temporary positions utilised during 2004 to enable delivery of an increased volume of core products and services due to tenure implementation. The cost exceeds the GTA budget originally allocated to HRB for 2004.
- 7.31 An additional EUR 30,000 has been included in staffing costs to ensure an adequate allocation for childcare assistance, which has not kept pace with increased charges by childcare facilities. On the basis of current utilisation rates in 2004, as well as of actual expenditure in 2003, it is estimated that funding for sick leave and maternity leave will also have to be increased, and an additional EUR 30,000 has been added to staffing costs in 2005.
- 7.32 As explained in paragraph 49 (d) of the section on Core Results and the Overall Budget, one P-2 post is proposed to provide additional professional leadership, but all remaining additional work will be covered in 2005 through TACs. Continued use of temporary staff will allow a full evaluation of the implications of tenure implementation, and proposals for fixed-term HRB posts to be put forward in the 2006 budget.

TABLE 50: RESOURCES BY OBJECT OF EXPENDITURE

	Human Resources Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	685,327	756,501	10.39%	794,326
3	Common Staff Costs	238,293	242,731	1.86%	254,868
4	Staff Turnover	3,643,800	3,643,800	0.00%	3,825,990
5	Overtime	4,000	4,000	0.00%	4,200
6	Other	180,000	240,000	33.33%	252,000
7	GTA	10,000	258,075	2480.75%	270,979
8	Total Staff Costs	4,761,420	5,145,107	8.06%	5,402,362

	Human Resources Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
9	Total Travel Costs	0	0		
10	Total Contractual Services	0	0		
11	Total Workshops, Seminars, Meetings	0	0		
12	Total General Operating Expenses	0	0		
13	Total Inspection Equipment, Maintenance and Supplies	0	0		
14	Total Furniture and Equipment	0	0		
15	TOTAL RUNNING COSTS	4,761,420	5,145,107	8.06%	5,402,362
16	Total Inspection equipment, Maintenance and Supplies	0	0		
17	Total Furniture and Equipment	0	0		
18	TOTAL CAPITAL COSTS	0	0		
19	Anticipated Revenue				
20	TOTAL NET COSTS	4,761,420	5,145,107	8.06%	5,402,362

PROCUREMENT AND SUPPORT SERVICES BRANCH

Objectives

7.33 The principal subordinate objectives are presented in Table 51.

TABLE 51: PRINCIPAL SUBORDINATE OBJECTIVES, PROCUREMENT AND SUPPORT SERVICES BRANCH

Objectives	Indicators of Achievement
1. To procure materials, equipment and services to meet the requirements of users in a timely manner.	(a) Number of complaints from programmes regarding delays in procurement action; (b) Ability of programmes to utilise their annual procurement budget within the corresponding year; (c) Number of cases where requisitioners express dissatisfaction with procured goods or services.
2. To obtain the best possible prices for materials, equipment and services.	(a) Satisfaction of requisitioners with the prices obtained; (b) Satisfactory findings by internal and external audits; (c) Savings in OPCW budget through purchases.
3. To maintain OPCW premises, facilities and equipment to a high standard and cost-effectively.	(a) Satisfaction of occupants and users with the building and its facilities; (b) Minimal need for emergency repairs; (c) Minimal downtime due to proper maintenance;

	<p>(d) Number of requests for assistance processed by Infrastructure Support Services;</p> <p>(e) Number of complaints received regarding facilities and equipment;</p> <p>(f) Ability to negotiate new or extended maintenance contracts on terms more favourable to OPCW but at same or lower price;</p> <p>(g) Diversion of maintenance works to building owner.</p>
4. To provide timely mail and courier services.	<p>(a) Frequency of distribution of internal mail;</p> <p>(b) Ability to arrange courier services on short notice;</p> <p>(c) Delivery of outgoing mail on time to collecting point for TPG (TNT Post Groep) mail courier.</p>
5. To provide cost-effective travel arrangements while also reducing the associated administrative tasks of other staff within the Secretariat.	<p>(a) Savings in OPCW travel budget;</p> <p>(b) Reduction in the overall number of Secretariat staff involved in travel management;</p> <p>(c) Travel services user satisfaction with their timely provision and quality.</p>
6. To contribute to the improvement of service conditions for staff by providing appropriate medical and other insurance coverage.	<p>(a) Satisfaction of management and staff with the cost as well as the coverage of the policies.</p>

Results

Subordinate Objective 1 - To procure materials, equipment and services to meet the requirements of users in a timely manner.

