

**DRAFT DECISION****DRAFT PROGRAMME AND BUDGET OF THE OPCW FOR 2018****The Conference of the States Parties,**

**Recalling** that subparagraph 21(a) of Article VIII of the Chemical Weapons Convention (hereinafter “the Convention”) requires, inter alia, that the Conference of the States Parties (hereinafter “the Conference”) consider and adopt at its regular sessions the Programme and Budget of the OPCW;

**Recalling** that subparagraph 32(a) of Article VIII of the Convention requires that the Executive Council (hereinafter “the Council”) consider and submit to the Conference the Draft Programme and Budget of the OPCW;

**Recalling also** that, according to Financial Regulation 3.1 of the OPCW Financial Regulations, the Director-General shall prepare a Draft Programme and Budget for each financial period, which is defined by Financial Regulation 2.1 as a calendar year;

**Recalling further** that the Third Special Session of the Conference of the States Parties to review the Operation of the Chemical Weapons Convention welcomed the improvements to the budgetary process of the OPCW since the Second Special Session of the Conference of the States Parties to review the Operation of the Chemical Weapons Convention, and commended the Technical Secretariat (hereinafter “the Secretariat”) for the ongoing implementation of results-based management (RBM) (paragraph 9.149 of RC-3/3\*, dated 19 April 2013);

**Considering** the recommendations relating to the Draft Programme and Budget of the OPCW for 2018 submitted to it by the Council (EC-86/DEC.4, dated 11 October 2017);

**Considering** that the core objectives of the OPCW, which are set out in the table on pages 23 to 25 of the Draft Programme and Budget for 2018, along with the associated indicators of achievement for each core objective, provide direction for 2018 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 reviewed** the programme objectives, which are reviewed each year, in the Draft Programme and Budget for 2018, along with the information it 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 2018 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; and

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

**Hereby:**

1. **Emphasises** that the annual Programme and Budget should continue to be formulated with the aim of achieving the core objectives of the Organisation;
2. **Emphasises also** that the focus of the Organisation's resources should be on the operational programmes and **requests** that the total number of fixed-term non-operational staff positions in future years be reduced in proportion to reductions in the total number of fixed-term operational staff positions;
3. **Requests** the Secretariat to inform the States Parties in an annex to the annual Programme and Budget for 2019 and onward of projected savings and efficiencies from, inter alia, the enterprise resource planning (ERP) project, and the actual savings and efficiencies achieved;
4. **Encourages** the Secretariat to continue and enhance its efforts to implement RBM in the Organisation and to improve the presentation of the Programme and Budget according to the principles of RBM, with a view to showing a clear link between objectives, strategies, activities and resources;
5. **Notes** the reliance on the Working Capital Fund (WCF) to address cash flow shortfalls and **encourages** the Secretariat and States Parties to work collectively to minimise the necessity of drawing upon this fund to this extent in the future;
6. **Notes also** the establishment of the Special Fund for the Fourth Review Conference<sup>1</sup> in 2018;
7. **Stresses** the importance of linking resource requests to results and **recommends** the increased use of standard costing;
8. **Welcomes** the Secretariat's work to improve its performance reporting and **requests** the Secretariat to accelerate its work to develop a systematic approach to monitoring and evaluating its activities, which should, inter alia, see the inclusion of programme

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<sup>1</sup> Fourth Special Session of the Conference of the States Parties to Review the Chemical Weapons Convention.

impact assessments and lessons learned in the next and subsequent annual programme performance reports; and

9. **Decides:**

- (a) to **adopt** the Draft Programme and Budget of the OPCW for 2018;
- (b) to **reaffirm** the core objectives of the OPCW and **approve** the indicators of achievement set out in the table on pages 23 to 25 of the Draft Programme and Budget for 2018;
- (c) to **appropriate** a total expenditure for 2018 of EUR 67,248,655, of which EUR 28,984,106 is for Chapter I, related to verification costs, EUR 37,830,816 is for Chapter II, related to administrative and other costs, and EUR 433,733 is for the Fourth Review Conference;
- (d) to **approve** that the expenditure appropriated for 2018 shall be financed from:
  - (i) assessed annual contributions by all States Parties in the amount of EUR 65,529,600, payable in accordance with a scale of assessment 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 1,089,695, to reimburse the costs of verification activities carried out in 2018 in accordance with Articles IV and V of the Convention;
  - (iii) reimbursement by the Host Country of an amount of EUR 270,000 for the rental of the World Forum for the Twenty-Third Session of the Conference and for the Fourth Review Conference;
  - (iv) interest and other income earned in 2018 by the OPCW, and estimated to amount to EUR 50,000; and
  - (v) 2015 cash surplus in the amount of EUR 309,360, to be transferred to the Special Fund for the Fourth Review Conference in 2018;
- (e) to **note** that the preparation of the Programme and Budget of the OPCW for 2018 has taken place in line with the Organisation's practice of zero-based budgeting;
- (f) to **note also** that the number of Article VI inspections approved for the year 2018 is 241;
- (g) to **affirm** its expectation that an adequate number of inspectors will be put in place in 2018 to ensure that no negative impact on performing Article IV, V, and VI inspections will occur;
- (h) to **note further** 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 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) to **authorise** 456 fixed-term posts for 2018, as set out in Appendix 4 to the Draft Programme and Budget for 2018; **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; **encourage** the Secretariat to exercise due diligence with respect to its structure and to keep States Parties informed; and **request** the Secretariat to put in place a new appendix, detailing the post changes, in the next and subsequent Draft Programme and Budget documents;
- (j) to **affirm also** that the adoption of the Draft Programme and Budget for 2018 should be without prejudice to any outcome arising from discussions on the future of the Organisation;
- (k) to **approve** the Programme and Budget for 2018 at the programme and subprogramme level;
- (l) to **note further** the key outcomes identified for 2018, which are set out in the table on pages 23 to 25 of the Draft Programme and Budget, and which the Secretariat has established as targets for each core objective of the OPCW;
- (m) to **request** the Secretariat to reflect its strategy, action, and activities in relation to knowledge management at the programme level in the Draft Programme and Budget, starting from 2019;
- (n) to **strongly urge** each State Party to pay in full its assessed contribution to the OPCW for 2018 within 30 days of receiving the communication from the Director-General requesting such payment;
- (o) to **call upon** the 35 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 multi-year 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);
- (p) to **also 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;
- (q) to **request** the Director-General to report, through the Council, to the Conference at its Twenty-Third Session on the details of transfers from, and the replenishment of, the WCF in 2018;

- (r) to **recommend**, in accordance with Regulation 6.4 of the OPCW Financial Regulations and Rules, that the WCF be increased to a target level of EUR 7 to 9 million over the next three years, by considering, inter alia, the following further steps:
- (i) transfer of any savings, currently projected at EUR 700,000, from the ERP project to the WCF upon completion of the ERP project; and
  - (ii) transfer of future cash surpluses over the next three years, if available, to the WCF following a decision by the Council; and
- (s) to **request** the Director-General to identify other measures for increasing the WCF balance to the target level for consideration by the Council.

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