

NOTE BY THE DIRECTOR-GENERAL**DRAFT OPCW BUDGET**

1. The Director-General would like to take this opportunity to inform States Parties and signatory States of his approach to the version of the draft OPCW Budget for 1997 presented by the Executive Secretary on his own authority for consideration by the Executive Council (PC-XVI/A/WP.2 and PC-XVI/A/WP.2 (Annotations)).
2. As States Parties and signatory States will be aware, there has been a great deal of discussion within the Preparatory Commission over the past year on the form and content of the draft OPCW Budget to be submitted to the Organisation for its adoption. You will also all be aware of the difficulties that arose, for reasons which the Director-General needs not elaborate on, in reaching a consensus view within the Commission on the approach to be taken to compiling the draft OPCW Budget. You will also realise that this draft Budget is now unfortunately based on assumptions which will most probably require modification. In addition, in considering the draft Budget, we face all the difficulties of attempting to predict the financial implications of the operations of an Organisation for which there is no historical precedent.
3. In these circumstances, the Director-General hopes that States Parties and signatory States will be able to agree that, whatever Budget is adopted, he should be permitted a certain degree of flexibility, within limits and consistent with the OPCW Financial Regulations and Rules and Staff Regulations and Rules, in relation to expenditures and the staffing structure in order to take account of developments which cannot be foreseen at this stage. In requesting your agreement to such an approach, the Director-General naturally undertakes to keep the Executive Council and other appropriate bodies of the Organisation fully informed of developments.

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