- 7.34 In 2003, the time taken to complete the processing of a procurement request (from the date of receipt by the Procurement Section of the procurement request to the date when a purchase order or a contract is signed) in the case of major tenders was 12.97 weeks. In the case of other purchases, the time taken was, on average, 5.7 weeks. For 2004, the Procurement Section will try to complete the process in about 8 weeks for major purchases, and in about 4 weeks for the rest. For 2005, the target will be to reduce the former to less than 8 weeks. These figures will depend, however, on the provision of the necessary staffing resources for this grossly overloaded and understaffed key area of activity, including the filling of the frozen Head of Procurement post.
- 7.35 At the end of 2003, 14.5% of the requests for procurement for 2003 remained unfinished and were dealt with in the first part of 2004. For 2004 and 2005, Procurement will strive to complete all requests for procurement received for the year, provided these are submitted in good time.

- 7.36 There is no record of any case where procured goods, equipment or services were rejected in 2003 on the basis of improper procurement action. However, in some 8 cases, rewritten or amended specifications were dispatched to vendors as a direct result of negative responses from vendors. The target is to maintain the former results and improve the latter.

Subordinate Objective 2 - To obtain the best possible prices for materials, equipment and services.

- 7.37 In 2003, all available resources, including the Internet, specialised publications, and the United Nations' Inter-Agency Procurement Services Office (IAPSO), were tapped in search for the best possible prices; a detailed roster has been maintained, and statistics on goods and services procured in the past have been compiled. Optimum terms and conditions have been negotiated with the suppliers, resulting in an efficient use of the funds available to the requesting programmes. Finally, the procurement process was opened to as large a competition as possible. The same procedures will continue in 2004 and 2005. For all POs (Purchase Orders) concluded in 2003, the prices negotiated were accepted by the Requisitioners and Certifying Officers.
- 7.38 Internal and external audits of 2003 procurement activities are yet to be carried out, but the Section is confident that all necessary measures were taken in 2003 to guarantee a clean audit.

Subordinate Objective 3 - To maintain OPCW premises, facilities and equipment to a high standard and cost-effectively.

- 7.39 In 2003 all repairs were carried out within the allocated budgets, and attended to within 24 hours. This is considered as a reasonable lag time, and the aim is that it will be maintained for 2004 and 2005. For 2003, all requests for assistance received from staff members were taken care of within 2 hours. This response time remains the same in 2004, and the aim is that it will continue into 2005.
- 7.40 In 2001, the approved budget for maintenance and operation of OPCW buildings amounted to EUR 800,000. As a result of the financial difficulties being experienced at the time, this maintenance budget was immediately cut to EUR 500,000. This reduced budget has been maintained since, and a number of important facilities improvement projects (e.g. light interruption system), which would have led eventually to significant cost savings, have remained unattended.
- 7.41 In 2004, a significant number of projects with great impact on the security and safety of the staff and property of the Organisation will have to be initiated. Some examples are: improvements to the Security installations; renewal of the UPS (uninterrupted power supply) system for the entire computer network; installation of air-conditioning units in certain areas; expansion of the fire alarm systems; replacement of light bulbs throughout the building; and improvements in the audio-visual systems.
- 7.42 Major repairs are the responsibility of the building owners. PSB has always transferred as many repair requirements as possible to the owners. For 2003, the costs transferred to the owners stood at around EUR 7,000. For 2004 and continuing into 2005, the same policy will be maintained, probably saving the Organisation similar

amounts. Through careful management, and with the help of the Building Management Computer System, a reduction in energy costs has been achieved for 2003; consumption in 2004 and 2005 is expected to continue at the same level, subject to the influence of weather conditions.

