

**NOTE BY THE TECHNICAL SECRETARIAT****PROGRESS IN THE PROJECT TO UPGRADE THE OPCW LABORATORY AND EQUIPMENT STORE TO A CENTRE FOR CHEMISTRY AND TECHNOLOGY****BACKGROUND**

1. On 10 July 2017, the Technical Secretariat (hereinafter “the Secretariat”) issued Note S/1512/2017 entitled “Upgrading the OPCW Chemical Laboratory to a Centre for Chemistry and Technology”, explaining the new challenges and changing requirements that made it necessary to modernise and expand the capabilities of the current OPCW Laboratory and Equipment Store in Rijswijk. In Note S/1561/2017 entitled “Request from the Director-General to States Parties for Voluntary Contributions to a New Trust Fund for Upgrading the OPCW Chemical Laboratory to a Centre for Chemistry and Technology” (dated 8 December 2017), the Secretariat informed States Parties of the establishment of a trust fund for this project and requested voluntary contributions.
2. The key objectives, scope of the project, and initial cost estimate and schedule were set out in the Secretariat Note entitled “Needs Statement for Upgrading the OPCW Chemical Laboratory to a Centre for Chemistry and Technology” (S/1564/2017, dated 22 December 2017 and Corr.1, dated 3 January 2018). Updates on the progress made in implementing the project were provided in Notes S/1769/2019 (dated 9 July 2019) and S/1859/2020\* (dated 9 March 2020), both entitled “Progress in the Project to Upgrade the OPCW Laboratory and Equipment Store to a Centre for Chemistry and Technology”. Note S/1769/2019 also provided detailed information regarding the project’s expected benefits as well as its revised scope, cost, and schedule.
3. The Secretariat has provided States Parties with briefings on the project at side events during all the regular sessions of the Executive Council and the Conference of the States Parties (hereinafter “the Conference”). Additional briefings were provided to States Parties during the meeting of the Open-Ended Working Group on the Future Priorities of the OPCW on 2 October 2017, and during informal budget facilitations and meetings of the Friends of the Laboratory Group in 2018 and 2019. On 24 April 2020, the Secretariat provided States Parties with a pre-recorded briefing to present the preliminary design of the OPCW Centre for Chemistry and Technology (ChemTech Centre); this briefing was held via videoconference owing to the circumstances associated with the coronavirus disease (COVID-19) pandemic.
4. This Note is intended to update States Parties on the progress made in the implementation of the project since the issuance of the previous update (S/1859/2020\*).



## IMPLEMENTATION PROGRESS

### Impact of the outbreak of COVID-19

5. The Secretariat is making every effort to minimise the impact of the COVID-19 outbreak on the project. While the impact on the current design phase has been successfully managed to keep the project on track, there is a potential that the situation caused by COVID-19 may result in delays to future progress, and impacts on the construction price remain possible. Accordingly, the Secretariat will continue to assess and seek to mitigate, to the extent possible, the existing and potential impact of the pandemic situation on the project, and keep States Parties informed.

### Design phase progress

6. Following the completion of the draft design in February 2020, the preliminary design was completed on schedule in April 2020. The preliminary design establishes the footprint and general floor plan of the building, and the details of this design were presented to the States Parties during the aforementioned briefing held on 24 April 2020. Updated design renderings of the building are provided in Figures 1 and 2 below.

**FIGURE 1: DESIGN RENDERING OF THE OPCW CENTRE FOR CHEMISTRY AND TECHNOLOGY**



**FIGURE 2: DESIGN RENDERING OF THE OPCW CENTRE FOR CHEMISTRY AND TECHNOLOGY**



7. The final design is under development and is currently scheduled for submission in July 2020. Building on the preliminary design, the final design will give a detailed image of the building in such a way that it gives a good impression of the architectural shape and external and internal structure of the building, including weight-bearing structures and features, use of materials, details, and character and capacity of the installations.
8. In March 2020, the Secretariat completed a tender for independent cost advisory services to obtain expert advice on cost efficiency and accuracy in terms of both the construction and future operational costs of the ChemTech Centre. The cost advisor will review the cost estimate at each stage of the design to ensure its accuracy, and will advise on optimisations of the design to maximise cost efficiencies.

