



101st Session  
4 – 6 October 2022

EC-101/DEC.6  
5 October 2022  
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### DECISION

#### DRAFT REVISED PROGRAMME AND BUDGET OF THE OPCW FOR 2023

**The Executive Council,**

**Recalling** that, according to Financial Regulation 3.3(b) of the OPCW Financial Regulations and Rules, the Director-General shall prepare and submit to the Executive Council (hereinafter “the Council”) in every first year of a programme biennium the draft revised programme and budget for the second year of the biennium;

**Recalling also** that, according to Financial Regulation 3.5 of the OPCW Financial Regulations and Rules, the Council shall consider and submit to the Conference of the States Parties (hereinafter “the Conference”) the draft revised programme and budget for the second year of the biennium;

**Recalling further** the Programme and Budget of the OPCW for 2022–2023 (C-26/DEC.11, dated 1 December 2021);

**Considering** the Draft Revised Programme and Budget of the OPCW for 2023 (EC-101/DG.1/Rev.1, dated 22 September 2022 and Corr.1, dated 4 October 2022);

**Mindful** that a cash surplus of EUR 4,545,010 has arisen for the financial year ending 31 December 2020, 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 2021” (EC-101/DG.5 C-27/DG.5, dated 25 August 2022);

**Cognisant** that a cash deficit of EUR 1,236,016 was reported 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** that the Conference at its Twenty-Sixth Session decided to approve the suspension, on an exceptional basis, of the application of Financial Regulation 6.3 in respect of the allocation among States Parties of cash surpluses in light of the cash deficit for the year 2019 (C-26/DEC.4, dated 29 November 2021);

**Recalling further** the decision of the Conference at its Twenty-Sixth Session to review the treatment of future cash surpluses as and when such surpluses were determined (C-26/DEC.4);



**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 15,759 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;<sup>1</sup>

**Mindful also** that costs have continued to be incurred in 2022 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 78,665 in the special fund for IT infrastructure to support the implementation of decision C-SS-4/DEC.3<sup>2</sup> is committed or in the process of commitment to fulfil the requirements supported by the fund;

**Further mindful** that costs have continued to be incurred in 2022 for activities related to this fund and that further costs will be incurred in the future;

**Recalling further** the recurring important capital equipment and infrastructure replacement requirements intended to be funded from the Major Capital Investment Fund, as well as from the special fund for the OPCW Equipment Store and the special fund for OPCW designated laboratories and laboratory equipment, necessitating periodic and timely replenishment of these funds;

**Recalling further** the decision of the Conference at its Twenty-Sixth Session to transfer the remaining balance of the COVID-19 Variability Impact Fund in the amount of EUR 1,171,886 as income to the General Fund for 2023, in order to alleviate the impact on assessed contributions over the course of the 2022–2023 biennium (C-26/DEC.11); and

**Noting further** that an additional remaining balance of EUR 114,214 from the COVID-19 Variability Impact Fund has been established since the approval of the 2022–2023 biennium budget;

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<sup>1</sup> 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-101/DG.23, dated 27 September 2022).

<sup>2</sup> 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-101/DG.17, dated 15 September 2022).

**Hereby:**

## **I. General**

1. **Recommends** that the Conference at its Twenty-Seventh Session:
  - (a) adopt the Draft Revised Programme and Budget of the OPCW for 2023 at the programme and subprogramme level;
  - (b) appropriate a total expenditure for 2023 of EUR 75,988,858, of which EUR 31,447,859 is for Chapter I related to verification costs; EUR 42,296,765 is for Chapter II related to administrative and other costs; EUR 800,020 is for the special fund for cybersecurity, business continuity, and physical infrastructure security; EUR 714,214 is for the Major Capital Investment Fund; EUR 350,000 is for the special fund for OPCW Equipment Store; and EUR 380,000 is for the special fund for OPCW designated laboratories and laboratory equipment; and
  - (c) decide that the expenditure appropriated for 2023 shall be financed from:
    - (i) assessed annual contributions by all States Parties in the amount of EUR 69,886,664 in 2023, payable in accordance with a scale of assessments 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 1,482,100 in 2023, to reimburse the costs of verification activities carried out in 2023 in accordance with Articles IV and V of the Convention;
    - (iii) interest and other income earned in 2023 by the OPCW, estimated to amount to EUR 25,000;
    - (iv) cash surplus for 2020 in the amount of EUR 800,020 to the special fund for cybersecurity, business continuity, and physical infrastructure security;
    - (v) cash surplus for 2020 in the amount of EUR 600,000 to be transferred to the Major Capital Investment Fund;
    - (vi) cash surplus for 2020 in the amount of EUR 350,000 to be transferred to the special fund for the OPCW Equipment Store;
    - (vii) cash surplus for 2020 in the amount of EUR 380,000 to be transferred to the special fund for OPCW designated laboratories and laboratory equipment;
    - (viii) cash surplus for 2020 in the amount of EUR 1,178,974 to be transferred to the OPCW General Fund; and
    - (ix) remaining balance from the COVID-19 Variability Impact Fund in the amount of EUR 1,286,100 in 2023;

## II. Extension of Funds

2. **Recommends also** that the Conference at its Twenty-Seventh 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 2022 until the date of the approval referred to in subparagraph 1(a) above, and decide to remain seized of the matter;
3. **Recommends further** that the Conference at its Twenty-Seventh 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 2022 until the date of the approval referred to in subparagraph 1(a) above, and decide to remain seized of the matter;

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

4. **Recommends further** that, with regard to the additional remaining balance from the COVID-19 Variability Impact Fund, the Conference at its Twenty-Seventh Session:
  - (a) approve, in accordance with Financial Regulation 6.9, the transfer of the additional remaining balance of the COVID-19 Variability Impact Fund in the amount of EUR 114,214 to the Major Capital Investment Fund; and

#### IV. Use of the 2020 Cash Surplus

5. **Recommends further** that, with regard to the 2020 cash surplus, the Conference at its Twenty-Seventh Session:
- (a) approve the transfer of a portion of the 2020 cash surplus in the amount of EUR 1,236,016, to liquidate the 2019 cash deficit;
  - (b) approve also, in accordance with Financial Regulation 6.9, the transfer of a portion of the 2020 cash surplus in the amount of EUR 600,000 to the Major Capital Investment Fund;
  - (c) approve further, in accordance with Financial Regulation 6.9, the transfer of a portion of the 2020 cash surplus in the amount of EUR 350,000 to the special fund for the OPCW Equipment Store;
  - (d) approve further, in accordance with Financial Regulation 6.9, the transfer of a portion of the 2020 cash surplus in the amount of EUR 380,000 to the special fund for OPCW designated laboratories and laboratory equipment;
  - (e) approve further, in accordance with Financial Regulation 6.9, the transfer of a portion of the 2020 cash surplus in the amount of EUR 800,020 to the special fund for cybersecurity, business continuity, and physical infrastructure security; and
  - (f) approve further the transfer of a portion of the 2020 cash surplus in the amount of EUR 1,178,974 to the OPCW General Fund for 2023.

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