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DRAFT DECISION

DRAFT PROGRAMME AND BUDGET OF THE OPCW FOR 2019

The Executive Council,

Recalling that subparagraph 32(a) of Article VIII of the Chemical Weapons Convention (hereinafter “the Convention”) requires it to consider and submit to the Conference of the States Parties (hereinafter “the Conference”) the Draft Programme and Budget of the OPCW;

Recalling also that, according to Financial Regulation 3.1 of the OPCW Financial Regulations, the Director-General shall prepare a Draft Programme and Budget for each financial period, which is defined by Financial Regulation 2.1 as a calendar year;

Recalling further that the Third Special Session of the Conference of the States Parties to review the Operation of the Chemical Weapons Convention welcomed the improvements to the budgetary process of the OPCW since the Second Special Session of the Conference of the States Parties to review the Operation of the Chemical Weapons Convention, and commended the Technical Secretariat (hereinafter “the Secretariat”) for the ongoing implementation of results-based management (RBM) (paragraph 9.149 of RC-3/3*, dated 19 April 2013);

Having received the Draft Programme and Budget of the OPCW for 2019 (EC-89/CRP.1/Rev.2, dated 12 October 2018), and the Medium-Term Plan for the period from 2017 to 2021 (EC-83/S/1 C-21/S/1, dated 8 April 2016), as well as the detailed explanations provided by the Secretariat in this regard;

Considering that the core objectives of the OPCW, which are set out in the table on pages 21 to 23 of the Draft Programme and Budget for 2019, along with the associated indicators of achievement for each core objective, provide direction for 2019 for the programmes of the OPCW and the Secretariat;

Taking note of the fact that the Programme and Budget has been guided by the Organisation’s core objectives and the preservation of required capacity and capabilities, and has also considered the need for the Organisation to adapt in light of its mandate and the evolving challenges posed by the new security environment;

Having reviewed the programme objectives, which are reviewed each year, in the Draft Programme and Budget for 2019, along with the information it provides on the key



performance indicators for each objective, as well as on the detailed activities the Secretariat should engage in to achieve these objectives;

Affirming that nothing in the Draft Programme and Budget for 2019 should be interpreted in a way that is inconsistent with the Convention;

Recognising the negative consequences of the late payments by some States Parties of assessed contributions for the operational activities of the Organisation; and

Stressing that all States Parties should fulfil their financial obligations as set out in the financial rules of the Organisation in full, and without conditions;

Hereby:

1. **Emphasises** that the annual Programme and Budget should continue to be formulated with the aim of achieving the core objectives of the Organisation;
2. **Emphasises also** that the focus of the Organisation's resources should be on the operational programmes;
3. **Encourages** the Secretariat to continue and enhance its efforts to implement RBM in the Organisation and to improve the presentation of the Programme and Budget according to the principles of RBM, with a view to showing a clear link between objectives, strategies, activities and resources;
4. **Notes** the reliance on the Working Capital Fund (WCF) to address cash flow shortfalls and **encourages** the Secretariat and States Parties to work collectively to minimise the necessity of drawing upon this fund to this extent in the future;
5. **Recommends** the establishment of a special fund for cybersecurity, business continuity, and physical infrastructure security;
6. **Recommends also** the establishment of a special fund for IT infrastructure to support the implementation of decision C-SS-4/DEC.3 (dated 27 June 2018);
7. **Encourages also** the Secretariat and States Parties to work collectively to gradually integrate all core programmes and activities of the OPCW into the regular budget, in so far as practicable;
8. **Stresses** the importance of linking resource requests to results and **recommends** the increased use of standard costing;
9. **Welcomes** the Secretariat's work to improve its performance reporting and **requests** the Secretariat to accelerate its work to develop a systematic approach to monitoring and evaluating its activities, which should, inter alia, see the inclusion of programme impact assessments and lessons learned in the next and subsequent annual programme performance reports; and