Subordinate Objective 4 - To provide timely mail and courier services.

7.43 In 2003 the main objectives for mail and courier services were as follows:

- (a) mail delivered within the same day;
- (b) non-scanned mail delivered within 2 hours;
- (c) urgent faxes sent within 15 minutes of registration;
- (d) the backlog of scanned documents for CMS never to exceed 100;
- (e) mail distribution round carried out 4 times a day; and
- (f) less than 5 justifiable complaints in a month.

7.44 These figures are considered to be within acceptable time limits for these kinds of services, and will therefore be maintained as objectives for 2004 and 2005. It is further intended to check the mail and courier services market in order to identify cheaper options for services that will not compromise the current quality of these services.

Subordinate Objective 5 - To provide cost-effective travel arrangements while also reducing the associated administrative tasks of other staff within the Secretariat.

7.45 A new travel agency was selected in 2004. The terms of the new contract require OPCW staff to do the bulk of the work (booking, looking for the best fares available etc.) with the travel agency only getting involved in the end part of the process (ticketing). Savings identified and incorporated in the 2005 budget amount to EUR 100,000.

7.46 Further significant savings are potentially available through putting more effort into the search for best fares by centralising that effort and using two additional staff in the travel unit, plus the purchase, at a cost of EUR 112,000, of an automated travel system. These staffing needs will be met through the use of TAC positions. However, the cost of the travel system has not been included in the 2005 budget.

Subordinate Objective 6 – To contribute to the improvement of service conditions for staff by providing appropriate medical and other insurance coverage.

7.47 Insurance coverage is provided through three policies, the Medical policy and the two Death and Disability insurance policies. Favourable terms for the Death and Disability policies (reduced cost but with satisfactory benefits) were negotiated for 2004. These are expected to continue into 2005, when PSB is aiming at the very least to sustain the 2004 reduced costs, or even to seek further reductions (the insurers have tentatively agreed that the 2004 reduced premium will prevail as the base premium in future

renewals). Related savings of EUR 250,688 over the 2004 budget have been included in 2005.

- 7.48 The major risks to achieving this objective could come from losses or adverse turns in the reinsurance markets during 2004, which could negatively affect the 2005 premiums.

Costs and Resources

- 7.49 Costs for 2005 are shown in Table 52, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 45. The costs for 2004 include a number of items previously included in programme 8, Common Services Costs. These are the costs of office furniture (EUR 65,000), office furniture and equipment maintenance (EUR 17,000), rental and maintenance of premises (EUR 4,190,536), rental and maintenance of transportation equipment (EUR 81,000), insurance (EUR 159,000), and supplies and materials (EUR 132,500).
- 7.50 As explained in the description of results, savings have already been achieved for 2005 both in travel costs and in the cost of Death and Disability insurance. However, these savings are spread across the budgets of all Divisions and are not specifically reflected in the PSB budget.
- 7.51 Reinstatement of funding for the frozen P-4 post of Head of Procurement Section has been requested for 2005, to assist with the speed of implementation of improvements, in light of a growing workload, and particularly to help avoid backlogs at the end of the financial year. This post will add to the professional resources available for pursuing more opportunities for cost savings in procurement.

TABLE 52: RESOURCES BY OBJECT OF EXPENDITURE

	Procurement and Support Services Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	952,404	1,057,494	11.03%	1,110,369
3	Common Staff Costs	363,733	354,003	-2.68%	371,703
4	Staff Turnover				
5	Overtime	10,000	10,000	0.00%	10,500
6	Consultants				
7	GTA	120,000	240,000	100.00%	252,000
8	Total Staff Costs	1,446,137	1,661,497	14.89%	1,744,572
9	Total Travel Costs	0	0		
10	Total Contractual Services	0	0		
11	Total Workshops, Seminars, Meetings	0	0		
12	General Operating Expenses				
13	Rental of Premises	3,082,000	3,205,280	4.00%	3,365,544
14	Maintenance and Utilities	1,108,536	1,152,877	4.00%	1,210,521
15	Rental of Equipment	81,000	84,240	4.00%	88,452
16	Communications	115,000	119,600	4.00%	125,580