### **Construction tender and permit progress**

9. Preparation of the construction tender is in progress. The Secretariat conducted a public request for information in March and April 2020 to: (1) raise awareness of this commercial opportunity in the construction market and gauge market interest; and (2) receive market feedback on several aspects of the project, including the achievability of the construction timeline and the type of contract the Secretariat plans to use. Relevant feedback was incorporated into the construction tender documents to maximise the chances of attracting desirable bids, while also ensuring consistency with the OPCW's rules, policies, and interests.
10. As previously reported, the Secretariat will use a contract model created by the International Federation of Consulting Engineers (FIDIC), an organisation based in Geneva, Switzerland, for the construction of the ChemTech Centre. In this regard, the Secretariat completed in April 2020 a tender for a FIDIC consultant to obtain expert advice in the drafting of the construction tender documents and contract. The Secretariat is complementing this expertise with that of an external legal counsel who also has experience with FIDIC contracts to further ensure the legal and commercial soundness of these documents.
11. A pre-qualification phase to identify suitable bidders for the construction contract began in June 2020 with the publication of a request for expression of interest (REOI), both on the OPCW public website and on the United Nations Global Marketplace website. A request for proposal phase, in which the pre-qualified bidders will submit their bids for evaluation by the Secretariat, is currently expected to begin in September 2020.
12. The application for the permit will be submitted to the Municipality of Pijnacker-Nootdorp, which is the permitting authority for the project, upon the completion of the final design of the ChemTech Centre. The Secretariat has been engaged in an ongoing dialogue with relevant officials for approximately two years, to ensure that they are appropriately informed of the planned activities and features of the ChemTech Centre and of the progress of the project.

13. The Secretariat held an informal meeting with the Municipality's permit authorities in April 2020 to present the preliminary design and to seek their initial and informal feedback. The first meeting to review the design of the building with the Municipality took place in June 2020, and the results were positive. The Secretariat will maintain an ongoing dialogue with the Municipality to ensure a smooth permitting process.
14. As a part of the communication and outreach activities related to the project, a billboard announcing the arrival of the ChemTech Centre was placed at the plot in Pijnacker-Nootdorp in June 2020 (see Figure 3 below).

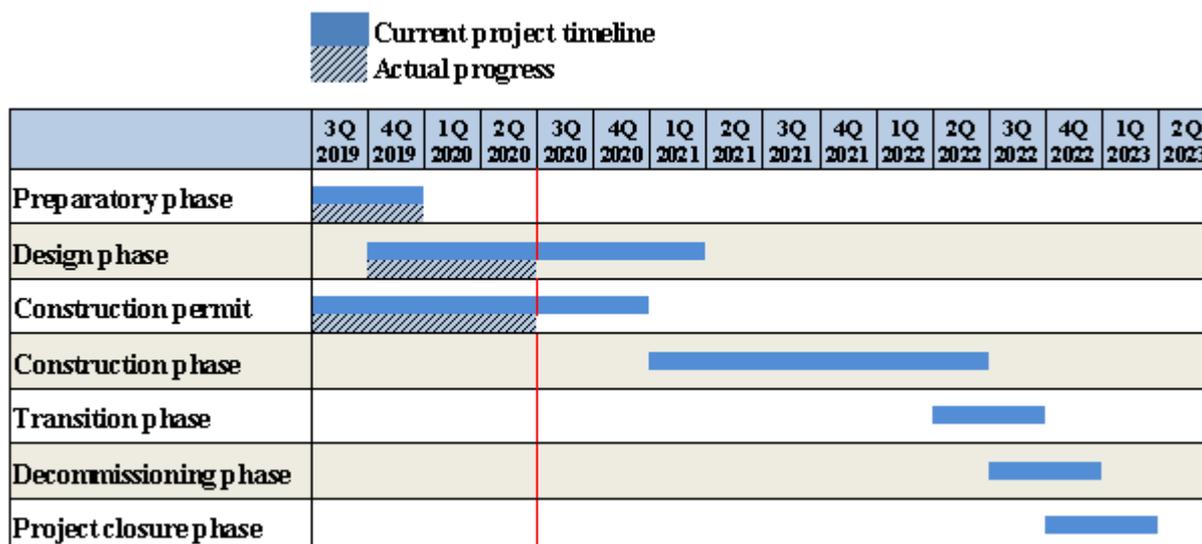
**FIGURE 3: BILLBOARD ANNOUNCING THE ARRIVAL OF THE CHEMTECH CENTRE**



### **Overall implementation progress**

15. Figure 4 below indicates the overall progress made to date in project implementation, as compared to the current project timeline. The Secretariat remains on track to achieve the main target of having the ChemTech Centre completed and operational by the end of 2022. Certain planning lines within this overall schedule may need to be adjusted based on the completion and results of the final design and the REOI for the construction tender, but no impact on the planned timing of the building's entry into operation is currently expected. The Secretariat will update States Parties with regard to the project timeline once these two activities have been completed.