10. **Recommends further** that the Conference at its Twenty-Third Session:
- (a) **adopt** the Draft Programme and Budget of the OPCW for 2019;
 - (b) **reaffirm** the core objectives of the OPCW and **approve** the indicators of achievement set out in the table on pages 21 to 23 of the Draft Programme and Budget for 2019;
 - (c) **appropriate** a total expenditure for 2019 of EUR 69,689,837, of which EUR 30,123,806 is for Chapter I, related to verification costs; EUR 38,111,106 is for Chapter II, related to administrative and other costs; EUR 777,175 is for cybersecurity, business continuity, and physical infrastructure security; and EUR 677,750 is for IT infrastructure to support the implementation of decision C-SS-4/DEC.3;
 - (d) **decide** that the level of future budgets should not exceed the approved 2018 budget of EUR 66,814,922 for “Total Operational and Support Programmes” while allowing for temporary additional funding for the implementation of decision C-SS-4/DEC.3 considered necessary by the Conference in 2019, 2020, and 2021.”
 - (e) **decide also** that the expenditure appropriated for 2019 shall be financed from:
 - (i) assessed annual contributions by all States Parties in the amount of EUR 67,119,590, payable in accordance with a scale of assessment to be determined by the Conference in accordance with paragraph 7 of Article VIII of the Convention;
 - (ii) contributions from States Parties, estimated to amount to EUR 1,090,322, to reimburse the costs of verification activities carried out in 2019 in accordance with Articles IV and V of the Convention;
 - (iii) interest and other income earned in 2019 by the OPCW, and estimated to amount to EUR 25,000;
 - (iv) cash surplus for 2016 in the amount of EUR 777,175 to be transferred to the Special Fund for Cybersecurity, Business Continuity, and Physical Infrastructure Security; and
 - (v) cash surplus for 2016 in the amount of EUR 677,750 to be transferred to the Special Fund for IT Infrastructure to Support the Implementation of Decision C-SS-4/DEC.3;
 - (f) **note** that the preparation of the Programme and Budget of the OPCW for 2019 has taken place in line with the Organisation’s practice of zero-based budgeting;
 - (g) **note also** that the number of Article VI inspections approved for the year 2019 is 241;
 - (h) **affirm** its expectation that an adequate number of inspectors will be put in place in 2019 to ensure that no negative impact on performing Article IV, V, and VI inspections will occur;

- (i) **note further** that, in addition to the requirement under paragraph 7 of Article VIII of the Convention, the Overview of the OPCW Programme and Budget document will also have a table reflecting the Organisation's Budget in terms of operational programmes (Verification, Inspections, and International Cooperation and Assistance) and support programmes (Support to the Policy-Making Organs, External Relations, Executive Management, and Administration) as approved by the Conference at its Seventeenth Session (C-17/DEC.4, dated 27 November 2012);
- (j) **decide further** to authorise fixed-term posts for 2019 for the approved programme of work as documented in Appendix 6 of the Draft Programme and Budget for 2019;
- (k) **urge** the Director-General to continue to pay due consideration to geographical and gender balance, in accordance with the request made by the Executive Council (hereinafter "the Council") at its Seventy-Third Session (paragraph 12.9 of EC-73/6, dated 19 July 2013), and to act in accordance with paragraph 44 of Article VIII of the Convention when appointing staff; and **encourage** the Secretariat to exercise due diligence with respect to its structure and to keep States Parties informed;
- (l) **affirm also** that the adoption of the Draft Programme and Budget for 2019 should be without prejudice to any outcome arising from discussions on the future of the Organisation;
- (m) **decide further** that the Programme and Budget for 2019 is approved at the programme and subprogramme level;
- (n) **note further** the key outcomes identified for 2019, which are set out in the table on pages 21 to 23 of the Draft Programme and Budget, and which the Secretariat has established as targets for each core objective of the OPCW;
- (o) **request** the Secretariat to continue to reflect its strategy, action, and activities in relation to knowledge management at the programme level in the Draft Programme and Budget;
- (p) **strongly urge** each State Party to pay in full its assessed contribution to the OPCW for 2019 within 30 days of receiving the communication from the Director-General requesting such payment;
- (q) **call upon** the 29 States Parties that are in arrears in the payment of their assessed contributions to the OPCW to immediately pay those arrears or submit a proposal for a multi-year payment plan to eliminate them, in accordance with the framework approved by the Conference at its Eleventh Session (C-11/DEC.5, dated 7 December 2006);
- (r) **also strongly urge** States Parties that are in arrears in the reimbursement of the costs of verification activities carried out under Articles IV and V of the Convention to pay those arrears to the OPCW immediately;

- (s) **also request** the Director-General to report, through the Council, to the Conference at its Twenty-Fourth Session on the details of transfers from, and the replenishment of, the WCF in 2019; and
- (t) referring to Financial Regulation 6.4, **reaffirm also** that the WCF be maintained at a target level of EUR seven to nine million over the next two years, by considering, inter alia, the following further steps:
 - (i) transfer of any savings from the enterprise resource planning (ERP) project to the WCF upon completion of the ERP project; and
 - (ii) transfer of future cash surpluses over the next two years, if available, to the WCF following a decision by the Conference; and
- (u) **request further** the Director-General to identify other measures for increasing the WCF balance to the target level for consideration by the Conference.

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