	Procurement and Support Services Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
17	Insurance	159,000	165,360	4.00%	173,628
18	Supplies and Materials	132,500	217,500	64.15%	228,375
19	Miscellaneous General Operating Expenses	0	70,000		73,500
20	Total General Operating Expenses	4,678,036	5,014,857	7.20%	5,265,600
21	Total Inspection Equipment, Maintenance and Supplies	0	0		
22	Furniture and Equipment				
23	Office Furniture and Equipment	17,000	17,000	0.00%	17,850
24	Total Furniture and Equipment	17,000	17,000	0.00%	17,850
25	TOTAL RUNNING COSTS	6,141,173	6,693,354	8.99%	7,028,022
26	Total Inspection equipment, Maintenance and Supplies	0	0		
27	Furniture and Equipment				
28	Office Furniture and Equipment	65,000	235,000	261.54%	246,750
29	Total Furniture and Equipment	65,000	235,000	261.54%	246,750
30	TOTAL CAPITAL COSTS	65,000	235,000	261.54%	246,750
31	Anticipated Revenue				
32	TOTAL NET COSTS	6,206,173	6,928,354	11.64%	7,274,772

TRAINING AND STAFF DEVELOPMENT BRANCH

Objectives

7.52 The principal subordinate objectives are presented in Table 53.

TABLE 53: PRINCIPAL SUBORDINATE OBJECTIVES, TRAINING AND DEVELOPMENT BRANCH

Objectives	Indicators of Achievement
1. To ensure the required technical and professional competence of the OPCW staff.	(a) The issuance of the OPCW in-house certifications and/or the external validations, upon the completion of training activities, and the subsequent evaluation of the results as per OPCW criteria and internationally recognised standards.
2. To improve management competence within the OPCW at all levels.	(a) The majority of staff members with supervisory functions who have not yet done so undergo training; (b) The majority of senior secretaries undergo training.
3. To develop individual competences.	(a) Individual success. The TDB stands ready to assist staff for re-employability in a general way.

Results

Subordinate Objective 1 - To ensure the required technical and professional competence of the OPCW staff.

- 7.53 The maintenance and updating of technical proficiency is an ongoing process of the core business of the Organisation, which is Article IV and V activities. The related training includes Inspectorate refresher programmes, medical specialist training including first aid training, renewal of licenses related with the transport of dangerous goods, equipment maintenance certification, etc.
- 7.54 In a wider sense, the maintenance of technical proficiency is also necessary in the context of Article VII requirements. In order for the Member States to comply with the Convention, the Secretariat must be able to assist them with the highest available professional expertise. In this regard, expertise includes skills in the areas of communication, presentation and persuasion, through an appropriate use of language.

Subordinate Objective 2 - To improve management competence within the OPCW at all levels.

- 7.55 In 2004, these efforts will centre on the top management (Directors, Branch Heads), and will aim at fostering leadership and team building capacities. Retreat-type training for managers, commonly used by the World Bank, the UN and other major organisations, will be planned. The next group to benefit from training for managers will consist of middle managers (P-4s with managerial responsibilities). Conference-type in-house training will be organised, scheduled at the recipients' convenience, to be provided by external instructors invited on the basis of their expertise on various subjects, such as administration of the internal rules and procedures of organisations, communication, appraisal skills, etc.
- 7.56 By the end of 2005, the majority of senior officers will have undergone this training.

Subordinate Objective 3 - To develop individual competences.

- 7.57 The implementation of the decisions on tenure has given added importance to the provision of assistance in the area of staff development. The Branch will hold a general consultation with interested staff members regarding their career plans to the end of more clearly determining training needs. This assistance for the purpose of self-development, which will be provided to all interested staff, is a separate initiative from the transition support package being offered by HRB, in conjunction with an external provider, to those staff members whose contracts are not renewed as a consequence of the implementation of the decisions on tenure.

