NOTE BY THE DIRECTOR-GENERAL
TO THE FIRST REVIEW CONFERENCE

1. INTRODUCTION

1.1 The Director-General is submitting this Note to the First Special Session of the Conference of the States Parties to Review the Operation of the Chemical Weapons Convention (hereinafter “the First Review Conference”), convened in accordance with paragraph 22 of Article VIII of the Chemical Weapons Convention (hereinafter “the Convention”), in order to assist the States Parties in their review, to present his assessment of how the Convention is operating, and to submit to the States Parties his recommendations for the future direction of the implementation process.

1.2 Factual background information on the operation of the Convention has been provided separately by the Technical Secretariat (hereinafter “the Secretariat”). Issues related to developments in science and technology and their impact on the operation of the Convention are contained in a separate Note, to be issued soon, to which the Report of the Scientific Advisory Board (SAB) for the First Review Conference will be annexed.

1.3 The report has been divided into seven sections, which are entitled as follows:

(a) Executive Summary
(b) The Comprehensive Prohibition of Chemical Weapons and Their Elimination Worldwide
(c) Non-proliferation and Non-Production of Chemical Weapons
(d) Consultation, Cooperation, and Fact-Finding
(e) Assistance and Protection
(f) International Cooperation
(g) Functioning of the OPCW
2. EXECUTIVE SUMMARY

2.1 The Convention establishes a comprehensive prohibition of chemical weapons (CW) on a global scale and requires the verified elimination of all CW stockpiles and production facilities. It contributes to the global non-proliferation of CW, and provides for assistance and protection against these weapons. It aims at fostering international cooperation among the States Parties in the field of peaceful chemical activities.

2.2 The Convention remains crucial for global peace and security in the twenty-first century. Its success is important for the future of other disarmament measures and for the ultimate goal of general and complete disarmament.

2.3 An expanded awareness of the relevance of the Convention stems from indications that terrorist organisations have become interested in CW or other toxic materials. The full and effective implementation of the Convention will make an indispensable contribution to the global fight against terrorism.

2.4 The achievement of the universality of the Convention remains a central objective of the Organisation for the Prohibition of Chemical Weapons (OPCW), and needs to be complemented by measures ensuring its full, effective, and non-discriminatory implementation. A number of States whose non-accession to the Convention is causing serious concern remain outside the realm of this treaty. The Secretariat stands ready to assist Member States in their efforts to promote universality.

2.5 Central to the implementation of the Convention is the destruction of CW stockpiles and production facilities within the time limits established by the Convention. Considerable progress has been made by Member States in eliminating their CW stockpiles and CW production facilities. Cooperation among Member States in the coming years will be important to fulfil the Convention’s objectives in relation to the elimination of CW stockpiles and production facilities as provided for by the Convention.

2.6 The use of verification resources will have to be further optimised, inter alia in order to deal with the imminent increase in activity projected in national CW destruction programmes, and in general to increase cost-effectiveness while maintaining the verification standards required by the Convention.

2.7 National legislative and administrative implementation measures are essential, and Member States continue to put into place the measures they require to fully implement the Convention. The Secretariat and those Member States with relevant capacities should continue providing implementation support, so as to ensure the full legal power of the Convention in all States Parties.

2.8 In relation to declarations of facilities and activities not prohibited under the Convention, efforts to fully harmonise the system and to ensure the timely, accurate, and complete submission of declarations should continue. The Secretariat continues to offer technical help to Member States, to assist them in identifying declarable facilities.
2.9 The OPCW’s competence in conducting industry inspections is recognised, and the Organisation has accomplished the inspection aims prescribed by the Convention. The Secretariat stands ready to work together with the Member States on practical solutions to further optimise the use of resources in relation to the Article VI inspection system, and to take account of developments in the chemical industry and in science and technology.

2.10 The Convention sets out a variety of mechanisms for clarification, for cooperation, and for fact-finding. Member States have so far focussed on bilateral clarification procedures, while clarifications through the Council or through challenge inspection have not as yet been used. It is, however, important that the OPCW maintain full operational readiness to implement a challenge inspection, should a request for one be received.

2.11 The OPCW’s international cooperation programmes have evolved successfully since entry into force. A decision by the Conference of the States Parties (hereinafter “the Conference”) on the implementation of Article XI would give further direction to this programme. In the future, the OPCW should enhance partnerships with relevant international and regional organisations in order to avoid duplication of efforts, to exploit synergism, and to enhance the unique features of the OPCW’s international cooperation programmes, which flow from the nature of the Convention itself.

2.12 The Convention’s provisions on assistance and protection have become more significant in terms of the security of the Member States. The enhancement of the Member States’ protective capacities against CW and the effective functioning of the Convention’s mechanism for the provision of assistance are indispensable safeguards. What role the OPCW will play in terms of delivering assistance and the manner in which the Secretariat would cooperate with the Member States and other organisations involved in an emergency response remain to be worked out. The delivery of assistance and a clear delineation of the role of the OPCW are important issues that, if left undefined, could hinder an effective international emergency response to CW uses or threats of use, and could put human lives at risk. The Director-General will render full cooperation to the Member States in order to arrive as soon as possible at an agreed assistance concept that is workable and sustainable, one which responds to their needs.

2.13 A productive relationship between the Secretariat and the policy-making organs (PMOs) is essential for the functioning of the OPCW. This relationship needs to be based on mutual trust, openness, cooperation, and respect. The Director-General and his staff stand ready to do their utmost to contribute to a good relationship with the Member States and the Council, a relationship that is based on cooperation and transparency.

