



NOTE BY THE DIRECTOR-GENERAL

TRANSFERS OF FUNDS DURING 2020

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 2020, 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 2020 (C-24/DEC.12, dated 28 November 2019) 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 2020 are without detriment to the approved activities of the respective programmes. The Technical Secretariat will review the utilisation of resources as part of the 2020 programme performance review and any lessons learned will be considered when formulating the Programme and Budget for 2022 and 2023. The programme performance report for 2020 (S/1961/2021, dated 27 May 2021) will be submitted to the Council at its Ninety-Seventh Session.

Annexes:

- Annex 1: Transfers of Appropriated Funds Between Programmes, 1 January to 31 December 2020
- Annex 2: Transfers of Appropriated Funds Between Subprogrammes Within a Budget Programme, 1 January to 31 December 2020



Annex 1

**TRANSFERS OF APPROPRIATED FUNDS BETWEEN PROGRAMMES
1 JANUARY TO 31 DECEMBER 2020**

Transferred from	Transferred to	Amount (in Euros)	Note
International Cooperation and Assistance Programme	Administration Programme	694,000	1
Executive Management Programme	Administration Programme	36,500	2

Explanation of notes:

Note 1

The transfer of funds from the International Cooperation and Assistance Programme to the Administration Programme (EUR 694,000) was to cover mainly staff costs¹ (EUR 142,000 for the Budget and Finance Branch and EUR 260,000 for the Office of the Director of Administration), consultancy costs (EUR 52,000 for the Budget and Finance Branch and EUR 101,000 for the Office of the Director of Administration), other operating expenses (EUR 42,500 for the Budget and Finance Branch), and transportation equipment (EUR 96,500 for the Office of the Director of Administration)².

Note 2

The transfer of funds from the Executive Management Programme to the Administration Programme was to cover mainly consultancy costs (EUR 36,500). The transfers were executed primarily late in year and without detriment to the performance of the programme.

¹ The budget transfer requirements to cover staff costs are primarily due to obligatory yet unforeseen in-year changes in salary scales, including retroactive applications, and the post adjustment multiplier for the Netherlands prompted by United Nations scale adjustments, consistent with the OPCW Financial Regulations and Rules. This rationale applies also to the budget transfers used to cover staff costs found in the applicable notes in Annex 2 of this document.

² The transfers for transportation equipment are related to the purchase of official vehicles.

Annex 2

**TRANSFERS OF APPROPRIATED FUNDS BETWEEN SUBPROGRAMMES
WITHIN A BUDGET PROGRAMME
1 JANUARY TO 31 DECEMBER 2020**

Transferred from	Transferred to	Amount (in Euros)	Note
<i>Verification Programme</i> ³			
Office of the Director, Verification Division	Declarations Branch	28,000	1
<i>Inspections Programme</i>			
Capacity-Building and Contingency-Planning Cell	Office of the Director, Inspectorate Division	39,000	2
Capacity-Building and Contingency-Planning Cell	Operations and Planning Branch	62,000	3
Industry Inspection Cell	Chemical Demilitarisation Inspection Cell	405,000	4
Industry Inspection Cell	Safety and Analytical Chemistry Cell	430,441	5
<i>Programme for the Support to the Policy-Making Organs</i>			
Office of the Director, Secretariat for the Policy-Making Organs	Language Services Branch	144,000	6
<i>Executive Management Programme</i>			
Office of the Director-General	Office of the Deputy Director-General	32,000	7
Office of the Director-General	Health and Safety Branch	33,000	8
Office of Strategy and Policy	Office of Confidentiality and Security	118,000	9
Office of the Legal Adviser	Office of Internal Oversight	58,000	10
<i>Administration Programme</i>			
Information Services Branch	Human Resources Branch	45,000	11

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 Declarations Branch (EUR 28,000) was to cover staff costs.

Note 2

The transfer of funds within the Inspections Programme from the Capacity-Building and Contingency-Planning Cell to the Office of the Director of the Inspectorate Division (EUR 39,000) was to cover staff costs.

³ In 2020, there were no transfers from or to the appropriated budget for the Investigation and Identification Team.

Note 3

The transfer of funds within the Inspections Programme from the Capacity-Building and Contingency-Planning Cell to the Operations and Planning Branch (EUR 62,000) was to cover staff costs.

Note 4

The transfer of funds within the Inspections Programme from the Industry Inspection Cell to the Chemical Inspection Demilitarisation Inspection Cell (EUR 405,000)⁴ was to cover staff costs.

Note 5

The transfer of funds within the Inspections Programme from the Industry Inspection Cell to the Safety and Analytical Chemistry Cell (EUR 430,441) was to cover staff costs.

Note 6

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 144,000) was to cover staff costs.

Note 7

The transfer of funds within the Executive Management Programme from the Office of the Director-General to the Office of the Deputy Director-General (EUR 32,000) was to cover staff costs.

Note 8

The transfer of funds within the Executive Management Programme from the Office of the Director-General to the Health and Safety Branch (EUR 33,000) was to cover staff costs.

Note 9

The transfer of funds within the Executive Management Programme from the Office of Strategy and Policy to the Office of Confidentiality and Security (EUR 118,000) was to cover staff costs.

Note 10

The transfer of funds within the Executive Management Programme from the Office of the Legal Adviser to the Office of Internal Oversight (EUR 58,000) was to cover staff costs.

Note 11

The transfer of funds within the Administration Programme from the Information Services Branch to the Human Resources Branch (EUR 45,000) was to cover staff costs.

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In addition to the staff cost increases explained in footnote 1, the transfer amounts are also in part explained by the fact that inspectors across the inspection cells (Industry Inspection Cell, Chemical 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 applies to staff costs in the Inspections Programme in note 5).