Costs and Resources

- 7.58 Costs for 2005 are shown in Table 54, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Staff resources have already been shown in Table 45. The budget for 2005 remains basically unchanged from that for 2004.

TABLE 54: RESOURCES BY OBJECT OF EXPENDITURE

	Training and Staff Development Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	380,606	391,581	2.88%	411,160
3	Common Staff Costs	149,280	122,796	-17.74%	128,936
4	Overtime				
5	Consultants				
6	GTA				
7	Total Staff Costs	529,886	514,377	-2.93%	540,096
8	Total Travel Costs	0	0		
9	Contractual Services				
10	Training	209,000	359,000	71.77%	376,950
11	Total Contractual Services	209,000	359,000	71.77%	376,950
12	Total Workshops, Seminars, Meetings	0	0		
13	General Operating Expenses				
14	Supplies and Materials	136,000	136,000	0.00%	142,800
15	Total General Operating Expenses	136,000	136,000	0.00%	142,800
16	Total Inspection Equipment, Maintenance and Supplies	0	0		
17	Total Furniture and Equipment	0	0		
18	TOTAL RUNNING COSTS	874,886	1,009,377	15.37%	1,059,846
19	Total Inspection equipment, Maintenance and Supplies	0	0		
20	Total Furniture and Equipment	0	0		
21	TOTAL CAPITAL COSTS	0	0		
22	Anticipated Revenue				
23	TOTAL NET COSTS	874,886	1,009,377	15.37%	1,059,846

INFORMATION SERVICES BRANCH

Objectives

7.59 The principal subordinate objectives are presented in Table 55.

TABLE 55: PRINCIPAL SUBORDINATE OBJECTIVES, INFORMATION SERVICES BRANCH

Objectives	Indicators of Achievement
1. Provision of reliable IS infrastructure.	(a) Three networks operating at 99.0% uptime; (b) Personal technology units (PCs, phones, faxes, etc.) delivered to staff within one week of request or 3 days of incident report in 90 percent of instances. Goal: Delivered; (c) Best practices and disaster recovery procedures in place for critical operations to ensure business continuity. Goal: 100%.
2. Effective delivery of IS development projects.	(a) The number of all large- to medium-size projects fully aligned with Prince2 Project Management Methodology. Goal: 100%; (b) Upon acceptance of the Users' Requirement Document, the number of projects completed on schedule. Goal: 75%; (c) The number of projects completed within the resources assigned. Goal: 100%.
3. Expansion of access to official information within the Organisation and to Member States.	(a) Increase in the users of ISB products and services. Goal: 10% p.a.; (b) Number of new information services approved and provided to Secretariat staff and to Member States; (c) Number of documented business process improvements resulting from the implementation of mission-oriented software.
4. Provision of effective support to users.	(a) Service Level Agreements in place when service complies with agreements.
5. Satisfaction of user requests for new software developments.	(a) Action on formally approved requests is initiated within 3 months of request. Goal: 100%; (b) Number of projects completed. Goal: Medium-size projects within 8 months; small-size projects within 3 months.
6. Ensuring appropriate security in IT systems.	(a) The number of security incidents related to IS; (b) The number of vulnerabilities identified and addressed with effective security measures.

7. Cost-effective management of the Branch.	<p>(a) An accurate inventory of IT assets is maintained through the establishment of an asset tracking and configuration management system;</p> <p>(b) Well-defined processes are established for equipment deployment and utilisation of acquired software and hardware components.</p>
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Results

Subordinate Objective 1 - Provision of reliable IS infrastructure.

- 7.60 ISB maintains three separate computer networks: the Security Critical Network (SCN) for processing verification and inspection information, an Administrative Network for general purposes (SNCN), and an Internet-access-only network for staff research and external data communications. All members of the Secretariat staff have access to one or more networks, on the basis of their job responsibilities. On rare occasions, ISB has to interrupt network operations during normal working hours; however, most maintenance is performed during off-hours. As of June 2004, only one significant disruption has occurred during office hours. A strategy for better documenting the service provided by ISB's IT Support Services Unit is now taking shape within the Branch.