2.14 The Convention and the OPCW cannot function properly without the support of, and engagement with, society at large, including the chemical industry, non-governmental organisations, academia, and the wider public. This relationship should be further developed to create an awareness about the objectives and principles of the Convention, and to gain support for its goals and for universal adherence to it.
2.15 In summary, the Director-General proposes that the First Review Conference, when providing its guidance and recommendations vis-à-vis the goals and priorities for the next phase of CWC implementation, may wish to consider including the following:

(a) continued CW destruction activity at the pace required by the Convention, with the aim of achieving an early completion of CW destruction, subject to the safety of destruction operations and to the verification measures required by the Convention;

(b) the further optimisation of all aspects of the verification system of the OPCW, and the readiness of the OPCW to implement, in a timely and effective manner, all the verification measures which the Convention requires;

(c) the urgent completion by all States Parties of their legislative action, with the support by other Member States and by the Secretariat as required, and with progress being systematically reviewed by the Council;

(d) the consolidation of inspection conduct under Article VI, in accordance with the requirements of the Convention;

(e) the improvement of the quality of the OPCW’s international cooperation programme portfolio, supported by adequate budget allocations and voluntary contributions from Member States and taking advantage of partnerships with other relevant organisations;

(f) the urgent agreement on the precise nature of the OPCW’s role in providing assistance in case of use or threat of use of CW, and the implementation of that system in coordination with the Member States and other international organisations involved in responding to such incidents;

(g) the further improvement of the functioning of the OPCW, and of the cooperation between the Secretariat and the PMOs; and

(h) the further enhancement of the OPCW’s actions against terrorism; this would include establishing a dialogue and exchange of information with other international organisations (including the United Nations Counter-Terrorism Committee) and other relevant international actors, in accordance with UN Security Council Resolution S/RES/1456.

3. THE COMPREHENSIVE PROHIBITION OF CW AND THEIR ELIMINATION WORLDWIDE

Universality and the comprehensive ban on CW

3.1 The Convention’s object and purpose is embodied in its title: the “Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction.” The Convention comprehensively and globally prohibits CW and aims to completely to exclude, for the sake of mankind, the possibility of their use. It establishes a global CW non-proliferation regime, and provides for assistance and protection against the use or threat of use of CW. It aims
at fostering international cooperation for the sake of the economic and technological development of its States Parties.

3.2 CW have been categorised as “weapons of mass destruction”. The biggest stockpiles that exist today are a legacy of the Cold War, but CW have also proliferated outside this context. When the Cold War ended, their verified elimination became possible. Since its entry into force in 1997, the Convention has provided a multilateral legal framework for the comprehensive prohibition and elimination of CW capabilities.

3.3 In the evolving security framework of the twenty-first century, the proliferation of weapons of mass destruction has been characterised as a threat to international peace and security. The objectives of the Convention remain directly relevant to global peace and security, and to the national security of the Member States. The success of the Convention is important for the future of other disarmament measures, and for the ultimate goal of general and complete disarmament.

3.4 The complete global elimination of the threat of CW rests on two conditions: the participation of all States with CW capabilities in the Convention, and the full compliance of all States Parties with their obligations. In relation to universal adherence, the Convention has made significant progress, and the countries holding the world’s largest CW stockpiles have joined the Convention. Their stockpiles have been declared to the OPCW, are being safeguarded by it, and are being destroyed. A number of States whose non-accession to the Convention is causing serious concern, however, remain outside of its purview. Their CW capabilities remain undeclared and unverified, and are not being eliminated under international verification. The international community should send a clear and strong message to these States not party, stressing the need for, and desirability of, universal adherence to the Convention.

Prohibitions of CW and initial declarations

3.5 The very first requirement on the road to eliminating CW stockpiles and production facilities is the submission of initial declarations under Article III. Five States Parties have declared that they possess CW stockpiles, and eleven have declared former CW production facilities. A number of States Parties, during the early years of the Convention, delayed submitting their initial declarations. Technical support from the Secretariat and bilateral assistance and consultations on the part of Member States helped to resolve this issue and other issues relating to declarations submitted under Article III.

3.6 The Convention provides for a variety of mechanisms to address and resolve questions related to compliance; the choice as to which mechanism to adopt remains with the parties concerned. Their preference has so far been for bilateral consultations. It is important, however, that the OPCW should always be prepared to deal with such questions, should the parties seeking to resolve compliance questions decide to use the other mechanisms provided for by the Convention.

3.7 For example, certain toxic chemicals and precursors may have been studied as candidate CW agents during the concluding phase of Convention negotiations. The declarations received by the OPCW make no reference to such “novel agents”,
indicating that there were none in the declared stockpiles. But the absence of such declared information may have an impact on the confidence of the States Parties in the regime. Member States may wish to address this issue in order to increase transparency on this matter.

**CW destruction activities**

3.8 The timely and complete elimination of CW and of the facilities used in the past for their production is one of the Convention’s fundamental goals, and is one towards which considerable progress has been made by the States Parties.

3.9 The destruction of Category 1 CW is now under way in four CW possessor States Parties, and will soon begin in the fifth. The commitment to destroy existing CW stockpiles is clearly demonstrated by all possessor States Parties.

3.10 It has become apparent that there are considerable challenges arising in terms of the timely completion of the destruction programmes. These challenges are primarily financial, but certain technological issues might also need to be addressed. Cooperation has been provided by some of the Member States, and will also be forthcoming in the future. As the Convention’s 10-year destruction time limit in the year 2007 approaches, the Conference will need to manage these issues realistically and pragmatically.

3.11 Good progress has been made in eliminating CW production facilities. In the long run, destroying the capacity to make CW may be as important as destroying the weapons themselves. Conversion of former CW production facilities for purposes not prohibited has become an avenue for destruction that is perhaps more frequently used than initially expected by some States Parties.

3.12 In relation to old chemical weapons (OCW), there remains the outstanding issue of guidelines that determine the usability of CW produced between 1925 and 1946. This gap has not as yet had a serious practical impact on the implementation of the declaration and destruction obligations of the States Parties, but it is important that there be no ambiguity about the status of certain types of CW.

3.13 Progress has also been made in relation to the destruction of abandoned chemical weapons (ACW). Of particular importance is the beginning of practical preparations for the destruction of ACW in China. ACW recovery, temporary storage, transport, and destruction are highly complex measures, and environmental and public safety considerations are very important. The implementation of the ACW destruction programmes will contribute to the goals of the Convention. It is hoped that positive results on a bilateral, cooperative basis can also be achieved in relation to other outstanding issues relating to the past abandonment of relevant materials and weapons.

**Verification of CW and CW production facilities, and of their destruction**

3.14 The verification measures applied by the OPCW to declared CW stockpiles and CW production facilities are there to confirm the baseline established by the declarations, safeguard the stockpiles and facilities until their destruction begins, verify that they
In relation to confirming the identity of declared CW, in most cases, safety considerations prevent sampling and analysis of the CW at their storage location. Confirming the identity of the declared CW is therefore done at the CW destruction facility.

