RUSSIAN FEDERATION

STATEMENT BY H.E. AMBASSADOR A.V. SHULGIN
PERMANENT REPRESENTATIVE OF THE RUSSIAN FEDERATION TO THE
OPCW AT THE 101ST SESSION OF THE EXECUTIVE COUNCIL
UNDER AGENDA ITEM 10(H)

Mr Chairperson,

At one time, the Russian delegation supported the initiative of the Organisation for the Prohibition of Chemical Weapons (OPCW) to transition to a biennial budget cycle. It meets the best practices of a number of international organisations and is designed to support long-term planning, as well as sustainable and predictable spending. We proceeded based on the assumption that the Organisation would be able to finance its main activities from the regular budget. However in practice, something has clearly gone awry.

Approaches to preparing the budget have remained the same, and they do not meet best practices, or the requirements of a number of States concerning budgetary procedures. In spite of multiple appeals, the Technical Secretariat continues to adhere to two separate approaches: it determines the level of budgetary expenses separately from the level of calculated contributions. Dubious budget manipulations continue, accompanied by the chaotic transfer of funds between the regular budget and special funds.

Over the course of informal consultations on the draft revised OPCW Programme and Budget for the year 2023, we have had the opportunity to discuss the Secretariat’s request to allocate an additional EUR 3.308 million in 2023. On the one hand, we do understand the argument that increasing the main item line in the budget by EUR 1.178 million is dictated by the need to cover increased costs due to inflation. Overall, this meets the “zero nominal-growth” principle, and in theory we could support it. Be that as it may, as far as the ideas about reallocating EUR 2.13 million from the 2020 cash balance to special funds are concerned, the arguments presented have not convinced us. Behind this proposal we can clearly see what is the deeply rooted and misguided practice, since 2017, of the Secretariat accumulating additional financial resources, which essentially leads to the steady rise in the Organisation’s budget, the dynamics of which considerably exceed the rate of inflation. Furthermore, we have approached the Secretariat with a request to provide specific data on the use of resources in each of the special funds, demonstrate the results achieved, and assess spending efficiency. This information would help to better analyse the justification for the request for additional resources. We have not yet received a response.
According to provision 6.3 of the Financial Rules, the OPCW’s cash balances are to be returned to the States Parties. This postulate must remain a key aspect of the Organisation’s financial policy. Financial provision 6.9 should only be resorted to in exceptional cases—not used as a justification for what is basically the revocation of financial provision 6.3, as has been happening in recent years.

Separately, we are forced to address the issue of funding the OPCW’s attribution activities. We cannot agree that—in spite of the disagreement repeatedly expressed by us and a number of other States concerning the establishment and activities of the Investigation and Identification Team (IIT) within the OPCW—its work continues and significant funds are allocated for such, not only from voluntary contributions, but also from the regular budget. We have said it many times in the past, and we will say it again today: the attribution functions stemming from the aforementioned decision contradict the Convention. We find their very existence, and consequently their funding from the budget, unacceptable. In our opinion, the funds that have been slated for allocation for IIT activities would be more useful if they were used for more needed Convention-related work, such as the international cooperation and assistance programme in the interests of developing countries.

The draft revised OPCW Programme and Budget for 2023 contains provisions that breach the principles of zero nominal and zero actual growth; they contradict the Financial Rules of the OPCW in terms of the return of cash balances, and they also provide for the allocation of funds for IIT activities. As a result, the Russian Federation cannot support the document proposed by the Secretariat.

We request that this statement be circulated as an official document of the 101st Session and published on the Catalyst platform and the OPCW website.