Subordinate Objective 2 - Effective delivery of IS development projects.

- 7.61 In 2003, ISB began the implementation of the Prince2 Project Management Methodology to assist in the standardisation of procedures. Throughout 2003, ISB evolved its project management methods to better fulfil its requirements. With the full integration of a standard project management practice in place, ISB will be able to implement a comprehensive system of program measurements to gauge its success, and appropriately assign the right resources to meeting the requirements related to new initiatives and improvements. In 2005, all initiated projects will conform to the Prince2 Project Management Methodology, to document (1) business requirements; (2) benefits to the Organisation; and (3) performance relative to schedule and resource requirements. By 2006, ISB will meet its goals of delivering 3 out of every 4 projects on time and within the resources initially planned.

Subordinate Objective 3 – Expansion of access to official information within the Organisation and to Member States.

- 7.62 Addressing the need for ever-increasing and ever-improving information is a strategic objective for ISB. Interest centres both in meeting the needs of the Secretariat and improving information services to Member States through Internet and other direct means. A pilot project to provide external access to official-series OPCW documents began in the third quarter of 2003, giving such access to more than 30 Member States. In 2004, ISB will complete its Internet mail on the desktop project; implement a formal External System launch for official-series documents; expand use of its Internet website; complete Payroll module development; distribute Funds Control

software to all certifying officers; and complete development of the ICA National Profiles database project. The Branch will begin developing a standard means to track the quantitative and qualitative measures of its services as applied to the volume of information processed, the efficiency and the effectiveness achieved within the Secretariat, as well as the quality and number of services provided to Member States.

- 7.63 The ICA's Protection Profiles databases which were initiated in 2004 will be completed in 2005, and expanded to the extent possible as formally requested by ICA and the Member States. It will be possible to report on the volume increase in information sharing that has occurred as a result of the provision of ISB services, and to test assumptions related to efficiency and effectiveness gains, in 2005.

Subordinate Objective 4 – Provision of effective support to users.

- 7.64 In 2003, improvements were achieved in the handling of requests for new systems, equipment replacements, and solutions to standard business problems. The result has been an improved service as compared to previous years. By the end of that year, the IT Support Services Unit was fully staffed and a trial request-distribution function rotated among the unit staff. Throughout 2004, ISB will continue to take steps to improve the quality of its services to users and its ability to measure progress by:

- (a) centralising service requests through a single point of contact within ISB;
- (b) refining and improving internal processes to enhance service quality;
- (c) implementing pilot Service Level Agreements with key users;
- (d) training service staff on support and state-of-the-art technology issues; and
- (e) improving the capabilities of its systems to provide better management information.

- 7.65 In 2005, ISB's centralised IT Support Services Unit will support a broader range of key technology products and capabilities provided by the Branch. A small number of SLAs (Service Level Agreements) will be finalised with selected units of the Secretariat to ensure timely, quality partnering on IT support matters. By the end of 2005, ISB will be able to record and monitor the delivery of its support services against the accepted standards.

Subordinate Objective 5 – Satisfaction of user requests for new software developments.

- 7.66 In 2003, three major software/application development efforts were completed as requested. An organisation-wide user survey conducted by ISB in June 2003 documented that its services and products generally met user expectations. In 2004, 6 major software/application development efforts will be completed in full or in part as requested (2 for ICA; 1 for LAO/Article VII; 2 for ADM (SmartStream Payroll and Budget module implementation); 1 for PMO). A process to gauge ISB's effectiveness in delivery of agreed software development projects will be put in place by early 2005.

- 7.67 In 2005, five substantial software/application development efforts will be completed as requested. The primary implementation of SmartStream will be completed as well, though enhancements will be ongoing. By the end of 2005, statistics will reflect ISB performance against stated goals: medium-size projects will be developed within 7 months of the project start date, while smaller projects will be finished within a 3-month period. ICA has recommended that a new P-3 post be added to ISB staff to support new databases (see Executive Summary, paragraph 49 (b), and Chapter Two, paragraph 3.17).

Subordinate Objective 6 - Ensuring appropriate security in IS systems.