In relation to confirming the quantities of CW that have been declared, a similar reasoning applies, because CW cannot normally be opened at the storage facilities. The OPCW relies initially on nominal fill values and non-destructive or other measurements with limited precision, and precise measurements are carried out as part of CW destruction verification.

Two technical conditions need to be met with regards to this verification approach: CW destruction needs to be verified in a sound manner, and reliable safeguards must be applied to the stockpiles. Proposals to further optimise the resource utilisation for these, as well as other, aspects of the verification system have been submitted to the Council.

The verification of CW production facilities and their destruction poses fewer technical challenges. Destruction has been carried out in accordance with the time limits of the Convention, and verification has been a straightforward undertaking. There have been delays, however, in the consideration and approval of conversion requests. An issue that the OPCW should now address is the verification measures to be applied during the ten-year period after former CW production facilities have been converted.

Challenges in relation to chemical disarmament

Probably the biggest practical challenge facing the OPCW is how to deal with the increase in activity projected in national CW destruction programmes beginning this year. The verification methodology applied at chemical weapons destruction facilities (CWDFs) needs to be reviewed if the verification regime as a whole is to remain sustainable and affordable. There also still remain a number of guidelines on CW issues to be finalised and adopted.

An important issue for Member States to consider is the impact of developments in science and technology on the comprehensive nature of the ban on CW. These trends have been detailed by the Scientific Advisory Board (SAB), and the Director-General’s recommendations in this respect are contained in a separate document. The First Review Conference may wish to restate the comprehensive nature of the Convention’s prohibitions of CW, and to reaffirm the obligations and definitions contained in Articles I and II.

Other issues that have received some attention are related to so-called “non-lethal weapons”, and the use of toxic chemicals for law enforcement. These issues need to be carefully analysed so as to prevent any potential harm to the Convention. The Convention contains specific provisions on the use of riot control agents, and
otherwise rests on the obligation that Member States shall “never under any circumstances” develop, produce, otherwise acquire, stockpile or retain, or use CW. The Member States might wish to address these issues.

3.22 A new dimension related to the threat of chemical warfare stems from the fact that terrorist organisations have become interested in CW or other toxic materials. This has been recognised after the use of sarin gas in the Tokyo subway in 1995, and recently reconfirmed, inter alia, by resolutions 1373 and 1456 of the United Nations Security Council. The Convention is not a counter-terrorism treaty and the OPCW is not a counter-terrorism organisation. On the other hand, the full and effective implementation of the Convention, and hence the work of the OPCW, can contribute significantly to the fight against such terrorist threats. This was confirmed by the Council in its decision on explaining how the Convention could contribute to global antiterrorism efforts (EC-XXVII/DEC/5 dated 7 December 2001). The OPCW should further explore how its unique characteristics and capabilities could be used in the fight against terrorism; this would be in line with the call of the Security Council to international organisations, in particular to those agencies and organisations whose activities relate to the control of the use of or access to nuclear, chemical, biological, or other deadly materials, to evaluate ways in which they can enhance the effectiveness of their actions against terrorism (paragraph 7 of UNSC resolution 1456).

3.23 In developing its approach to counter-terrorism, the OPCW needs to be aware of the fact that the scenarios associated with terrorist threats differ considerably from “traditional” CW threats. A terrorist attack would probably involve significantly less amounts of toxic chemicals than the amounts that would be employed during armed conflict. The types of relevant chemicals used in these two different contexts may also differ, given that accessibility would by far be the most important factor influencing the selection of a toxic chemical by a terrorist organisation.

3.24 Addressing these new threats will require the determination of the Member States, effective work on the part of the Council, the provision of clear guidance to the Secretariat, close coordination with other organisations, especially with the UN Security Council, and imagination.

3.25 Ultimately, the greatest challenge is to preserve the comprehensive nature of the ban on CW and to achieve universal adherence to it. To win over the remaining States not party, in particular those states whose non-accession to the Convention is causing serious concern, remains an objective that the OPCW must not ignore, even in relation to states which appear at the moment unlikely to join. Member States with influence and ties to those countries should remain engaged with them and should continue arguing the case for joining the Convention. The OPCW as a whole needs to send clear and unmistakable messages to States not party, stressing that being a State Party and fully implementing the Convention are important aspects of responsible participation in the global community, and underline the commitment to achieving a consensus against the proliferation of weapons of mass destruction. The OPCW should encourage their early accession to the Convention and offer them the channels and means of discussion for taking that step.
4. NON-PROLIFERATION AND NON-PRODUCTION OF CW

General considerations

4.1 The Convention establishes a complex non-proliferation regime that involves State Party obligations and prohibitions, provisions aimed at preventing the spread of CW stocks and capabilities, controls over and prohibitions of transfers of scheduled chemicals, and requirements for national implementation measures, including the enactment of penal legislation. This non-proliferation regime is in the interest of all the States Parties, in particular those that are developing countries. The benefits are two-fold: increased security resulting from the elimination of CW stockpiles and from the availability of assistance and protection against CW from the OPCW, and economic benefits through enhanced international cooperation in the field of chemical activities for purposes not prohibited. The Convention also establishes a regime of obligations and verification measures that are aimed at ensuring the non-production of CW. This international verification regime significantly increases the confidence that Member States are pursuing chemical activities for peaceful purposes; this will facilitate the trade in chemicals and the access by Member States to chemicals, equipment, technology, and scientific and technical information for purposes not prohibited.

4.2 In this new security environment, the obligation not to assist anyone in any way to engage in any activity prohibited to a State Party has gained additional importance. This is a challenge for the Member States and their national implementation measures. The emergence of a terrorist CW threat is also having an impact on how much Member States can rely on the Convention’s Schedules of Chemicals.

4.3 New scientific and technological developments are increasing the complexities relating to national oversight, to identifying relevant facilities, as well as to the Secretariat’s conducting of international verification. This is taking place within the framework of a verification regime that was designed to evolve over time. These issues are discussed, together with the report of the SAB, in a separate Note by the Director-General.

4.4 International verification by the OPCW, on the other hand, is not the only tool that can be used by Member States to prevent CW proliferation. A variety of national measures in relation to governmental oversight over chemicals, equipment, and technology are at their disposal. The need to apply these measures to prevent CW proliferation stems from the Convention. These national measures complement the international verification measures implemented by the OPCW.

