

**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 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, project scope, and initial cost estimate and schedule were described in the 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), S/1859/2020* (dated 9 March 2020), S/1881/2020 (dated 30 June 2020), S/1912/2020 (dated 16 November 2020), S/1956/2021 (dated 17 May 2021), S/1965/2021 (dated 24 June 2021), S/2003/2021 (dated 9 November 2021), S/2026/2022 (dated 17 February 2022), S/2072/2022 (dated 24 June 2022), S/2112/2022 (dated 17 November 2022), and S/2136/2023 (dated 17 February 2023) 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 numerous briefings on the project to States Parties at side events or via pre-recorded videos during regular sessions of the Executive Council (hereinafter “the Council”) and of 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 from 2018 to 2021. A pre-recorded briefing was provided to States Parties in April 2020 to present the preliminary design of the OPCW Centre for Chemistry and Technology (ChemTech Centre). A presentation on the design of the ChemTech Centre was provided by the architect during the “first pillar” ceremony on 23 September 2021.



4. More information on the project is available on the ChemTech Centre webpage (<https://www.opcw.org/media-centre/featured-topics/chemtech-centre>).
5. This Note updates States Parties on the progress made in the implementation of the project since the previous update in February 2023 (S/2136/2023).

IMPLEMENTATION PROGRESS

Overall progress

6. Despite the impact of current global inflation and challenges relating to supply chains, the project remains within budget. Following completion of construction, the ChemTech Centre was inaugurated on 12 May 2023 in the presence of His Majesty King Willem-Alexander of the Netherlands and other high-level officials from States Parties.

Transition phase

7. The relocation of the Laboratory and Equipment Store from the premises in Rijswijk to the ChemTech Centre was completed in April. During the relocation, the Rijswijk facility remained in service to ensure the continued operational capability of the OPCW Laboratory and the Equipment Store. The Equipment Store has been renamed the “Technology and Training Hub” (TTH) to reflect its enhanced role as well as the new capabilities of the ChemTech Centre.
8. In addition to the daily operations required to support the verification activities of the OPCW, training and capacity-building activities began at the ChemTech Centre. So far, such training and activities have included toxic chemical training for inspectors, an online refresher course for East African Community instructors, and a symposium on women in chemistry.

Decommissioning phase

9. The decommissioning of the former Rijswijk facility began in parallel with the transition phase of the project and is planned to be completed in the third quarter of 2023.

Post-construction phase: optimisation and enhancement

10. Following completion of the construction phase and delivery of the ChemTech Centre by the primary contractor, the Secretariat has gradually increased the broad range of activities to take place at the Centre. In the course of this process, the Secretariat has identified opportunities for further enhancements and optimisations of the facilities to improve its functionality, efficiency, and future sustainability, utilising uncommitted funding available in the ChemTech Centre Trust Fund. These include the installation of additional solar panels in order to reduce operational costs to the maximum extent feasible.

11. The Secretariat informed States Parties in Note S/2112/2022 of its efforts to prepare an estimate of the ChemTech Centre’s operational costs to be incorporated into the Draft Programme and Budget of the OPCW for 2024–2025 (EC-104/CRP.1, dated 7 July 2023). After the building started to be used and more concrete figures for its operational costs became available, it became clear to the Secretariat that the actual operational costs of the ChemTech Centre for 2023 will be higher than estimated in the Revised Programme and Budget of the OPCW for 2023 (C-27/DEC.11, dated 29 November 2022), despite the Secretariat’s efforts to reduce operational costs, including by placing additional solar panels in the building. This is primarily due to the unforeseeable and historic rise in inflation over the past year affecting, inter alia, energy prices and services such as cleaning, maintenance, and security. For the remainder of 2023, the Secretariat will continue to increase the range and intensity of activities at the ChemTech Centre incrementally with the aim of effectively managing the still dynamic global inflationary context. This will include continually assessing and optimising operations at the Centre and ensuring that the operational costs can be fully funded by the regular budget from 2024 onwards.
12. The current timeline and cost estimate for the post-construction phase are shown in the figure and table below, respectively. This phase is taking place in parallel with the decommissioning phase and the project closure phase.