- 7.68 In 2003, a new IT Security Operations team (ITSO) was created within ISB to bring needed security expertise and focus to new product development and new service activity.
- 7.69 In 2004, the IT Security Operations team (ITSO) implemented a new vulnerability assessment process for all non-SCN applications, services and projects. Required operational security controls and counter-measures are being put in place to ensure an adequate level of protection for the Organisation's information systems. Technical recovery strategies were developed and documented. An alliance with OCS ensured that all systems were moving toward compliance with ISO 17799, the IT Security Management guidelines adopted by the OPCW. ISB will continue to provide professional resources and assistance to OIO in order to certify the compliance of key IT systems to desired standards. ISB is also working with OCS on incident reporting, response and management. By the end of 2005, a system will be in place to exchange with OCS information on risk mitigation and incident management.

Subordinate Objective 7 - Cost-effective management of the Branch.

- 7.70 All assets, regardless of value, are properly accounted for, tracked, and appropriately managed in accordance with relevant Administrative Directives. ISB will complete the validation of its entire hardware and software inventory (over 4,000 items in total) and accomplish the dispatch of over EUR 260,000's worth of obsolete equipment to Member States and charitable organisations through the Property Survey Board.
- 7.71 The process begun in 2004 with a view to the better integration of ISB's equipment inventory with its architectural planning will be completed in 2005, thus significantly improving ISB's ability to meet the Organisation's technology support and management requirements.
- 7.72 ISB will accomplish its stated goals with the financial and human resources provided, and regularise its TAC staff as needed to reduce dependence on non-fixed-term staff members.

Costs and Resources

- 7.73 Costs for 2005 are shown in Table 56, alongside equivalent figures for the 2004 budget and illustrative figures for 2006. Proposed staff resources have already been shown in Table 45. The costs for 2005 include those of communications, EUR 469,500, previously included in programme 8, Common Services Costs.

- 7.74 Staffing for 2005 includes an additional post of Database Manager, as described in paragraph 7.67 above, which will be created by the redeployment of a frozen post. The priority for this post in 2005 will be to support ICA in the development of its databases.

TABLE 56: RESOURCES BY OBJECT OF EXPENDITURE

	Information Services Branch	2004 Budget	2005 Budget	% Growth	2006 Estimate
1	Staff Costs				
2	Salaries	1,296,829	1,440,956	11.11%	1,513,004
3	Common Staff Costs	549,086	534,497	-2.66%	561,222
4	Overtime	10,000	10,000	0.00%	10,500
5	Consultants		60,000		63,000
6	GTA	165,000	165,000	0.00%	173,250
7	Total Staff Costs	2,020,915	2,210,453	9.38%	2,320,976
8	Total Travel Costs	0	0		
9	Contractual Services				
10	Data Processing Services	695,500	360,000	-48.24%	378,000
11	Total Contractual Services	695,500	360,000	-48.24%	378,000
12	Total Workshops, Seminars, Meetings	0	0		
13	General Operating Expenses				
14	Rental of Equipment		67,000		70,350
15	Maintenance of Equipment		72,000		75,600
16	Communications	469,500	469,500	0.00%	492,975
17	Total General Operating Expenses	469,500	608,500	29.61%	638,925
18	Total Inspection Equipment, Maintenance and Supplies	0	0		
19	Furniture and Equipment				
20	Computer Hardware and Software		242,000		254,100
21	Total Furniture and Equipment	0	242,000		254,100
22	TOTAL RUNNING COSTS	3,185,915	3,420,953	7.38%	3,592,001
23	Total Inspection equipment, Maintenance and Supplies	0	0		
24	Furniture and Equipment				
25	Computer Hardware and Software	256,500	327,000	27.49%	343,350
26	Total Furniture and Equipment	256,500	327,000	27.49%	343,350
27	TOTAL CAPITAL COSTS	256,500	327,000	27.49%	343,350
28	Anticipated Revenue				
29	TOTAL NET COSTS	3,442,415	3,747,953	8.88%	3,935,351

8. PROGRAMME 8: COMMON SERVICES COSTS

- 8.1 For 2005, all costs previously included as Common Services Costs have now been allocated to those units responsible for delivery of results from those resources.