National implementation

4.5 National implementation, including legislation and administrative measures, are essential to the Convention. The Convention’s regime is a combination of international norms and national legislation and implementation measures. Compliance is an active process that requires the constant participation and vigilance by the Member States. International verification is a means of confirming certain aspects of compliance on the part of States Parties; this complements the activities they are undertaking to ensure compliance within their jurisdictions.
4.6 Furthermore, the effective functioning of the Convention, as well as the availability of cooperation and assistance from the OPCW, are important factors that influence the decision-making process when states are considering whether to join the Convention.

4.7 When the Convention entered into force, the full nature of the tasks involved with adopting all necessary national implementation measures and the time required to do so may not have been clear to everyone. It is obvious from experience that there continue to be significant gaps, and that remedies are urgently needed.

4.8 In addition, the Council identified national implementation measures as constituting one of the Convention’s major contributions to the struggle against terrorism, thus complementing terrorism legislation proper. It enables terrorists or individuals supporting a terrorist organisation to be apprehended, prosecuted, and punished.

4.9 It is therefore important that the OPCW continue to develop a proactive, effective, and well-targeted programme of implementation support. This is not a matter of quick fixes or of short-lived campaigns (although some specific issues may be susceptible to that kind of approach). Experience has shown that systematic and long-term support (by other States Parties, regionally, or in coordination with the Secretariat) is needed to ensure that all Member States achieve and maintain the ability to fully implement the Convention.

**Declarations under Article VI**

4.10 A key component of the Convention’s regime is the verification of the non-production of CW under Article VI; this combines a State Party’s responsibility to identify and declare to the OPCW activities and facilities involved with treaty-regulated chemicals with on-site inspections. The objective is to enhance the confidence of the Member States in the legitimate nature of the chemical activities of all the States Parties. Declarations and inspections under Article VI complement the rights of the States Parties to use toxic chemicals and precursors for legitimate purposes. The proper functioning of this system is to the advantage of all Member States, and rests on the timely submission of accurate declarations.

4.11 Establishing an effective system of declarations and inspections in relation to the legitimate chemical activities of the States Parties was a major achievement for the OPCW. Many Member States had little past experience with on-site inspections in their territories; even more lacked experience in relation to the international inspection of privately owned facilities. Article VI was clearly a step into the unknown. Six years later, the OPCW can state that it has mastered the challenge of establishing a well-functioning system of declarations and inspections in the chemical industry of the States Parties.

4.12 Work continues to further optimise the system. In the area of declarations, there are essentially three issues that need further attention: the quality of national implementation, the agreement on outstanding declaration issues (common standards), and an increase of the effectiveness of the system.
4.13 Common declaration standards are important. The Conference has been able to agree on a good number of such standards (for example, the guidelines for Schedule 2 and 3 chemicals, with the exception of Schedule 2A/A* chemicals, contained in mixtures at a low concentration). Some still remain to be agreed, including some guidelines relating to Schedule 1 facilities. When common standards were missing, Member States had to use their own discretion in terms of national implementation measures. In the same way, the Secretariat had to operate in an environment where some rules changed from one State Party to another. The “level playing field” that governments and the chemical industry both wanted took some time to achieve, and a few issues still remain to be resolved. It is important that the Member States expeditiously complete their negotiation work on the unresolved chemical industry issues.

4.14 How can the system of declarations under Article VI be made to work more efficiently? Several aspects at the moment hamper system performance. The most important from the perspective of the Director-General, are:

(a) the absence of a practice of “nil declarations” by the States Parties. This creates uncertainties, additional needs for clarification, and can potentially lead to the unequal treatment of Member States; and

(b) the slow pace of clarifications in relation to ambiguities in declarations. This also creates uncertainties, and if unresolved, can lead to the unequal treatment of Member States.

4.15 Another aspect is the capability of the Secretariat to handle, evaluate, and use declaration data. The early completion of the work on a relational database that would securely handle declaration and other verification data, as well as of a system that would enable Member States that so wished to submit and receive declaration data in electronic form and without compromising the confidentiality and integrity of data, would significantly increase that capability and would, at the same time, facilitate the declaration work of the Member States.

Inspections under Article VI

4.16 Inspection conduct under Article VI has been a positive experience on the whole, and cooperation by both States Parties and the chemical industry has been excellent. With the cooperation of the inspected States Parties, the OPCW has established competence in conducting industry inspections and has accomplished the inspection aims prescribed by the Convention. Member States with little or no past inspection experience under other treaties have been receiving OPCW inspections, and have contributed to the smooth functioning of the system. They have come to realise the benefits of submitting to international inspections. The chemical industry has cooperated fully with the conduct of OPCW inspections and maintains its traditional positive attitude and support for the Convention.

4.17 As with any new enterprise, of course, things can be further improved. Unresolved declaration issues caused some of the difficulties that have been encountered during inspections. The absence of an agreement in relation to risk assessment methodologies has caused other difficulties. The industry continues to change, both in terms of its
organisation and the technology and hardware it uses. Consequently, all parties involved in industry inspections will need to show flexibility.

4.18 An important aspect of the further optimisation of the verification system under Article VI is to reduce the “unit cost” of Article VI inspections; in other words, the average cost per inspection as affected by, for example, the size of an inspection team, the duration of an inspection, or the logistics involved in a particular inspection. Such reductions are possible, as the OPCW has been moving on from initial to subsequent inspections. Also, the practical experience gathered in the conduct of inspections will help to identify where costs can be reduced.

4.19 One element of the Convention’s verification system for the chemical industry, which was incorporated in the Convention as an evolutionary system, is the inspection regime for “other chemical production facilities” (OCPF) producing discrete organic chemicals. This is set out in Section C of Part IX of the Verification Annex to the Convention. Currently, the OPCW’s experience in inspecting this type of facility is limited. In accordance with the provisions of the Convention, inspections only started in the year 2000. But even with this limited experience, some preliminary conclusions for the future evolution of the OCPF inspection regime can be drawn:

(a) the Convention applies a unique weighted random-selection mechanism to these facilities: in addition to the geographical distribution of inspections, it requires the Secretariat to use for the selection relevant information on the listed plant sites that is at its disposal, and allows for States Parties to submit proposals for facilities to be inspected, on a basis yet to be agreed upon. This is a concept not unknown in other non-proliferation regimes, and can increase confidence in the verification results and in the overall deterrence effect of the regime;

