



DECISION

TRANSITION OF THE OPCW TO A BIENNIAL PROGRAMME AND BUDGET

The Executive Council,

Recalling the Note by the Technical Secretariat (hereinafter “the Secretariat”) entitled “Request to Begin Preparations to Move the Programme and Budget of the OPCW to a Biennial Budget” (RC-4/S/2, dated 21 November 2018), which sets out the purpose for transitioning the Organisation to a biennial budget;

Recalling also the Note by the Secretariat concerning the longer-term vision of the Organisation entitled “The OPCW in 2025: Ensuring a World Free of Chemical Weapons” (S/1252/2015, dated 6 March 2015), where reference was made to exploring the benefits to be derived from moving to a two-year budget cycle in support of the achievement of results and ensuring that programme and project outputs and outcomes are achieved in a predictable manner;

Acknowledging the view expressed in the External Auditor’s report on the 2016 Financial Statements of the OPCW (Annex 3 to EC-86/DG.3 C-22/DG.5, dated 24 July 2017) that “there remains a need to consider longer term financial planning”;

Recalling further the External Auditor’s report on the 2017 Financial Statements of the OPCW (Annex 3 to EC-89/DG.3 C-23/DG.4, dated 7 August 2018) stating that “there is scope to streamline the budget-setting process to create efficiency in financial planning, to provide greater certainty around funding priorities and to more closely align the longer term financial and strategic plans, informed by the linkage to the longer term strategic programme for [the] Organisation. A longer term planning focus may reduce the considerable effort and resources which are devoted to the annual budget process which, excluding staff reductions, is generally not subject to significant change”;

Recalling further the External Auditor’s report on the 2018 Financial Statements of the OPCW (Annex 3 to EC-92/DG.2, C-24/DG.5, dated 13 August 2019), in which the External Auditor states that “[w]e remain supportive of the Secretariat’s efforts to introduce biennial budgeting, which would be more efficient and proportionate for the Organisation”;

Noting that biennial budgeting brings many benefits, including longer-term planning and focus on programme implementation and States Parties’ requirements, as well as efficiency to the budget preparation and approval process;



Understanding that the biennial budget would still maintain distinct calendar year periods for each year of the two-year budget, meaning that reporting on budget implementation would still be annual, as well as biennial;

Noting also that in the first year of the biennium, there would be a process leading to a “Revised Programme and Budget for the second year of the biennium” that would allow for the budget of the second year of the biennium to be adjusted with State Parties’ approval, should programmatic or budgetary assumptions and/or priorities change significantly;

Acknowledging also that the introduction of biennial budgeting for the Organisation would not require an amendment to the provisions of the Chemical Weapons Convention (hereinafter “the Convention”);

Acknowledging further that with the introduction of biennial budgeting, there would be no changes impacting States Parties’ financial contributions, which would continue to be assessed in accordance with paragraph 7 of Article VIII of the Convention and become due on an annual basis, and not for an entire biennium in advance;

Understanding also that there will be no loss of information or transparency in financial reporting provided by the Secretariat to States Parties as a result of the transition to biennial budgeting and that the financial reporting obligations of the Secretariat to States Parties will remain unchanged;

Noting further the comments from the External Auditor’s report on the 2018 Financial Statements of the OPCW (Annex 3 to EC-92/DG.2 C-24/DG.5), which states that “[i]t remains important that if biennial budgeting is introduced, there are clear accountabilities for reviewing year one financial performance built into the process”, and **understanding further** that the Secretariat will continue to review the yearly performance of the Organisation within each biennium; and

Understanding further that amendments to the OPCW Financial Regulations and Rules are required to define the budget period as consisting of two consecutive calendar years and to codify the use of biennial budgeting;

Hereby:

Recommends that the Conference of the States Parties (hereinafter the “Conference”) at its Twenty-Fourth Session:

1. approve the OPCW’s transition from an annual to a biennial programme and budget cycle, with a view to the first biennial programme and budget covering the period 2022–2023 being prepared in 2021 for the consideration and adoption by the Conference at its Twenty-Sixth Session;
2. request, in order to enable the transition to a biennial programme and budget, the Director-General to submit in 2020 to the Executive Council (hereinafter “the Council”), for its consideration and approval, proposed amendments to the OPCW Financial Regulations and Rules;

3. request the Director-General to submit, through the Council, to the Conference for its consideration and approval at its Twenty-Fifth Session, proposed amendments to the OPCW Financial Regulations and Rules;
4. request the Secretariat to set up and implement all the required internal structures, procedures, directives, and performance monitoring and capacity-building measures to allow for the preparation in 2021 of the first biennial 2022–2023 programme and budget; and
5. request the Secretariat thereafter to follow a biennial programme and budget cycle with each biennium beginning on an even calendar year.

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