Appendix

LIST OF ADMINISTRATIVE CONTRACTS CONCLUDED BY THE OPCW AND INVOLVING COMMITMENTS OF MORE THAN ONE FINANCIAL YEAR

	Contract	Duration
1.	Tenancy agreement for the OPCW headquarters building, concluded on 23 May 1997 with Rabobank GmbH & Co Zweite KG, managed by B & F Property Management BV, and confirmed by the Conference of the States Parties at its First Session	Fifteen years from the date on which the leased premises are available for use (from 16 February 1998)
2.	Rental of 165 car-parking spaces, concluded with the Netherlands Congress Centre on 1 April 1998	Fifteen years from 1 April 1998
3.	Agreement concerning the supply of electrical energy to the OPCW headquarters building, concluded with Eneco Energie Handelsbedrijf BV on 14 December 2001	Thirty-six months, from 1 January 2002 until 31 December 2004
4.	Supply of electrical energy to the OPCW headquarters building, concluded with Eneco Energie Handelsbedrijf BV	Three-year extension, from 1 January 2005 until 31 December 2007
5.	Service-level agreement for the maintenance of the PABX, concluded with Dimension Data (formally known as In-Time Netbuilding) on 1 October 2002	Thirty-six months, from 1 October 2002 to 30 September 2005
6.	Mail-collection service, concluded with TPG Post BV (formally known as PTT Post Services) on 1 June 1998	Indefinite
7.	Extension of the Tenancy Agreement for the OPCW Laboratory and Equipment Store, concluded with N. Verloop on 11 August 1999	Sixty months, from 1 March 2000 until 28 February 2005
8.	Lease contract for high-volume printers, concluded with Danka Nederland BV	Sixty months, from 19 April 2004 to 18 April 2009
9.	Lease contract for shared-support-area photocopiers, concluded with Océ Nederland BV	Sixty months, from 16 April 2004 to 15 April 2009
10.	Lease contract for colour printer, concluded with Xerox Nederland BV on 1 December 2001	Seventy-two months, from 1 December 2001 to 30 November 2007
11.	Contract for the maintenance of external telephone lines, concluded with KPN Telecom on 1 July 2002	Thirty-six months, from 1 July 2002 to 30 June 2005

	Contract	Duration
12.	Accreditation agreement, concluded with the Dutch Accreditation Council for the OPCW Laboratory on 10 July 2001	Forty-eight months, from 10 July 2001 to 9 July 2005
13.	Contract for use of a software license and for maintenance of CA Uni-Centre, concluded with Computer Associates BV on 28 June 2002	Thirty-six months, from 1 July 2002 until 30 June 2005
14.	Lease contract for workstations and additional memory modules, concluded with Dell Financial Services/Tyco Capital on 22 January 2002	Thirty-six months, from 1 February 2002 until 31 January 2005
15.	Lease contract for computer servers concluded with Microwarehouse/Europe Computer Systems on 14 June 2002	Thirty-six months, from 21 June 2002 until 20 June 2005
16.	Agreement covering provision of a tax- and duty-free commissary, concluded with Chacalli BV on 1 June 2003	Thirty-six months, from 1 June 2003 to 31 May 2006
17.	Agreement covering provision of banking services, concluded with ABN-AMRO Bank on 2 April 2003	Thirty-six months, from 1 January 2003 to 31 December 2006
18.	Van Breda medical insurance policy	Three-year extension, from 1 January 2002 until 31 December 2004
19.	Praevenio Computers hardware-insurance policy	Five-year extension, from 1 January 2000 to 31 December 2004
20.	Licences for McAfee Anti-Virus Defense, concluded with Misco Nederland	Three years, from 1 December 2004 until 30 November 2007
21.	Contract for rental of the Netherlands Congress Centre for sessions of the Conference of the States Parties, concluded on 18 December 2002	From 28 April 2003 until 11 November 2007

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