(b) inspection experience, however limited, has clearly shown that there are among the vast number of declared OCPF some that are highly relevant to the object and purpose of the Convention. These facilities produce chemicals that are structurally related to certain Schedule 1 chemicals. Of particular relevance to the Convention are facilities that combine this kind of chemistry with production equipment and other hardware designed to provide high flexibility and containment. Such facilities may need few or no changes to their equipment and process configuration to be converted for CW purposes;

(c) the methodology of the OCPF inspections should be further refined. Using the existing experience from inspections at facilities involved with scheduled chemicals, there was perhaps an over-emphasis on inspection methodologies based on auditing techniques. While these tasks are important, the OPCW needs to bear in mind the primary aim of OCPF inspections – the demonstration of the absence of Schedule 1 chemicals. Inspections should thus rely on qualitative rather than quantitative tests; and

(d) finally, the number of OCPF inspections should be at a level that would provide overall confidence in the relevance of the inspections conducted. Each inspection needs to be evaluated in its own right, but for a regime to be convincing, that regime as whole needs to be convincing as well. There is no
easy way to establish exactly how many OCPF inspections would be required vis-à-vis some 4000 declared facilities to make the regime pass this test. The yardstick that matters is the confidence of the Member States that the verification results actually contribute to the assurance of compliance and to the confidence-building they need. It appears to the Director-General that the numbers achieved in recent years were simply too small.

4.20 This leads into a much broader question, not limited to Article VI – how does the Secretariat communicate verification results to the Member States? Having accepted under the Convention to forgo CW, the States Parties will, to a degree, have to rely on the integrity, competence, and effectiveness of the OPCW verification process, and on the information on verification results they are entitled to receive from the OPCW in order to be assured of the continued compliance with the Convention by other States Parties (subparagraph 2(b) of the Confidentiality Annex to the Convention).

**Transfer provisions under the CWC**

4.21 Another essential component of the Convention’s non-proliferation regime are the export control mechanisms required of Member States. These involve transfer prohibitions for Schedule 1 chemicals and, since 29 April 2002, also for Schedule 2 chemicals, and the requirement for end-use certificates issued by a competent government authority of the receiving State not party for Schedule 3 chemicals.

4.22 To implement these requirements, States Parties need to take both legislative and administrative action. As for legislative action, two surveys conducted by the Secretariat, to which 73 (questionnaire 1) and 86 (questionnaire 2) of the 151 Member States replied, showed that six years after entry into force, many Member States lack the legal power to enforce the transfer prohibitions and end-use certification requirements. It is even more difficult to assess exactly how well these provisions are administered. However, it appears that there is room for future capacity building in Member States.

4.23 This needs to be seen in context. At the same time when some Member States find it difficult to catch up with the Convention’s requirements to control their exports, the trade in chemicals is hugely increasing as a result of globalisation. Regional and bilateral arrangements for the establishment of free trade zones, customs unions, free trade arrangements and the like further, not to mention the advances in e-commerce, limit the ability of Member States to control what will eventually happen to their chemical exports.

4.24 Two related issues need to be considered in this context. Firstly, the universal adherence of all States to the Convention needs to be promoted, so as to ensure that the Member States can benefit from these developments towards free trade. Secondly, the Member States need to have confidence, not only in their own export controls, but also in the export control measures applied by other Member States to whom they transfer scheduled chemicals.

4.25 There is provision in the Convention for the States Parties to consider the need for other measures (in addition to the end-use certification) in relation to Schedule 3 chemicals to States not party. In light of the above, the Director-General is of the view
that any such need should be addressed in the wider context of the effective and full implementation of existing export control requirements. Meeting these requirements is primarily an issue of State Party responsibility, but there is also ample room for assistance and cooperation.

4.26 Effective export controls also contribute to the efforts against terrorism. The Convention’s provisions on the declaration of transfers of scheduled chemicals will not by themselves be able to address terrorist concerns – the amounts of toxic or precursor chemicals that are regulated under the Convention are well above the quantities relevant for terrorist activities. However, the Convention requires that the Member States establish and implement control systems for transfers of scheduled chemicals. These systems, combined with controls related to other chemicals in trade, will strengthen the ability of the Member States to detect and interdict illicit transfers.

**Other non-proliferation measures (including the strengthening of national capacities) to implement the Convention**

4.27 Non-proliferation measures extend beyond the specific provisions of the Convention in relation to transfers of scheduled chemicals to States not party. The Convention is based on the general undertaking not to assist, encourage, or induce anyone, in any way, to undertake activities that are prohibited to a State Party. This general obligation of all States Parties is not limited to the specific transfer prohibitions for CW under Article IV, and for scheduled chemicals under Article VI. There is, thus, a general obligation on the States Parties to prevent proliferation of CW capabilities.

4.28 This is consistent with the evolution of control regimes for sensitive materials, equipment, and technologies over the past two decades, an issue which has been discussed among States Parties. While these discussions are to an extent understandable, they should not become divisive.

4.29 The Director-General sees the review conference as an opportunity to strengthen the unity between the Member States and their common resolve for non-proliferation. This may include support for the development of adequate capabilities in all the Member States to implement these non-proliferation requirements; this could further improve trade relations and the scientific and technological cooperation between the Member States, as anticipated by the Convention.

5. **CONSULTATION, COOPERATION AND FACT-FINDING**

**Bilateral clarification provisions**

5.1 With its requirements for initial declarations, for the sharing of certain declaration data between States Parties, and its approach to bilateral clarification procedures, the Convention has an effective legal and procedural framework to address and resolve compliance concerns. This is without prejudice to other mechanisms for consultation, cooperation, and fact-finding.

5.2 The bilateral clarification procedures apparently functioned well. It may be worthwhile to consider whether both sides that have been involved in resolving issues on a bilateral basis should jointly provide the OPCW’s PMOs (especially the Council)
with relevant information as to how the issues were clarified. In any cases, the Organisation should remain ready to contribute to the resolution of any compliance questions, in accordance with the provisions of the Convention.

**Technical assistance provided by the OPCW**

5.3 Technical assistance in relation to the preparation of declarations is an important task for the Secretariat. Eight technical assistance visits have been implemented since the entry into force (one more is under preparation). Their objective has been to provide Member States with technical assessments and advice in relation to their declarable facilities, so as to enable them to submit declarations that meet the requirements of the Convention. Such technical assistance visits have proven to be of particular relevance for initial declarations.