**FIGURE 4: OVERALL PROGRESS TO DATE**



**FINANCIAL STATUS**

**Expenditures to date**

16. As of 1 June 2020, approximately EUR 3.25 million had been spent on the project. The expenditures to date, as compared to the cost estimate provided to States Parties in Note S/1769/2019, are shown in Table 1 below.

**TABLE 1: PROJECT BUDGET AND EXPENDITURE**

<b>ChemTech Centre Project Budget and Expenditure</b>		
<b>Budget item</b>	<b><u>COLUMN A</u> Current estimate (as of 1 June 2019, in EUR)</b>	<b><u>COLUMN B</u> Expenditure to date (as of 1 June 2020, in EUR)</b>
Land purchase and related costs	2,663,000	1,997,461
Design cost	1,685,000	158,349
Building cost	16,224,000	0
Equipment costs	1,050,000	50,000
Furniture and workstations	924,000	0
Outside area and site infrastructure	553,000	0
Transition costs	316,000	0
Decommissioning of facilities	1,000,000	0
OPCW project management staff	1,505,501	400,070

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<b>Budget item</b>	<b><u>COLUMN A</u> Current estimate (as of 1 June 2019, in EUR)</b>	<b><u>COLUMN B</u> Expenditure to date (as of 1 June 2020, in EUR)</b>
Project management and advisory services	2,525,000	431,576
Contingency	2,809,000	0
<b>Subtotal</b>	<b>31,254,501</b>	<b>3,037,457</b>
Programme support costs (7%)	2,187,815	212,622
<b>Total</b>	<b>33,442,316</b>	<b>3,250,079</b>

17. As part of the development of the final design, the Secretariat is working closely with the design team and the cost advisor to optimise the construction and future operational costs of the ChemTech Centre. Upon completion of the final design, the Secretariat will receive a comprehensively reviewed and updated estimate of the construction cost of the building, which will also reflect the results of the ongoing optimisation efforts. Though an initial estimate of the operational costs of the facility was expected to be ready in July 2020, this is now planned to be ready by the end of September 2020, owing to the detailed nature of this optimisation process and its impact on the design. The Secretariat will inform States Parties once this estimate becomes available.

#### **Fundraising progress**

18. To date, approximately EUR 30.5 million in voluntary contributions has been pledged or provided to the project's Trust Fund by 43 States Parties and the European Union, with a personal contribution also received. These contributions have been made or pledged by: Algeria, Andorra, Angola, Australia, Bangladesh, Belgium, Canada, Chile, China, Cyprus, the Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Indonesia, Ireland, Italy, Japan, Kazakhstan, Luxembourg, Malaysia, Morocco, the Netherlands, New Zealand, Pakistan, Peru, Poland, Portugal, the Republic of Korea, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Thailand, Turkey, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the European Union, and one private individual. Additional States Parties have indicated that they are considering making contributions. Contributors to the project will be recognised on a donor wall, which is being displayed at the OPCW Headquarters as from June 2020 and will be transported to the new ChemTech Centre once it is operational.
19. Approximately EUR 3.0 million is still required to reach full funding for the project. Without the remaining funds, the ambitions of the ChemTech Centre, as well as the timeline and cost of the project, will be impacted. The Director-General sent a letter to the States Parties on 31 March 2020 to reiterate the urgent need for further financial contributions to the project. To pursue further fundraising opportunities, the

Director-General in June 2020 also reached out by letter to other potential donors, such as large private chemical producers, manufacturers of laboratory equipment, chemical industry associations, scientific organisations, and foundations as well as non-profit organisations.

20. Contributions or pledges for the remaining funds were initially requested to be provided by July 2020 to ensure that the construction tender could be issued on time with full funding available. In view of the serious impact of the COVID-19 outbreak on many States Parties, as well as the current planning for the construction tender, together with the financial status of the project for which more than 90% of the total budget has been already contributed or pledged, the Secretariat has extended until the end of 2020 the deadline to complete project fundraising.

#### **NEXT STEPS**

21. In the coming months, the Secretariat will continue to focus on the development of the design for the ChemTech Centre, preparations for the permit application, issuance of the construction tender, and fundraising.
22. In addition, the Secretariat will continue its communication and outreach activities related to the project. These will include the regular updating of the ChemTech Centre webpage on the OPCW website, the preparation of a brochure with project information, the production and display of the donor wall, and the production of a physical model of the ChemTech Centre for display at OPCW Headquarters. As noted earlier, the Secretariat will also closely monitor the potential impact of COVID-19 on the project, in particular with regard to the construction market.
23. The Secretariat will continue to provide States Parties with briefings and written reports to keep them informed of the status of the project. The next report will be submitted to the States Parties in advance of the Twenty-Fifth Session of the Conference.