

**NOTE BY THE DIRECTOR-GENERAL****TRANSFERS OF FUNDS DURING 2019**

1. Financial Regulation 4.5 states that the Director-General shall notify the Executive Council (hereinafter “the Council”) of any transfers of appropriated funds between programmes within a budget chapter. In pursuance of this Financial Regulation, the Director-General in this Note informs the Council that, during the period from 1 January to 31 December 2019, none of the transfers made between programmes exceeded 10% of the original appropriation for the programme to which the transfers were made. A summary of such transfers is presented in Annex 1 to this Note.
2. Furthermore, Financial Regulation 4.6 states that the Director-General shall notify the Council of any transfers of appropriated funds between subprogrammes within a budget programme. None of the transfers made between subprogrammes exceeded 15% of the original appropriation for the subprogramme to which the transfers were made. A summary of such transfers is presented in Annex 2 to this Note.
3. Recalling that the Programme and Budget for 2019 (C-23/DEC.10, dated 20 November 2018) was approved at the subprogramme level, the transfers listed in both annexes to this Note were processed to cover budget shortfalls and to fund new programme activities. All transfers that occurred throughout 2019 are without detriment to the approved activities of the respective programmes. The Technical Secretariat (hereinafter “the Secretariat”) will review the utilisation of resources as part of the 2019 programme performance review and the achievement of performance indicators as reflected in the 2019 Programme Performance Report (S/1872/2020, dated 4 May 2020 and Corr.1, dated 20 May 2020), and any lessons learned will be considered when formulating the 2021 Programme and Budget. The 2019 Programme Performance Report will be submitted to the Council at its Ninety-Fourth Session.

Annexes:

- Annex 1: Transfers of Appropriated Funds between Programmes, 1 January to 31 December 2019
- Annex 2: Transfers of Appropriated Funds between Subprogrammes within a Budget Programme, 1 January to 31 December 2019



Annex 1

**TRANSFERS OF APPROPRIATED FUNDS BETWEEN PROGRAMMES
1 JANUARY TO 31 DECEMBER 2019**

| Transferred From | Transferred To | Amount (In Euros) | Note |
|---|--------------------------|------------------------------|-------------|
| International Cooperation and Assistance Programme | Administration Programme | 314,950 | 1 |
| Programme for the Support to the Policy-Making Organs | Administration Programme | 78,700 | 2 |
| External Relations Programme | Administration Programme | 48,800 | 3 |
| Executive Management Programme | Administration Programme | 75,500 | 4 |

Explanation of notes:

Note 1

The transfer of funds from the International Cooperation and Assistance Programme to the Administration Programme (EUR 314,950) was to cover primarily staff costs¹ (EUR 305,786) and also hardware and software costs² (EUR 9,164). The transfers from the International Cooperation and Assistance Programme were primarily from the travel (staff/non-staff) and rental of premises expenditure categories. The transfers were executed primarily late in year and without detriment to the performance of the Programme.

Note 2

The transfer of funds from the Programme for the Support to the Policy-Making Organs to the Administration Programme (EUR 78,700) was to cover hardware and software costs.³

Note 3

The transfer of funds from the External Relations Programme to the Administration Programme (EUR 48,800) was to cover hardware and software costs.⁴

Note 4

The transfer of funds from the Executive Management Programme (EUR 75,500) was to cover hardware and software costs.⁵

¹ The budget transfer requirements to cover staff costs were primarily due to obligatory, yet unforeseen in-year changes in salary scales, including retroactive applications, and in the post adjustment multiplier for the Netherlands, which was prompted by United Nations scale adjustments, consistent with the OPCW Financial Regulations and Rules.

² The transfers for hardware and software costs in this area primarily relate to the acquisition of hardware (Windows 10 laptops).

³ Same as footnote 2 above.

⁴ Same as footnote 2 above.

⁵ Same as footnote 2 above.

Annex 2

**TRANSFERS OF APPROPRIATED FUNDS BETWEEN SUBPROGRAMMES
 WITHIN A BUDGET PROGRAMME
 1 JANUARY TO 31 DECEMBER 2019**

| Transferred From | Transferred To | Amount (In Euros) | Note |
|---|---|------------------------------|-------------|
| <i>Verification Programme⁶</i> | | | |
| Office of the Director, Verification Division | Industry Verification Branch | 58,500 | 1 |
| Declarations Branch | Industry Verification Branch | 50,500 | 2 |
| OPCW Laboratory | Industry Verification Branch | 13,500 | 3 |
| OPCW Laboratory | Chemical Demilitarisation Branch | 39,500 | 4 |
| <i>Inspections Programme</i> | | | |
| Operations and Administration Branch | Office of the Director, Inspectorate Division | 35,800 | 5 |
| Operations and Administration Branch | Capacity-Building and Contingency-Planning Cell | 180,600 | 6 |
| Operations and Administration Branch | Industry Inspection Cell | 6,000 | 7 |
| Operations and Administration Branch | Demilitarisation Inspection Cell | 10,200 | 8 |
| Safety and Analytical Chemistry Cell | Demilitarisation Inspection Cell | 211,000 | 9 |
| <i>Programme for the Support to the Policy-Making Organs</i> | | | |
| Office of the Director, Secretariat for the Policy-Making Organs | Language Services Branch | 183,500 | 10 |
| <i>External Relations</i> | | | |
| Public Affairs Branch | Office of the Director, External Relations Division | 17,600 | 11 |
| Public Affairs Branch | Political Affairs and Protocol Branch | 128,521 | 12 |
| <i>Executive Management Programme</i> | | | |
| Office of the Director-General | Office of Confidentiality and Security | 115,000 | 13 |
| Office of the Deputy Director-General | Office of Confidentiality and Security | 24,500 | 14 |
| Office of Internal Oversight | Office of Confidentiality and Security | 72,500 | 15 |
| Health and Safety Branch | Office of Confidentiality and Security | 9,400 | 16 |
| Health and Safety Branch | Office of Strategy and Policy | 5,600 | 17 |
| Office of the Legal Adviser | Office of Strategy and Policy | 40,400 | 18 |

⁶ In 2019, there were no transfers from or to the appropriated budget for the Investigation and Identification Team.