**Clarification with the involvement of the Council**

5.4 The clarification mechanisms provided for in paragraphs 3-7 of Article IX, which deal with a variety of clarification options under the purview of the Council, have not been utilised as yet by the Member States. This could be taken as an indication that States Parties were satisfied both with how the available bilateral mechanisms functioned and with the assurances provided by the OPCW’s multilateral verification system.

**Challenge inspection**

5.5 Since entry into force, no requests for a challenge inspection have been submitted to the OPCW.

5.6 There is a common view that challenge inspection needs to be treated with responsibility and caution. There are concerns about possible abuse. At the same time, invoking a challenge inspection for the purpose of clarifying a concern about possible non-compliance is a legitimate action of a Member State, and is provided for by the Convention. A challenge inspection should, therefore, not be taken as signalling regime failure.

5.7 The Organisation needs to be able to execute a challenge inspection swiftly, professionally, and in a manner that will contribute to the resolution of any non-compliance concerns. This requires the OPCW to maintain a high degree of readiness.

5.8 Therefore, there is therefore a need for the Organisation to continue with activities aimed at maintaining the ability to conduct a challenge inspection. These include, inter alia, different forms of exercises and specialised training, the further refinement of procedures for mission support, the continued readiness for inspection planning and support, the availability of financial resources, and the continued engagement of the Council with the Secretariat in relation to matters related to a possible challenge inspection.

5.9 Exercises involving interested Member States are particularly important. Such exercises should preferably be conducted multilaterally, on a much wider geographical basis and using a variety of exercise scenarios. The Council should be
involved in such exercises and/or the evaluation of their results. This would keep the Council informed about the status of preparedness, allow it to provide guidance, and contribute to the Council’s own readiness to discharge its responsibilities, should a challenge inspection request be received.

**Investigations of alleged use**

5.10 No requests for investigations of alleged use of CW have been received by the Organisation. The OPCW continues to develop its capability to conduct such investigations.

5.11 Prompted by recent developments, it has became apparent that the OPCW needs to examine more closely the requirements and capacities needed for it to respond to requests for assistance in the case of a threat of use of CW.

5.12 Related to the OPCW’s capability to investigate allegations of CW use is its capability to deliver assistance to victims of CW. This issue will be dealt with in section 6 of this report.

6. **ASSISTANCE AND PROTECTION**

**Protection against CW – capacity building at the national level**

6.1 The Convention affirms the right of the States Parties to develop their national capabilities to protect themselves against the possible use of CW, to participate in international exchanges and cooperation in the area of protection, and to request assistance from the Organisation should they be threatened with CW. This recognises the still-existing threats associated with CW, in particular in relation to States that may have acquired CW and remain outside the Convention. There also is an increased danger that terrorists may choose to acquire CW or other toxic materials. The provisions of the Convention on assistance and protection remain an important safeguard for the States Parties, and a deterrent against possible CW use, as long as CW stockpiles remain in existence.

6.2 These rights of the States Parties are balanced by the Convention in a number of ways, one of which is the requirement, for reasons of transparency, annually to submit to the OPCW information on the national programmes for the protection against CW. A common understanding on the procedures to be applied to this requirement and the format and content of these submissions should be reached soon. Furthermore, all Member States that have such protective programmes remain under the Convention’s obligation to submit annual information on those programmes.

6.3 Some progress has been made in relation to assisting Member States with improving their protective capabilities against toxic chemicals. However, recent developments, including the increased threat that terrorists may use toxic materials, as well as the threat of CW being used in war, have underlined the limitations that the OPCW Secretariat has in relation to providing significant advice and support. To a considerable extent, the OPCW’s capacity rests with the Member States themselves. The Secretariat can act as a facilitator for bilateral or regional exchanges and
cooperation in the area of protection against toxic chemicals. It should be noted that there is synergism between such projects and a wider concept of chemical safety.

**Assistance in case of use of the threat of use of CW**

6.4 The Convention’s provisions on assistance in case of use or threat of use of chemical weapons are important safeguards for the Member States. In an operational sense, they involve the investigation of the alleged use of CW, or of alleged CW threats; the capability to help with the assessment of assistance needs; the information submission to the States Parties and the Council about assistance requests and needs; and the delivery of assistance through the OPCW in accordance with the provisions of Article X.

6.5 Some progress has been made in establishing the OPCW’s capability to investigate allegations of CW use. Training and exercises have been conducted to that end. There remain important logistical problems to be resolved, including how to provide adequate air lift capability.

6.6 Work on the OPCW’s role in coordinating the delivery of assistance remains to be completed. The subject is complex, and involves not only the potential role of the OPCW Secretariat, but also its relationship to national responding agencies and to other international organisations that would be part of an international response to a chemical attack. The Director-General considers this an important issue that, if left unresolved, could lead to duplication of efforts, hinder an effective international emergency response to CW uses, put human lives at risk, and damage the reputation of the OPCW. The facilitation process under the Council should become a priority issue, in order to reach agreement on the operational aspects of the OPCW assistance system to be put into place.

6.7 Adequate resources, either from the Secretariat or from the Member States, lie at the heart of any assistance system. At the moment, the system is almost entirely dependent on the Member States’ capacities. The Secretariat has only very limited capacity that it could bring to an assistance response. Obviously, this question is linked to the nature of the agreement between Member States on the role of the OPCW in the delivery of assistance.

6.8 There also remains a requirement for training and exercises with the involvement of Member States, as well as with other international organisations. Again, this will only be effective if there is clarity about the OPCW’s role in assistance delivery.

7. **INTERNATIONAL COOPERATION**

**International cooperation programmes**

7.1 The OPCW’s international cooperation programmes have evolved from a set of experimental projects to a more mature programme portfolio. There are three main programme directions: facilitation of scientific and technical exchanges between States Parties in relation to peaceful chemical activities; capacity building in relation to the sound management of chemicals for peaceful purposes; and capacity building directly related to the implementation of the provisions of the Convention (including
implementation support and international cooperation in the area of protection against CW).

7.2 An overall evaluation of the international cooperation programmes may now be useful in order to ensure that the programmes on offer indeed address the needs and expectations of the Member States. Furthermore, the future direction of the OPCW’s work in the area of fostering international cooperation for purposes not prohibited remains under discussion between the Member States, in the context of a possible draft decision of the Conference on the implementation of Article XI. Such a decision could help put the OPCW’s international cooperation programmes on an agreed long-term track.

