



Eighty-Ninth Session
9 – 12 October 2018

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12 October 2018
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DRAFT DECISION

ESTABLISHMENT OF A SPECIAL FUND FOR CYBERSECURITY, BUSINESS CONTINUITY, AND PHYSICAL INFRASTRUCTURE SECURITY, AND TRANSFER OF A PORTION OF THE 2016 CASH SURPLUS FOR THIS PURPOSE

The Executive Council,

Noting the Note by the Director-General entitled “Request for the Establishment of a Special Fund for Cybersecurity, Business Continuity, and Physical Infrastructure Security, and Transfer of a Portion of the 2016 Cash Surplus for This Purpose” (EC-89/DG.32, dated 12 October 2018), which sets out the purpose of this special fund;

Mindful that the Organisation must adapt to emerging security challenges and new threats, and that the areas of cybersecurity, business continuity, and physical infrastructure security are of increasing importance and criticality;

Recalling the critical recommendations of the Office of Internal Oversight and the Organisation’s External Auditor which require the Organisation to address findings in the areas of disaster recovery and business continuity;

Recalling also that OPCW Financial Regulation 6.9 states that special funds may be established by the Conference of the States Parties (hereinafter “the Conference”) for clearly defined activities which are consistent with the object and purpose of the OPCW as defined in the Chemical Weapons Convention;

Recalling further that OPCW Financial Regulation 6.3 states that the cash surplus shall be allocated among States Parties in accordance with the scale of assessments for the financial period to which the surplus relates; and

Considering that a cash surplus of EUR 1,454,925 has arisen for the financial year ending 31 December 2016, as reported in the “Financial Statements of the Organisation for the Prohibition of Chemical Weapons and Report of the External Auditor for the Year Ending 31 December 2017” (EC-89/DG.3 C-23/DG.4, dated 7 August 2018);

Hereby:

Recommends that the Conference at its Twenty-Third Session approve the establishment, in accordance with Financial Regulation 6.9, of a special fund for cybersecurity, business continuity, and physical infrastructure security, which shall be operated on the following basis:



- (a) The fund shall start operating from the date of approval by the Conference and exist for an initial period of 12 months from the same date, unless the Conference agrees with a recommendation of the Executive Council (hereinafter “the Council”) to extend it beyond this initial time period, taking due consideration of operational requirements. Annual reviews of the operational and financial requirements of the fund shall be conducted in the second half of the financial year. Any unused balances remaining in the fund at the time it is closed shall be returned to the States Parties in application of the relevant financial regulations regarding the return of surplus funds, unless the Conference agrees with a recommendation of the Council to dispose of these balances differently. Replenishment of the fund in accordance with subparagraph (b) below shall be contingent upon a decision of the Conference.
- (b) Replenishment of the fund, if decided by the Conference, shall be from sources to be decided upon by the Conference.
- (c) Financial Regulations 4.2, 4.3, and 4.4 shall not apply to the fund and balances remaining in the fund at the end of a financial period shall be carried forward to subsequent financial periods, until such time as the Conference decides to close the fund.
- (d) Costs incurred in 2018 may be charged against the fund retroactively.
- (e) The Director-General shall report to the Council and the Conference on the status and expenditures of the fund through the quarterly income and expenditure reports provided to the States Parties and through the annual audited financial statements of the OPCW.