Overall implementation progress

13. The figure below indicates the overall progress made in respect of project implementation.

FIGURE: OVERALL PROGRESS TO DATE

	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023
Construction phase	[Blue bar spanning from 1Q 2021 to 4Q 2022]											
Transition phase								[Blue bar spanning from 3Q 2022 to 4Q 2022]				
Decommissioning phase									[Blue bar spanning from 1Q 2023 to 3Q 2023]			
Post-construction phase: optimisation and enhancement										[Blue bar spanning from 2Q 2023 to 4Q 2023]		
Project closure phase												[Blue bar spanning from 4Q 2023 to 4Q 2023]

FINANCIAL STATUS

Expenditure to date

14. As at 31 May 2023, approximately EUR 30.5 million had been spent on the project. The expenditure to date, as compared to the cost estimate provided to States Parties in Note S/1956/2021, is shown in the table below. The project remains within budget. A new budget item for post-construction optimisation and enhancement has been added.

TABLE: PROJECT BUDGET AND EXPENDITURE

ChemTech Centre Project Budget and Expenditure		
Budget Item	<u>COLUMN A</u> Current Estimate (April 2021, in EUR)	<u>COLUMN B</u> Expenditure To Date (as at 31 May 2023, in EUR)
Building costs	20,763,000	20,763,000
Land purchase and related costs	2,363,000	2,363,000
Design costs	1,385,000	1,385,000
Outside area and site infrastructure	553,000	32,708
Equipment costs	50,000	50,000
Furniture and workstations	924,000	698,994
Transition costs	316,000	108,710
Decommissioning of facilities	400,000	62,971
OPCW project management staff	1,505,501	1,505,501
Project management and advisory services	2,401,561	1,730,667
Contingency	1,690,000	787,644 ¹
Subtotal	32,351,062	29,488,194
Programme support costs	1,091,254	1,027,530
Total	33,442,316	30,515,724

Budget Item	<u>COLUMN A</u> Current Estimate (June 2023, in EUR)	<u>COLUMN B</u> Expenditure To Date (as at 31 May 2023, in EUR)
Post-construction optimisation and enhancement	1,102,164	0
Programme support costs	77,152	0
Total	1,179,316	0

¹ Used for unforeseen expenditure of building costs (EUR 695,394), land purchase and related costs (EUR 16,952), design costs (EUR 46,597), and OPCW project management staff (EUR 28,701).

Fundraising progress

15. To date, approximately EUR 34.6 million in voluntary contributions has been pledged or provided to the project's trust fund by 57 countries, the European Union, and other donors. These contributions have been made or pledged by: Algeria, Andorra, Angola, Australia, Bangladesh, Belgium, Brazil, Cameroon, Canada, Chile, China, Croatia, Cyprus, the Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Panama, Peru, the Philippines, Poland, Portugal, Qatar, the Republic of Korea, Romania, San Marino, Saudi Arabia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Thailand, Türkiye, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the European Union, Israel (signatory State), and other donors.
16. The ChemTech Centre Trust Fund remains open for further contributions. Additional contributions would provide extra scope for current and future optimisations as well as enhancements identified as experience is gained from the use of the facilities and the new operational opportunities and capacities offered by the ChemTech Centre.

COMMUNICATION

17. A video summarising the construction of the ChemTech Centre is available online (<https://youtu.be/7GiQOuBodb8>) and on the ChemTech Centre webpage.
18. The ChemTech Centre was inaugurated on 12 May 2023 in the presence of His Majesty King Willem-Alexander of the Netherlands. The ceremony was attended by the Director-General, the Deputy Director-General, the King's Commissioner in the Province of Zuid-Holland, the Mayor of Pijnacker-Nootdorp, the Chairpersons of the Conference and the Council, high-level officials and representatives from States Parties, and other stakeholders.

NEXT STEPS

19. In the coming months, the project team's priorities will include the planning and execution of the decommissioning of the Rijswijk facilities, the optimisation and enhancement of the ChemTech Centre, and the closure of the project.
20. The Secretariat will continue to update the ChemTech Centre webpage (<https://www.opcw.org/media-centre/featured-topics/chemtech-centre>) on the OPCW website with any relevant information.
21. The Secretariat will also continue to keep States Parties informed of the status of the project. The next project report will be submitted to the States Parties in early 2024.