7.3 OPCW international cooperation programmes should be developed in such a way that capacity building for the benefit of the Member States in areas of peaceful chemical activities is intrinsically combined with the implementation of the Convention itself. There are examples in the existing portfolio of international cooperation programmes, such as the Associate Programme, where scientific and technical exchanges and the transfer of advance experiences in chemistry and chemical technology are combined with promoting the objectives of the Convention and education about its obligations, requirements, and implementation provisions.

7.4 Partnerships with other international organisations involved in capacity building for the sound management of chemicals and with regional and sub-regional organisations should be further developed, in order to avoid duplication of efforts, to exploit synergism between the mandates and programmes of different organisations, and to increase programme effectiveness. Of particular relevance is the association with the Inter-Organisational Programme for the Sound Management of Chemicals (IOMC). The Director-General is confident of the merit of further developing the relationship with the IOMC, its constituent agencies, and its relevant working groups.

7.5 The OPCW can offer a framework for the development of cooperation projects between the States Parties in relation to chemical activities for purposes not prohibited, and assume a clearinghouse function by matching donor offers with the existing needs of Member States from the developing world. The OPCW can also facilitate cooperation between Member States that are developing countries, including on a regional or sub-regional basis. To be effective, the OPCW should further improve its links to regional and sub-regional organisations.

7.6 The direction of future international cooperation programmes should be such that these programmes make a tangible contribution to the economic and technological developments of the Member States, and at the same time contribute to their capacity to fully implement the provisions of the Convention. The Convention is not primarily a treaty on economic and technological development, and the OPCW is not a development agency. But the combination of international cooperation programmes and the Convention’s implementation requirements can offer an approach for OPCW-specific international cooperation programmes that would be attractive and meaningful, and at the same time reflect the particular character of the Convention.

7.7 Such an approach to international cooperation programmes would also further increase the appeal of the Convention for the remaining States not party. The potential
effects would be two-fold: firstly, these States may see tangible benefits in deciding to join the Convention. Secondly, these programmes would assist them in implementing their obligations, without which universality will remain a hollow idea.

**Regulations on trade**

7.8 An important aspect of the Convention is its impact on the legitimate trade between Member States. The desire for free trade is set out in the preamble of the Convention, and several of its provisions, inter alia in Article XI, deal with the promotion of chemical trade between Member States for purpose not prohibited, the need to avoid hampering the economic and technological development of the States Parties, and the need for consistency between the national export regulations applied by the Member States and the object and purpose of the Convention.

7.9 Improved trade and access to chemicals, equipment, technology, and scientific information in the field of the peaceful application of chemistry remain important Convention goals. As the implementation of the Convention in such areas as national implementation, declarations, and inspections under Article VI is being enhanced, conditions for free trade between Member States should significantly improve.

**8. FUNCTIONING OF THE OPCW**

**Policy-making organs**

8.1 The effective functioning of the PMOs and a cooperative and collegiate relationship between the PMOs and the Secretariat are essential for the implementation of the Convention, as well as for the full involvement of all Member States in the life of the OPCW. An important aspect of this and a precondition for the proper functioning of the Conference is the effective work of the Council, and the cooperation and assistance rendered to it by the Secretariat.

8.2 When the Convention entered into force, the Conference was able to adopt over 70 decisions on how specific provisions of the Convention should be implemented. These decisions were important guidelines for the States Parties as well as for the Secretariat, and greatly facilitated the implementation process.

8.3 At the same time, the Conference at its first Session received from the Preparatory Commission a catalogue of more than one hundred unresolved issues. The Conference managed to resolve several of them during its first Session, including some without which the conduct of on-site inspections would have been difficult. The Council has made some progress in resolving these, as well as newly encountered, issues. Some issues, however, remain unresolved, and this has practical, legal, and political implications. It is particularly important that those issues that have a legal “anchor” in the Convention, the so-called “Paris Resolution issues” (where the Convention’s legal framework still needs to be completed), as well as those issues that have a direct bearing on how the Convention operates, be resolved without delay. This is not to suggest that the other unresolved issues are of a lesser importance. The Director-General is ready to assist the Council and its facilitators as they seek to bring the outstanding issues to an early resolution.
8.4 In general, the Director-General wishes to reiterate the importance of a productive relationship between the Secretariat and the Council based on mutual trust, openness, cooperation, and respect. The Director-General and his staff are ready to do their utmost to contribute to a productive working relationship, and to show cooperation and transparency.

**Subsidiary bodies**

8.5 The Confidentiality Commission (CC) was established as a subsidiary body of the Conference in accordance with the provisions of the Convention, in order to consider any cases of confidentiality breaches involving both the OPCW and a State Party. It is worth noting that no such cases have to be considered since entry into force. After a special meeting, the CC has also provided advice to the Council on the OPCW’s Confidentiality Policy, and has assessed the proposals prepared by the Secretariat. Measures to ensure that the CC remains fully operational are being taken. It may also be advisable to set up a working group under the Council to provide regular advice and guidance on confidentiality issues.

8.6 The SAB has prepared a number of useful recommendations and findings since its establishment in 1998, including those contained in its report prepared especially for the First Review Conference. The substantive aspects of that report are elaborated in a Note by the Director-General to be issued separately. In the view of the Director-General, the SAB has made important contributions to the work of the OPCW. In the future, improvements can be made by providing for more interaction and feedback between the SAB and Member States (for example through technical seminars on issues under consideration by the SAB), by providing for a more systematic follow-up on SAB recommendations by the Secretariat and the Council, and by deliberations in the Council of the issues which the SAB should take up in the future.

8.7 The Advisory Board for Administrative and Financial Matters (ABAF) has made important contributions to the effective functioning of the OPCW. The Director-General considers sound and competent technical advice on financial and other administrative matters as very important for the effective work of the OPCW, and welcomes the involvement of, and advice from, experts from the Member States.

**Functioning of the Secretariat**

8.8 The Director-General is responsible for managing the Secretariat, and he attaches great importance to its working efficiently, to its being transparent in terms of its decision-making, and that its interactions with the Member States and with the PMO’s are open and cooperative.