Explanation of notes:

Note 1

The transfer of funds within the Verification Programme from the Office of the Director of the Verification Division to the Industry Verification Branch (EUR 58,500) was to cover staff costs.⁷

Note 2

The transfer of funds within the Verification Programme from the Declarations Branch to the Industry Verification Branch (EUR 50,500) was to cover staff costs.

Note 3

The transfer of funds within the Verification Programme from the OPCW Laboratory to the Industry Verification Branch (EUR 13,500) was to cover staff costs.

Note 4

The transfer of funds within the Verification Programme from the OPCW Laboratory to the Chemical Demilitarisation Branch (EUR 39,500) was to cover staff costs (EUR 17,680) and consultancy services costs (EUR 21,820).

Note 5

The transfer of funds within the Inspections Programme from the Operations and Administration Branch to the Office of the Director of the Inspectorate Division (EUR 35,800) was to cover staff costs (EUR 29,000) and consultancy services costs (EUR 6,800).

Note 6

The transfer of funds within the Inspections Programme from the Operations and Administration Branch to the Capacity-Building and Contingency-Planning Cell (EUR 180,600) was to cover staff costs.⁸

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In this and the subsequent notes in this Annex, where applicable, the budget transfer requirements to cover staff costs were primarily due to obligatory, yet unforeseen in-year changes in salary scales, including retroactive applications, and in the post adjustment multiplier for the Netherlands, which was prompted by United Nations scale adjustments, consistent with the OPCW Financial Regulations and Rules.

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In addition to the staff cost increases explained in footnote 7 above, the transfer amounts are also partly explained by the fact that Inspectors across the Inspection Cells (Industry Inspection Cell, Demilitarisation Inspection Cell, and Safety and Analytical Chemistry Cell) share complementary skill sets which are deployed across all Programme objectives: routine missions (Articles IV, V, and VI) and non-routine missions. Operational requirements in year (e.g. promotion of Inspectors to Inspection Team Leaders) necessitate a regularisation and rebalancing of the Inspection Cells. As a result, the composition of the Inspection Cells is dynamic and transfers of funds between them to balance staff costs are required. (The same explanation applies to Inspections staff costs referred to in Notes 7, 8, and 9).

Note 7

The transfer of funds within the Inspections Programme from the Operations and Administration Branch to the Industry Inspection Cell (EUR 6,000) was to cover staff costs.

Note 8

The transfer of funds within the Inspections Programme from the Operations and Administration Branch to the Demilitarisation Inspection Cell (EUR 10,200) was to cover staff costs.

Note 9

The transfer of funds within the Inspections Programme from the Safety and Analytical Chemistry Cell to the Demilitarisation Inspection Cell (EUR 211,000) was to cover staff costs.

Note 10

The transfer of funds within the Programme for the Support to the Policy-Making Organs from the Office of the Director of the Secretariat for the Policy-Making Organs to the Language Services Branch (EUR 183,500) was to cover staff costs.

Note 11

The transfer of funds within the External Relations Programme from the Public Affairs Branch to the Office of the Director of the External Relations Division (EUR 17,600) was to cover staff costs.

Note 12

The transfer of funds within the External Relations Programme from the Public Affairs Branch to the Political Affairs and Protocol Branch (EUR 128,521) was to cover staff costs (EUR 59,100) and consultancy services costs (EUR 69,421).

Note 13

The transfer of funds within the Executive Management Programme from the Office of the Director-General to the Office of Confidentiality and Security (EUR 115,000) was to cover staff costs.

Note 14

The transfer of funds within the Executive Management Programme from the Office of the Deputy Director-General to the Office of Confidentiality and Security (EUR 24,500) was to cover staff costs (EUR 11,149) and consultancy services⁹ costs (EUR 13,351).

Note 15

The transfer of funds within the Executive Management Programme from the Office of Internal Oversight to the Office of Confidentiality and Security (EUR 72,500) was to cover consultancy services costs.

⁹

Consultancy services related to ensuring a sustainable guard force operation at the OPCW Laboratory (the same explanation applies to consultancy services costs for the Office of Confidentiality and Security referred to in Notes 15 and 16).

Note 16

The transfer of funds within the Executive Management Programme from the Health and Safety Branch to the Office of Confidentiality and Security (EUR 9,400) was to cover consultancy services costs.

Note 17

The transfer of funds within the Executive Management Programme from the Health and Safety Branch to the Office of Strategy and Policy (EUR 5,600) was to cover staff costs.

Note 18

The transfer of funds within the Executive Management Programme from the Office of the Legal Adviser to the Office of Strategy and Policy (EUR 40,400) was to cover staff costs.