



DECISION

DRAFT PROGRAMME AND BUDGET OF THE OPCW FOR 2022–2023

The Executive Council,

Recalling that subparagraph 32(a) of Article VIII of the Chemical Weapons Convention (hereinafter “the Convention”) requires the Executive Council (hereinafter “the Council”) 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 and Rules, the Director-General shall prepare a Draft Programme and Budget for the programme biennium, which is defined by Financial Regulation 2.1 as two consecutive calendar years, starting with an even calendar year;

Recalling further that the Third Review Conference welcomed the improvements made to the budgetary process of the OPCW since the Second Review Conference, and commended the Technical Secretariat (hereinafter “the Secretariat”) for the ongoing implementation of results-based management (paragraph 9.149 of RC-3/3*, dated 19 April 2013);

Considering the Draft Programme and Budget of the OPCW for 2022–2023 (EC-98/CRP.1/Rev.1, dated 4 October 2021);

Considering also that the core objectives of the OPCW, which are set out in the table on pages 36 to 39 of the Draft Programme and Budget for 2022–2023, along with the associated indicators of achievement for each core objective, provide direction for 2022–2023 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 examined the programme objectives in the Draft Programme and Budget for 2022–2023, along with the information this document 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 2022–2023 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;

Recognising the severe impact of the spread of COVID-19 on the global economy in general, and developing countries in particular, as well as on the income of the States Parties;

Recognising international cooperation and assistance (ICA) as a core operational activity of the OPCW, and **noting** that in past years there have been several transfers of not fully utilised funds out of the ICA, in accordance with the Financial Regulations and Rules;

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

Mindful that a cash deficit of EUR 1,236,016 has arisen for the financial year ending 31 December 2019, as reported by the Director-General in the “Financial Statements of the Organisation for the Prohibition of Chemical Weapons and Report of the External Auditor for the Year Ending 31 December 2020” (EC-98/DG.7 C-26/DG.6, dated 30 August 2021);

Recalling further the decision by the Conference at its Twenty-Third Session to establish, in accordance with Financial Regulation 6.9, a special fund for cybersecurity, business continuity, and physical infrastructure security (C-23/DEC.12, dated 20 November 2018);

Noting that the balance of EUR 55,211 in the special fund for cybersecurity, business continuity, and physical infrastructure security is committed or in the process of commitment to fulfil the requirements supported by the fund;¹

Mindful also that costs have continued to be incurred in 2021 for activities related to cybersecurity, business continuity, and physical infrastructure security and that further costs will be incurred in the future;

Recalling further the decision by the Conference at its Twenty-Third Session to establish, in accordance with Financial Regulation 6.9, a special fund for IT infrastructure to support the implementation of decision C-SS-4/DEC.3 (dated 27 June 2018) (C-23/DEC.13, dated 20 November 2018);

Noting also that the balance of EUR 282,208 in the special fund for IT infrastructure to support the implementation of decision C-SS-4/DEC.3 is committed or in the process of commitment to fulfil the requirements supported by the fund;²

¹ As stated in the Note by the Director-General entitled “Financial Status of the Special Fund for Cybersecurity, Business Continuity, and Physical Infrastructure Security” (EC-98/DG.15, dated 14 September 2021).

² As stated in the Note by the Director-General entitled “Financial Status of the Special Fund for IT Infrastructure to Support Implementation of Decision C-SS-4/DEC.3” (EC-98/DG.25, dated 27 September 2021).

Further mindful that costs have continued to be incurred in 2021 for activities related to this fund and that further costs will be incurred in the future;

Recalling further the decision by the Conference at its Twenty-Fifth Session to establish, in accordance with Financial Regulation 6.9, a COVID-19 Variability Impact Fund (C-25/DEC.7, dated 1 December 2020); and

Understanding that, in order to alleviate the impact on assessed contributions over the course of the 2022–2023 biennium, the anticipated remaining balance from the COVID-19 Variability Impact Fund can be used as income to the Regular Budget Fund;

Hereby:

I. General

1. **Emphasises** that the biennial Programme and Budget should continue to be formulated to achieve 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 results-based management in the Organisation, with a view to showing a clear link between objectives, strategies, activities, and resources;
4. **Notes** the reliance on the Working Capital Fund to address cash flow shortfalls, and **also 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. **Calls upon** the Secretariat and States Parties to work collectively to ensure the full and effective implementation of the international cooperation and assistance programmes, by ensuring that the relevant OPCW’s budgetary requirements are effectively met, and programme delivery is promptly executed, in order to avoid or to reduce the need for transfers between major programmes, including consideration of the retention of unspent funds for ICA in a special fund;
6. **Further encourages** 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;
7. **Stresses** the importance of linking resource requests to results and **endorses** the increased use of standard costing;
8. **Welcomes** the Secretariat’s work to improve its performance reporting and **requests** the Secretariat to include programme impact assessments and lessons learned in the next and subsequent annual programme performance reports;
9. **Recommends** that the Conference at its Twenty-Sixth Session:
 - (a) adopt the Draft Programme and Budget of the OPCW for 2022–2023 at the programme and subprogramme level;