8.9 The OPCW’s personnel policy (including the Staff Regulations and Rules, the performance management and appraisal system (PMAS) and other procedures) is important for the effective functioning of the Secretariat and for staff morale. Personnel policy also has an impact on the OPCW’s recruitment policy and reflects how attractive service in the OPCW is compared with service in other international organisations. To that end, the Director-General assures the Conference that he will
continue to be guided, inter alia, by the terms of paragraph 44 of Article VIII of the Convention.

8.10 A major element of OPCW personnel policy is the issue of tenure. The Member States have decided that the OPCW should be a non-career organisation, with a maximum tenure of seven years. The Director-General welcomes the decision by the Council on when this seven-year tenure policy should become effective, and reaffirms his intention to proceed in 2003 with implementing that decision, in accordance with the wishes of the Conference. The forthcoming Special Conference will consider the Council’s recommendations.

8.11 The OPCW’s Financial Regulations, Draft Financial Rules, and managerial practices are equally important. Work towards adopting the Draft Financial Rules should be completed without delay. The OPCW’s mechanisms for the reimbursement of CW verification costs has now been improved, inter alia by speeding up the invoicing by the Secretariat and the reimbursement payments by Member States. The situation should be monitored carefully in the future in order to ensure the financial viability of the OPCW.

8.12 The Secretariat will now begin phasing in the methodology of result-based budgeting, starting with sections of the 2004 budget. This transition will be a complex process involving the adjustment of procedures and practices, and should be complete by the submission of the draft programme and budget for 2005. The Director-General is convinced that this transition will increase the effectiveness of the work of the OPCW, enhance the transparency of the budgeting process, and improve budget controls and accountability.

8.13 A third aspect of the proper functioning of the Secretariat relates to its infrastructure, equipment, and supplies. The OPCW has developed an adequate infrastructure to support its operations. This includes a technical support structure in the form of the Rijswijk facility, which houses the OPCW Equipment Store and the OPCW’s central analytical laboratory. The OPCW can make use of resources belonging to Member States for some of its programme activities, for example in relation to involving the designated laboratories in OPCW proficiency testing, in analysing authentic samples collected during inspections, or in developing analytical methods.

8.14 One of the aspects of OPCW’s infrastructure that needs attention is the use of information technology. The Secretariat, supported by the Member States, is continuing its work aimed at the early implementation of a relational database for verification information as part of the security-critical network. This is not only a matter of the efficiency of the Secretariat’s work, but also of data integrity, improved control over access by staff to confidential information, the use of common criteria and data formats by all States Parties, the reduction of processing and other errors, and the improved provision of declaration data to States Parties in accordance with the provisions of the Convention.

8.15 The effective functioning of the Secretariat requires clear and comprehensive operating procedures that are applied in a consistent way. Such procedures and work instructions have been promulgated for a broad range of operational areas, including inter alia the handling of confidential information, the planning and conduct of the
different types of inspections, quality assurance, and the management and appraisal of staff performance. The Director-General considers it important to improve the working practices and the conduct of business when necessary. The Office of Internal Oversight will continue to contribute to that process.

**Relationship to other international organisations**

8.16 The OPCW is not in a legal sense a part of the United Nations, but its work requires a very close working relationship with the United Nations, not dissimilar to the relationship of UN-specialised agencies. Consequently, and as required by the Convention, the OPCW has entered into a relationship agreement with the United Nations. This relationship agreement provides a basis for enhanced cooperation between the OPCW and the United Nations in terms of the following: the coordination of programme activities as appropriate; the exchange of information and personnel; and other forms of cooperation. The OPCW remains particularly engaged with the bodies within the UN system that deal with disarmament and weapons of mass destruction, including the First Committee of the UN General Assembly and the UN Department for Disarmament Affairs. Given that the global efforts against terrorism are becoming increasingly focused on weapons of mass destruction and dangerous nuclear, chemical, biological, or other materials, the OPCW has also established close cooperation with the United Nation’s Counter-Terrorism Committee.

8.17 In respect to its relations to other international organisations, it would be beneficial for the OPCW to develop strategic partnerships in relation to certain programme areas (verification, international cooperation, and assistance and protection), as well as with regional organisations.

8.18 The OPCW has traditionally maintained close working contacts with the International Atomic Energy Agency and the Preparatory Commission of the Comprehensive Test Ban Treaty Organisation. The OPCW has also maintained contact with the United Nations Monitoring and Verification Commission. In the area of international cooperation and capacity building, the OPCW should further examine the potential of closer cooperation with the World Customs Organisation, the United Nations Drug Control Programme, and agencies of the Inter-Organization Programme for the Sound Management of Chemicals. In relation to assistance and protection, cooperation with the United Nations Office for the Coordination of Humanitarian Affairs, the World Food Programme, the International Committees of the Red Cross and the Red Crescent, and regional and national emergency response agencies could be useful.

8.19 Of particular importance in the coming years will be the establishment and maintenance of partnerships with regional and sub-regional organisations. These partnerships can have a two-fold impact: they can promote universal adherence to the Convention, and they can provide a framework for enhancing the quality of the implementation of the Convention by the states in the regions.

**Involvement of the chemical industry in the implementation process**

8.20 The Convention and the OPCW cannot function properly without the support and engagement of the chemical industry. This partnership reflects not only the long
involvement of the chemical industry in the negotiations of the Convention, and the industry’s involvement in its implementation, but also the nature of that involvement. Declarations and inspections under Article VI, as well as the enforcement of export controls for scheduled chemicals, require a true partnership between the OPCW, the National Authorities, and the chemical industry. This will be even more important in the future, given the high pace of technological and organisational change in the industry. The partnership with the chemical industry also extends to such areas as international cooperation and national capacity building. There is a close conceptual relationship between the industry’s Responsible Care® Programme and the objectives of the Convention, which in the future will also provide a sound basis for the relationship. The dialogue between the OPCW and chemical industry associations worldwide will continue and intensify in the future.

The OPCW and the civic society

8.21 The OPCW should further enhance its relationship to non-governmental organisations, to professional associations, to academic institutions, and to society at large. The Convention’s success will depend not only on the regulatory success of the States Parties and the effective work of the OPCW Secretariat, but also on public support, understanding, and recognition.

8.22 To fully meet the object and purpose of the Convention will in the long run require the integration of its goals and principles into professional ethics and educational curricula. Without the involvement of, and support by, the civic society, the Convention could end up in obscurity, and fail to achieve its true potential and meaning.