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THE ITALIAN REPUBLIC

**ISSUES RELATED TO
INDUSTRIAL INSPECTIONS**

1. Preamble

The aim of this document is to share with the Technical Secretariat (hereinafter the “Secretariat”) and the States Parties some thoughts on industrial inspections, stemming from the experience acquired by Italy during the first five years of implementation of the Chemical Weapons Convention (hereinafter the “Convention”). In particular, this paper points towards a more rational planning and conduct of inspections as well as at improving their cost-effectiveness, in full compliance with inspection aims. These mainly consist in verifying and confirming that industrial sites carry out activities in full compliance with the Convention, with an impact as limited as possible on their normal operational work.

2. Schedule 2 inspections

Schedule 2 inspections are carried out at plant sites producing, consuming or processing specific toxic chemicals. The inspection procedures envisage both a detailed verification of the involved chemical quantities (including the mass balance) in order to verify non-diversion, and a close examination of the plant producing, consuming or processing such chemicals and its related equipment. These controls inevitably entail the verification of the applied chemical processes, taking into account the inspected plant sites’ confidentiality requirements.

During the initial inspections, the “risk” posed by the plant site is also assessed by the inspection team in order to allow the Secretariat to establish the frequency of subsequent inspections. A Facility Agreement is usually drafted in order to set forth the procedures for subsequent inspections.

As a general rule, subsequent inspections should take into account the results of previous inspections, in order to ensure greater effectiveness. This is the case when subsequent inspections have the same aims. Indeed, the inspection aims (that is, the mandate) should be specifically tailored to the plant type and based on the knowledge acquired during initial inspections. In many cases, plants differ from one another from a technological point of view. If a plant “produces” or “consumes”, it carries out chemical reactions, and therefore it is equipped with reactors that might



theoretically be used for purposes prohibited under the Convention. On the other hand, a “processing” plant is not normally equipped with reactors, but rather with manufacturing equipment, sometimes of “handicraft” type not suitable for other purposes, such as the production of a Schedule 1 chemical. This is the case of textile industries, paper mills, and insulating panels production plants where “processing” a chemical is simply “mixing” it, sometimes by hand. In this case, the real and basic inspection aim is to verify the data provided in declarations, and in particular non-diversion of chemicals. It is Italy’s opinion that this should be specifically reflected in the mandate assigned to the inspectors by the Director-General, thus giving a different priority to the inspection aims. Paragraph 20 of Part VII of the Verification Annex to the Convention (hereinafter the “Verification Annex”) envisages that the results of previous inspections must be taken into account when selecting plant sites for subsequent inspections, as well as when establishing the frequency and intensity of inspections. Italy believes that the inspection aims should also be carefully tailored by the Director-General. Taking these considerations into account, inspections of each plant site could be shorter (one or two days), and the size of the inspection team could be reduced.

In this context, some important cost reductions are possible, especially for inspections conducted in plant sites far from The Hague whose activity poses a negligible risk of violating the Convention. The employment of an inspection team and an escort team, together with the whole in-country organisation, for an inspection of a “handicraft”-type industry could be arranged in a more efficient way. Italy believes that the possibility of conducting “sequential” inspections should be considered as a first step towards introducing this kind of inspections to all Schedule 2 plants. Furthermore, since similar industries are often located in the same area (for example as is the case of Italian textile industries subject to Schedule 2 inspections), the possibility to conduct sequential inspections would not entail unreasonable difficulties. Italy also believes that, according to the Convention, possible problems related to confidentiality or to unpredictability of inspections might be overcome. It should always be borne in mind that these industries have already been subject to initial inspections, and the risk they pose has already been assessed as being very low. However, sequential inspections might be carried out on a gradual basis, starting with a minimum number of two inspections per week. In this case, the disadvantage of employing inspectors in long-lasting missions can be overcome.

3. DOC/PSF inspections

Declaration of DOC/PSF plants is mandatory under the Convention on the assumption that their plants features and technologies might, at least in principle, allow the production of chemicals that could be used to produce chemical weapons. The identification feature of these plants is “production by synthesis”. It is therefore assumed that if a plant can produce discrete organic chemicals (DOC) “by synthesis” it can also potentially be used for purposes prohibited under the Convention.

The particular aim of a DOC/PSF inspection is the verification of the absence of any Schedule 1 chemicals, especially of their production. The link between DOC/PSF plants and chemical weapons does not stem, as for Schedule 2 and 3 plants, from the real presence of a chemical (precursor or toxic agent) directly associated to weapons production, but rather from a capability due to plant configuration. The result is a

very high number of declarable plant sites, but their verification priority is lower than Schedule 2 and 3 plant sites.

As far as the identification of plant sites subject to the Convention is concerned, Italy believes that the currently foreseen declarations of plants, only on the basis of DOC/PSF production quantities, do not fully achieve the aim of encompassing all the plant sites to be kept under monitoring. Indeed, plants perfectly equipped to produce dangerous chemicals would remain undeclared, if producing under the corresponding threshold or not operational, and therefore be irrelevant to the OPCW. In order to identify the plant sites which are actually relevant under the Convention's verification regime, it might be considered more useful to declare the plants with a given "production capacity", rather than referring to actual production.

In addition, on the basis of Italy's experience, the risk posed by a plant site can hardly be effectively assessed only through the knowledge of the plant site's "main activities", which is the only element included in the declaration for risk assessment purposes. Furthermore, as far as the risk definition is concerned, the distinction between DOC and PSF plants is not always relevant, and PSF plants often differ significantly from one another in this respect. Hence, the inclusion in declarations of some "identifying elements" related to plant features at some stage could be taken into consideration. This could eventually foster a better assessment of the risk posed by the plants, facilitate inspectors' verification activities (the time at their disposal being limited), and help the Secretariat in establishing the algorithm for a more rational and focused choice of plant sites to be inspected.

DOC/PSF inspections are far less intrusive than Schedule 2 and 3 inspections, and their main aim is to confirm the transparency of States Parties' activities. Therefore, also for DOC/PSF plant sites it is necessary to evaluate the cost-effectiveness ratio. In this case too, the need to reduce costs and to rationalize inspectors' employment leads to the conduct of sequential inspections. These might be carried out, whenever possible, in neighbouring States Parties. Sequential inspections would, among other things, increase the number of DOC/PSF inspections despite their lower priority in respect to Schedule 2 and 3 inspections.