- (b) reaffirm the core objectives of the OPCW and approve the indicators of achievement set out in the table on pages 36 to 39 of the Draft Programme and Budget for 2022–2023;
- (c) appropriate for 2022 a total expenditure of EUR 70,455,563 of which EUR 30,309,517 is for Chapter I related to verification costs and EUR 40,146,046 is for Chapter II related to administrative and other costs; and appropriate for 2023 a total expenditure of EUR 72,565,650 of which EUR 31,297,859 is for Chapter I related to verification costs and EUR 41,267,791 is for Chapter II related to administrative and other appropriate costs;
- (d) decide that the expenditure appropriated for 2022–2023 shall be financed from:
 - (i) assessed annual contributions by all States Parties in the amount of EUR 68,422,163 in 2022 and EUR 69,886,664³ in 2023, payable in accordance with a scale of assessments⁴ 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 2,008,400 in 2022 and EUR 1,482,100 in 2023, to reimburse the costs of verification activities carried out in 2022–2023 in accordance with Articles IV and V of the Convention;
 - (iii) interest and other income earned in 2022–2023 by the OPCW, estimated to amount to EUR 25,000 in 2022 and EUR 25,000 in 2023;
 - (iv) anticipated remaining balance from the COVID-19 Variability Impact Fund in the amount of EUR 1,171,886 in 2023;
- (e) note that the preparation of the Programme and Budget of the OPCW for 2022–2023 has taken place in line with the Organisation’s practice of zero-based budgeting;
- (f) note that, pursuant to a phased return to the normal level of inspection activities in conjunction with the anticipated gradual global recovery from the COVID-19 pandemic, the number of Article VI inspections approved for the year 2022 is 180 and for 2023 is 200; and affirm its expectation that the annual number of Article VI inspections will return to 241 in 2024;
- (g) affirm its expectation that an adequate number of inspectors will be put in place in 2022–2023 to ensure that no negative impact on performing Article IV, V, and VI inspections will occur;
- (h) note 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

³ Without prejudice to the possible adjustments of the budget and scale of assessments that may be decided by the Conference in accordance with the Convention and the Financial Regulations and Rules.

⁴ Pursuant to paragraph 7 of Article VIII of the Convention “[t]he costs of the Organization’s activities shall be paid by States Parties in accordance with the United Nations scale of assessment adjusted to take into account differences in membership between the United Nations and this Organization, and subject to the provisions of Articles IV and V.” It is anticipated that the United Nations General Assembly will determine the United Nations scale of assessments for 2022 by the end of 2021.

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);

- (i) decide to authorise fixed-term posts for 2022 and 2023 for the approved programme of work as documented in Appendix 6 to the Draft Programme and Budget for 2022–2023;
- (j) urge the Director-General to continue to pay due consideration to geographical and gender balance, in accordance with the request made by 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;
- (k) note the key outcomes identified for 2022–2023, which are set out in the table on pages 36 to 39 of the Draft Programme and Budget, and which the Secretariat has established as targets for each core objective of the OPCW;
- (l) 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;
- (m) strongly urge each State Party to pay in full its assessed contributions to the OPCW for 2022 and 2023 within 30 days of receiving the communication from the Director-General requesting such payment, as any delays in payment affect the implementation of the Programme and Budget;
- (n) call upon the 26 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 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);
- (o) 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;
- (p) request the Director-General to report, through the Council, to the Conference at its Twenty-Seventh and Twenty-Eighth Sessions on the details of transfers from and the replenishment of the Working Capital Fund in 2022 and 2023, respectively;
- (q) referring to Financial Regulation 6.4, affirm that the Working Capital Fund shall be maintained at a target level of EUR 8,000,000 to 9,000,000 over the next two years, including by proposing additional steps when necessary to maintain the target level; and
- (r) request the Director-General to identify other measures for increasing the Working Capital Fund balance to the target level for consideration by the Conference;

II. Extension of Funds

10. **Recommends** that the Conference at its Twenty-Sixth Session:
- (a) approve the extension of the special fund for cybersecurity, business continuity, and physical infrastructure security for a further period of 12 months, effective from the date of approval, on the following basis:
 - (i) OPCW Financial Regulations 4.2, 4.3, and 4.4 shall not apply to the fund, and balances remaining in the fund at the end of a financial period shall be carried forward to subsequent financial periods; and
 - (ii) the Director-General shall continue to report to the Conference on the status of the fund through the quarterly income and expenditure reports provided to the States Parties and through the annual audited Financial Statements of the OPCW; and
 - (b) approve retroactively the extension of the fund for the period starting from 1 December 2021 until the date of the approval referred to in subparagraph 9(a) above, and decide to remain seized of the matter;
11. **Recommends further** that the Conference at its Twenty-Sixth Session:
- (a) approve the extension of the special fund for IT infrastructure to support the implementation of decision C-SS-4/DEC.3 for a further period of 12 months from the date of approval, on the following basis:
 - (i) OPCW Financial Regulations 4.2, 4.3, and 4.4 shall not apply to the fund, and balances remaining in the fund at the end of a financial period shall be carried forward to subsequent financial periods; and
 - (ii) the Director-General shall continue to report to the Conference on the status of the fund through the quarterly income and expenditure reports provided to the States Parties and through the annual audited Financial Statements of the OPCW; and
 - (b) approve retroactively the extension of the fund for the period starting from 1 December 2021 until the date of the approval referred to in subparagraph 10(a) above, and decide to remain seized of the matter; and

III. Use of the Anticipated Remaining Balance from the COVID-19 Variability Impact Fund

12. **Recommends further** that, with regard to the remaining balance from the COVID-19 Variability Impact Fund, the Conference at its Twenty-Sixth Session approve, in accordance with Financial Regulation 6.9, the transfer of the remaining balance of the fund in the amount of EUR 1,171,886 to the General Fund for 2023.