



OPCW

Executive Council

Seventy-Seventh Session
7 – 10 October 2014

EC-77/DEC.2
9 October 2014
Original: ENGLISH

DECISION

REDUCTION OF THE WORKING CAPITAL FUND

The Executive Council,

Noting that the Working Capital Fund (WCF) was established in 1997 in an amount and for the purposes to be determined from time to time by the Conference of the States Parties (hereinafter “the Conference”), to meet short-term liquidity problems;

Mindful of the decision of the Conference at its Ninth Session that increased the WCF to a level of EUR 9.9 million to facilitate the smooth delivery of the annual work programme and to ease the cash-flow problems created by the late payment of assessed contributions and Article IV and V invoices;

Recalling that the WCF has never been used to pay for operational activities or to fund budgetary appropriations pending the receipt of assessed contributions;

Bearing in mind that, at its Thirty-Fifth and Thirty-Sixth Sessions, the Advisory Body on Administrative and Financial Matters recommended that the level of the WCF be reduced to 6% of the total annual budget of the OPCW and that the remaining balance be used to assist in the financing of a new enterprise-resource-planning (ERP) system;

Considering the ERP strategy document distributed to States Parties under cover of a Note by the Director-General submitted to the Executive Council at its Seventy-Seventh Session (EC-77/DG.15, dated 12 September 2014); and

Considering also the Note by the Director-General entitled “Request for Withholding of the Distribution of the Cash Surplus for 2012” (EC-77/DG.16, dated 12 September 2014) relating to funding sources for the new ERP system, the related decision entitled “Withholding of the Distribution of the Cash Surplus for 2012” (EC-77/DEC.3, dated 9 October 2014), as well as the decision entitled “Implementation of an Enterprise-Resource-Planning System and Establishment of a Special Fund for This Purpose” (EC-77/DEC.1, dated 9 October 2014);



Hereby:

Recommends that the Conference at its Nineteenth Session:

1. reduce the WCF to a level of EUR 4.2 million, in accordance with Financial Regulations 6.4 and 6.5 and based on the draft Programme and Budget for 2015 (EC-77/DEC.4, dated 9 October 2014); and
2. transfer the surplus of EUR 5.7 million arising from the reduction of the WCF to an ERP special fund to be established for the purpose of implementation of a new ERP system.

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